



Best Agrolife Limited
Annual Report 2021-22



**Think Big
Think Best!**

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Forward Looking Statement

This document contains statements about expected future events, financial and operating results of Best Agrolife Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications, and risk factors referred to in the management's discussion and analysis of Best Agrolife Limited's Annual Report, FY22.

Think Big Think Best!

Best Agrolife was founded on a core principle of keeping the farmers' needs as its focal point.

Till date, the Company has remained resolute on this principle and has created products that not only help farmers solve their existing concerns, but also armor them against concerns that may arise in the future. This is what Best Agrolife stands for, it thinks big and beyond just bottom line.

The Company is a partner to farmers from across India, and is geared to raise their productivity, yield and profits. In doing so, it also enables them to adopt sustainable agricultural practices that mitigates and minimizes impact on environment.

Mr. Vimal Alawadhi
Managing Director



The years ahead look very promising for Best Agrolife. As global corporations around the world seek to diversify their supply base in an attempt to decrease their dependence on China, a significant opportunity awaits India. "

► Read more on page 14



About the Company

Resonating Innovation and Excellence

Best Agrolife Limited (BAL) is one of the fastest-growing, research-driven agrochemical company in India that operates in three business verticals - Technical, Formulations and Branded Products - with globally benchmarked manufacturing capabilities and a robust distribution network.

BAL develops highly effective agro-solutions for its clients by comprehending their needs, carefully observing the market, and closely monitoring on-field trends. The Company offers a vast array of products, including Technical, Intermediates, and novel Formulations in the form of Insecticides, Herbicides, Fungicides, Plant-Growth Regulators.

With strong R&D and innovation capabilities, the Company works towards its backward integration strategy to enhance manufacturing efficiencies and maintain cost competitiveness.

While conducting business with the utmost respect for the environment and communities BAL aims to develop solutions that enhance crop health and maximize farm output.

Our Vision

To emerge as an icon for Growth, Technology and Innovation through a research-oriented and farmer-centric approach.

To ensure constant efforts to maintain excellent employee satisfaction and a high level of Business Ethics in the quality and services delivered to our customers and associates.

To continuously explore and implement appropriate expansion plans to meet the dynamic international standards and global reach.

Our Mission

To brace agriculture by providing the 'Best' products & 'Best' business practices to stimulate and execute agriculture solutions.

To create a farmer delight through regular innovations, optimism & inspiration with our strong commitment to the health & safety of the environment.

To enhance & efficiently employ operational resources to accomplish performance excellence and continuously extend the product portfolio to ensure significant business growth.



Key Strengths



Robust R&D capabilities and chemistry skills

The strong R&D competencies and chemistry skills have enabled the Company in improving its existing products and making inroads in new areas with significant growth potential. The consistent focus on research has helped the company in achieving success and crafting its own niche in the agrochemical industry. In addition, the expertise in advanced process chemistry, manufacturing process efficiency and backward integration strategies have helped the Company in staying ahead of the curve.



State-of-the-art infrastructure

The Company has three ISO-certified state-of-the-art manufacturing facilities in Gajraula, Greater Noida and Jammu & Kashmir. The Company also has NABL accredited R&D labs which are supported by pilot plants. These facilities help the Company in developing and delivering high-quality, cost-effective crop care solutions.



Diversified clientele base

The technical competence and the ever-expanding product line of cost-effective agro solutions have enabled the company in forming long-lasting connections with multinational agrochemical corporations such as UPL, Adama, Syngenta and Gharda Chemicals amongst various others.



Strong Leadership at the helm

The team at Best Agro Limited is led by qualified and experienced promoters, key managerial personnel, and an experienced Board, all of whom possess the requisite understanding of the global agrochemical business.

600+
Employee strength

5,200+
Distributors Pan India

7,000 MTPA
Technicals manufacturing capacity

3
Manufacturing facilities

30,000 MTPA
Formulations manufacturing capacity

10,00,000+
Trusted by more than a million farmers



Manufacturing Infrastructure

Delivering Quality at Scale

A robust infrastructure is becoming increasingly valuable, especially for businesses like ours. We have fortified our manufacturing facilities by outfitting them with cutting-edge technology and skilled labour, to produce tailor made solutions to meet the requirement of our clients



50,000 sq.m. Total area in use

25,000 sq.m. Additional available area for future expansion

37,000 MTPA Aggregate annual capacity

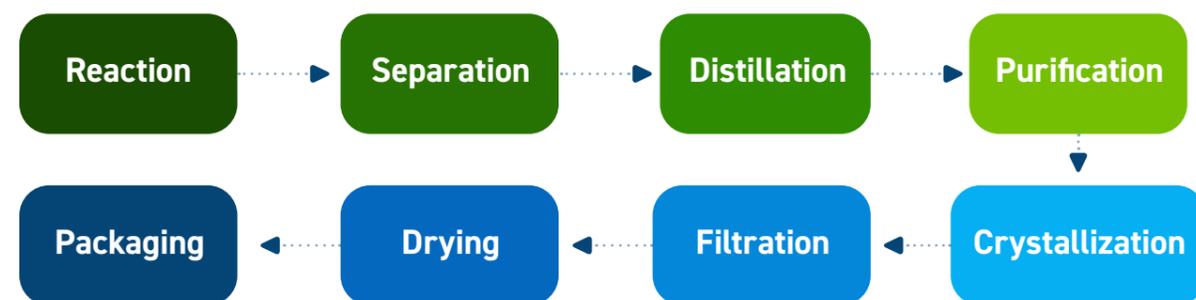
3 Manufacturing Facilities

80+ Big size reactors

The Company manufactures a wide range of products which follow their own distinct manufacturing process. However, the Company specializes in processes that mainly include the following reactions



The manufacturing process can be broadly classified into the following stages



Gajraula Unit

Equipped with both Technical and Formulation units, the Gajraula location at present is more focused towards Technical manufacturing.

5,400 sq.ft.
Advanced Formulation R&D Facility

35,000 sq.m.
Area in Use

20,000 sq.m.
Additional Available Area

Greater Noida Unit

Equipped with fully-automated Formulation plants for handling SC, SG, SE, ZC and GR, and an integrated unit for new developments. The commercial production in the Greater Noida unit commenced in Financial Year 2022. Through robust R&D and IP efforts, this unit was also granted a patent for manufacturing RONFEN, a unique 3-way insecticidal combination set to revolutionize the agrochemicals space.

9,060 sq.ft.
Advanced Formulation R&D Facility

14,200 sq.m.
Area in Use

5,000 sq.m.
Additional Available Area

Jammu & Kashmir Unit

Best Agrolife recently acquired Agrico Chemicals through a cash deal. The acquired unit is equipped with a state-of-the-art Formulation R&D facility that supports the development of niche Formulations including Herbicides.

This acquisition is envisioned to be a highly beneficial one for Best Agrolife since the acquired unit is specially dedicated to proprietary formulations such as WG, SC, and EC. Further adding to the Company's Formulation capacity by 3,000 KL/MT per annum, and with a potential to generate an additional ~ ₹ 150 crores per annum for the Company.

3,000 KL/MT
Formulation Capacity

Research and Development

Unwavering Focus on Innovation and Quality

Supporting Best Agrolife's manufacturing facilities are its superior R&D facilities at the Company's Gajraula unit, which enable development of quality and sustainable molecules. The Company also has an R&D Center at its Greater Noida unit for development of new Formulation molecules and has a fully operational pilot plant as well.

Apart from product development, the facility also works towards process enhancements that lead to cost savings and efficiencies for the Company. Best Agrolife is proud to be a 'Make in India' Company, facilitating indigenous development and production of agrochemicals, supported by pilot plants and accredited labs that perform at par with their global counterparts.

Our R&D team consists of experienced and qualified professionals. They are adept at using various essential analytical and experimental tools, and their expertise ensures smooth management of our R&D operations. Our R&D team is responsible for initial development of product, after which they hand over the process to the manufacturing team.



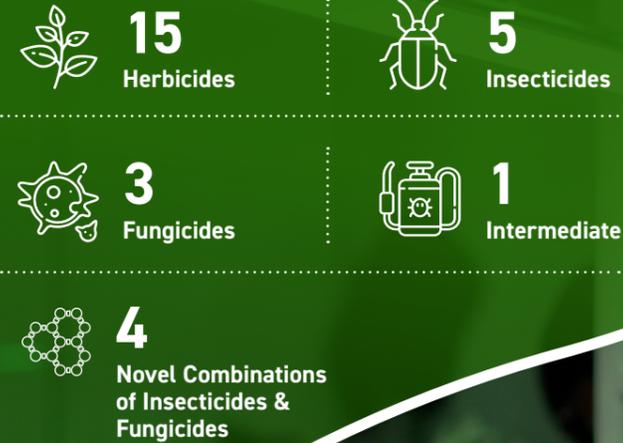
Key areas of research

- ▶ Product development
- ▶ Process enhancement
- ▶ Process development for new products
- ▶ New application for existing products

Quality Control and Assurance

Best Agrolife's state-of-the-art laboratory is fully equipped with the cutting-edge quality control and analysis tools that enable stringent quality checks at each production stage. The Company's strict adherence to its quality standards has enabled it to build a name for itself, as it delivers best-in-quality products. Quality testing is done at each stage of material receipt and various stages of the manufacturing process. The Company is compliant with quality control in accordance with the ISO 9001:2015 and ISO 14001:2015 standards and its labs are NABL accredited.

New Product Development

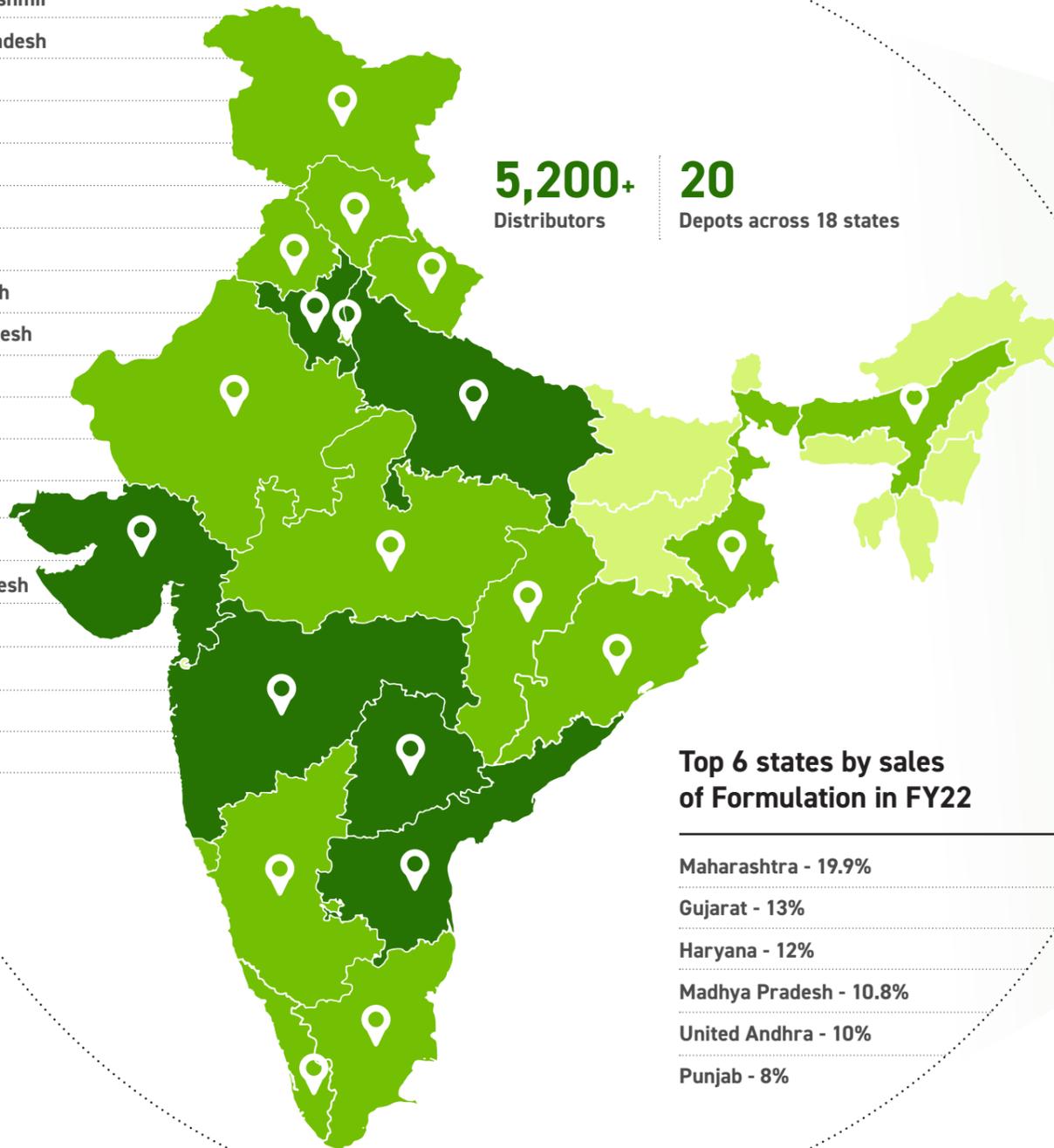


Growing Presence

Expanding Prominence Across Geographies

Presence in states

- Jammu & Kashmir
- Himachal Pradesh
- Punjab
- Haryana
- Delhi
- Rajasthan
- Gujarat
- Uttar Pradesh
- Madhya Pradesh
- Chattisgarh
- West Bengal
- Maharashtra
- Karnataka
- Tamil Nadu
- Andhra Pradesh
- Telangana
- Odisha
- Uttarakhand
- Kerala
- Assam



Top 6 states by sales of Formulation in FY22

- Maharashtra - 19.9%
- Gujarat - 13%
- Haryana - 12%
- Madhya Pradesh - 10.8%
- United Andhra - 10%
- Punjab - 8%

Broadening our business horizons

Market Research and Analysis
Off Patent Molecules
R&D and IP creation

Key initiatives taken by the Company to enter the exports markets

Customer Selection

Registration Process

Product Execution in Market

- | | |
|------------|---------|
| Bangladesh | Russia |
| Indonesia | Taiwan |
| Iran | Turkey |
| Jordan | U.A.E |
| Lebanon | Vietnam |
| Qatar | Yemen |



Argentina
Brazil

Hungary

- | | |
|------------------------------|--------------|
| Democratic Republic of Congo | Nigeria |
| Egypt | South Africa |
| Ethiopia | Sudan |
| Ghana | Tanzania |
| Madagascar | Tunisia |
| Malawi | Zambia |
| Mozambique | Zimbabwe |

Product Portfolio

Adding Value to Life Everyday

The Company believes that its customer's success fuels its success. The Company strives to understand its client's needs and tailors products to meet their requirements.

BAL uses its expertise, knowledge, and R&D capabilities to optimize processes and provide cost-effective solutions that maximize customer satisfaction and success. With an unwavering focus on extending and bolstering its product offering, the Company is confident that it will continue to drive higher value for its customers and other stakeholders.

PRODUCT CAPABILITIES

Technicals

Insecticides

| | |
|--------------|---------------|
| Thiamethoxam | Dinotefuran |
| Emamectin | Diafenthiuron |
| Lambda | Pymetrozine |
| Bifenthrin | Spiromesifen |

Herbicides

| | |
|--------------|-------------|
| Metribuzin | Clodinafop |
| Penoxsulam | Quizalofop |
| Imazethapyr | Tembotrione |
| Pretilachlor | |

Fungicides

| | |
|----------------|-----------------|
| Difenoconazole | Pyraclostrobin |
| Thiophanate | Trifloxystrobin |
| Azoxystrobin | |

Plant Growth Regulators

Paclobutrazol

Formulations

| |
|---|
| Dinotefuran 20% SG |
| Imidacloprid 70% WG Pymetrozine 50% |
| Thiamethoxam 12.6% + Lambda 9.5% ZC |
| Pyriproxyfen 8% + Dinotefuran 5% + Diafenthiuron 18% SC |
| Dinotefuran 15% + Pymetrozine 45% WG |
| Azoxystrobin 2.5% + Thiophanate Methyl 11.25% + Thiamethoxam 25% FS |
| Fipronil 7% + Hexythiazox 2% SC |
| Thiamethoxam 0.9% + Fipronil 0.2% GR |

Herbicides

| |
|--|
| Glufosinate Ammonium 13.5% SL |
| Tembotrione 34.4% SC Penoxsulam 2.67% OD |
| Penoxsulam 0.97% + Butachlor 38.8% SE |

Fungicides

| |
|--|
| Pyraclostrobin Thiafluzamide 24% |
| Azoxystrobin 11% + Tebuconazole 18.3% SC |

Plant Growth Regulators

Ethephon | Paclobutrazol

New Patent Products Development

| |
|--|
| Ronfen Spiromesifen 22.9% SC |
| Tembotrione 34.4% SC Penoxsulam 2.67% OD |




DIRON
Dinotefuran 20% WG



PYMAX
Pymetrozine 50% WG



MASTERY
Novaluron 5.25% + Emamectin Benzoate 0.9% W/W SC



BESTLINE
Pyraclostrobin 20% WG



DONGLE
Paclobutrazol 40% SC



PACLOK
Paclobutrazol 23 SC



Q-FOP
Quizalofop-Ethyl 10% EC



IRMA
Emamectin Benzoate 5% SG



ZODIO
Azoxystrobin 18.2% + Difenoconazole 11.4% SC



BYJU
Bispyribac sodium 10% sc

Intermediates*

| | |
|---------|------------------|
| 4,6 DCP | 3C Aldehyde |
| Oxirane | 1,2,4 Triazinone |

Intermediates manufactured by the Company are for own captive consumption for manufacturing various technicals and formulations

Customers we serve



Product Portfolio

Number of product registrations held by Best Agrolife

396+

Formulations registered for manufacture and sale in India

67

Formulations registered for manufacture and sale in the export markets

91+

Technicals registered in India

130

Technicals registered for manufacture and sale in the export markets

Number of product registrations through international distribution partners for exports

13

Formulations registered in countries across the world

24

Formulations filed and pending approval in countries across the world

New Products Launched

Best Agrolife's new products provide multiple benefits to the customers including cost-effectiveness, reduced number of spray rounds per crop cycle and are eco-friendly and act as a one-shot solution for pest complexes.



TOMBO

A new generation corn herbicide, Tembotrione, shows a fast efficacy in control of weeds. It is a post-emergence herbicide that dissipates rapidly in the environment that causes any crop phytotoxicity. It has a low application rate per hectare therefore posing almost zero environmental risk.



RONFEN

A first of its kind ternary insecticidal combination, Ronfen is a single shot solution that controls all sucking pests in various crops like cotton, chilly, vegetables, and many other segments. Ronfen covers the composition of Pyriproxyfen 8%, Diafenthiuron 18%, and Dinotefuran 5% in a unique suspension concentrate formulation.



AXEMAN

AxeMan (Dinotefuran 15% + Pymetrozine 45% WG), with its dual mode of action, helps protect the rice crop from the devastating pest BPH which develops high resistance against all agrochemicals. AxeMan provides healthy and vibrant tillers at the reproductive stage and helps in the long-duration control and resistance management of BPH in paddy.



WARDEN

This is a ternary combination of two fungicides and one insecticide (Azoxystrobin 45% + Thiophanate Methyl 11.25% + Thiamethoxam 25% FS). It acts as a systemic fungicide and insecticide that provides effective seed treatment and can prevent pest and disease infestation for up to a long time, if appropriately treated.



REVEAL

A new generation systemic insecticide and acaricide; Reveal (Spiromesifen Technical) controls red spider, mite in brinjal, whitefly and mite in cotton, European red mite and spider mite in apple, chilli and okra, yellow mite in chilli etc. Reveal is an effective tool for Insect Resistance Management (IRM) as it is strong against insects but protects natural insect enemies.

Upcoming products

The Company has been granted a 20-year patent for its Herbicidal Composition (Haloxypyr + Imazethapyr + Chlorimuron), which is a prominent one-shot treatment for an important crop such as soybean. The Company intends to distribute this product throughout India under the brand name "Shot Down." With this patent, the Company intends to increase sales in India and other soybean-producing countries, as the demand for this product is very high.

Chairman's Communique

Building a Sustainable Future



Dear Shareholders,

It has been an eventful year for Best Agrolife, and I take this opportunity to thank all of you and my dear colleagues for your unwavering support at every turn of our journey during the year. Together, we have endured one of the most difficult phases of the pandemic and I hope you and your family members are healthy and safe.

During the year we achieved a milestone of ₹ 1210.8 crore topline despite challenges from various fronts. Our business delivered robust growth resulting from strong emphasis on execution. The year saw surging input costs and supply side constraints. However we mitigated the situation through improved product mix and cost optimisation initiatives resulting in record high profitability and margins. FY22 has reinforced our confidence in our business model and strategic direction. The strong results are a testimony to our superior innovation and execution capabilities.

We are further strengthening the organisation by retaining and hiring the best in class talent. In addition, we have been investing in our human capital and focusing on building a future-ready team aligned to the long-term organisational goals.

Beyond our commitments to our customers and team members, we also believe that long-term success means being socially and environmentally responsible. During the year, we made significant progress in our mission to support and empower the underprivileged by undertaking initiatives to provide healthcare, education, and infrastructure. We also remained steadfast on our ESG priorities by ensuring efficient use of resources and taking necessary steps to reduce our carbon footprint.

As I look towards a buoyant future, I would like to end with a note of thanks for all our stakeholders, especially our employees. The dedication of our people, including the support from the government, our business partners, investors, communities and all other stakeholders, have turned this challenging year into a fulfilling and fruitful one for us. I remain grateful to your continued faith in our Company and look forward to an exciting, productive and sustainable FY23.

Best Regards,

Mr Braj Kishore Prasad
Chairman and Independent Director



Our business delivered robust growth resulting from strong emphasis on execution. The year saw surging input costs and supply side constraints, however we mitigated the situation through improved product mix and cost optimisation initiatives resulting in record high profitability and margins. FY22 has reinforced our confidence in our business model and strategic direction. The strong results are a testimony to our superior innovation and execution capabilities."

Message from the Managing Director

Progressing on the Path of Excellence



Dear Shareholders,

It gives me immense pleasure to present the annual review of FY22 to you.

I begin the message with the hope that this finds you and your loved ones safe and healthy. The world has finally started to gain respite from the pandemic, and we see the light at the end of the tunnel. The relentless commitment and dedication of every member of the Best Agro family helped our business navigate through the many challenges of the past year. Even while we maneuvered the challenges, our focus remained steadfast on the health and safety of our people and the adoption of appropriate COVID-19 protocols across locations. The Company encouraged all the employees to get vaccinated and to leverage the vaccination drives initiated by Best Agrolife.

The Company's sharp focus on innovation and customer-centricity has started paying off and is resulting in robust operational and financial performance. For FY22, our revenue stood at 1210.8 crores, up 34% - a reflection of strong growth resulting from the disciplined execution of our plans. Despite the headwinds due to supply-side challenges, we grew all dimensions of our business and delivered an EBITDA of 165.8 crores, recording a growth of 224% over the previous year. The net profit grew by 183% from 16.8 crores in FY21 to 45.9 crores in FY22. The consolidation of the subsidiary Company and the start of commercial production at the new formulation unit aided the strong growth in profitability.

To leverage the evolving market trends and innovative solutions for catering to the need of specific clients, your Company continued to strategically invest in R&D. As a knowledge-driven Company, we constantly strive to incorporate new practices and processes into our business to reduce cost and environmental load and enhancement of safety.

As global corporations seek to diversify their supply chain to decrease dependence on China, a significant opportunity awaits India. With its integrated value chain, diversified product mix, strong technical capabilities, and cost-efficient and sustainable operations, BAL is well equipped to capitalize on this burgeoning market opportunity.



To drive future growth, we will intensify our focus and investments towards increasing our manufacturing capacities, product portfolio expansion, and digital initiatives. We will also intensify our marketing investments to improve the reach and visibility of our products and continue to execute our strategy of constantly delivering industry-leading growth.

Moving ahead with expanding our existing business, we sealed with the acquisition of Agrico Chemicals. In addition, we consolidated Best Crop Science Private Limited and Seedlings India as wholly owned subsidiaries. These developments gave the desired push to the formulation segment and helped increase the branded business significantly. Furthermore, the Company has already started exporting to more than 15 countries to expand its global footprint.

In addition, we intend to launch our branded products in other countries directly, which should help increase our global presence and branded business. During the year, the Company launched Ronfen, a first-of-its-kind proprietary ternary insecticide, and four other new products, namely Axeman, Warden, Reveal, and Tombo.

We were granted 2 patents for our innovative product during the year.

“A Synergistic Insecticidal Composition Comprising of Bioactive Amount of Difenthiuron and Pyriproxyfen.”

“A Synergistic Herbicidal Composition Comprising Imidazolinone, Sulfonylurea and Aryloxyphenoxy Propionate Herbicide”

We also received a number of registrations for indigenous manufacturing of technicals like Spiromesifen, Trifloxystrobin, Pyriproxyfen Sodium, and Tembotrione.

At Best Agrolife, we are very excited about the opportunities the economy and sector behold. The future is green, and we look forward to operating with agility and resilience in response to the evolving economic scenario. To drive future growth, we will intensify our focus and investments towards increasing our manufacturing capacities, product portfolio expansion, and digital initiatives. We will also intensify our marketing investments to improve the reach and visibility of our products and continue to execute our strategy of constantly delivering industry-leading growth, enhancing sustainability, and building a best-in-class team of professionals.

It also gives me pleasure to welcome Mr. Pramod Narayan Karlekar as the Managing Director of Best Crop Science Private Limited. A Chemical Engineer by profession Mr. Karlekar has a diverse and rich professional background. Under his leadership, I am confident our Company will reach newer heights.



We were granted 2 patents for our innovative product during the year.

“A Synergistic Insecticidal Composition Comprising of Bioactive Amount of Difenthiuron and Pyriproxyfen.”

“A Synergistic Herbicidal Composition Comprising Imidazolinone, Sulfonylurea and Aryloxyphenoxy Propionate Herbicide”

We are proud of our association with the Indian farming community and salute the spirit as well as the conscientious and tireless efforts of millions of Indian farmers who continue to ensure India's food security.

As I conclude, I would like to convey my heartfelt gratitude to all our people and our stakeholders for creating a positive impact and for their continuous support and encouragement.

Best Regards

Mr Vimal Alawadhi
Managing Director

Business Model

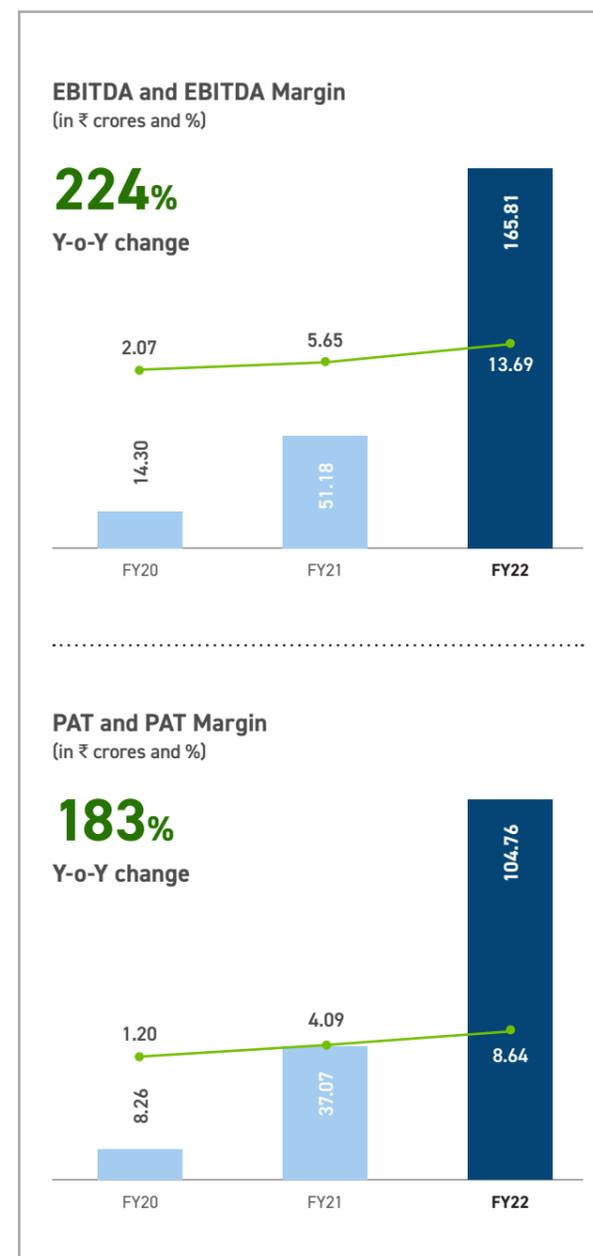
Our Approach to Long-term Value Creation

| Inputs | Our Activities | Value we Create | Outcomes |
|--|--|---|---|
| <p>Financial Prudence Funding obtained from providers of capital deployed in business operations enabling the Company to expand product portfolio, technical capabilities, manufacturing capacities and geographic reach</p> <p>Wide reach The Company has an extensive footprint across most states in the country and enjoys long standing relationships with distributors</p> <p>Skilled workforce The Company has a highly skilled diverse and effective workforce that drives overall organisational goals and provides a competitive edge</p> | <p>Our Business</p> <p>Branded Products</p>  <p>Formulations</p>  <p>Technicals</p> | <p>Raw Materials</p> <p>↓</p> <p>Processing</p> <p>↓</p> <p>Packaging</p> <p>↓</p> <p>Distribution</p> <p>↓</p> <p>Sales and Marketing</p> | <p>34% Growth in sales</p> <p>224% Growth in EBITDA</p> <p>183% Growth in PAT</p> <p>Value for shareholders Delivering Sustainable and profitable growth for our investors with unwavering focus on operational excellence and cost discipline</p> <p>28 New products under pipeline</p> <p>Value for Customers Offering our customers, a wide spectrum of quality and cost-effective solutions across various segments</p> <p>Process optimisation</p> <p>Highly trained and motivated workforce</p> <p>Value for Employees Offering a safe and conducive work environment for our people to grow and pursue their ambitions</p> <p>Well defined career progression path</p> <p>Positively impacted lives of communities around us</p> <p>Value for environment communities Proactive approach to minimise our environmental footprint with the commitment of growing together with our communities and playing a larger role for society</p> <p>Reduced carbon footprint</p> <p>Social license to operate</p> |
| <p>Manufacturing Excellence Our state-of-the-art integrated manufacturing facilities focused on excellence and efficiency ensures high quality products</p> <p>Intellectual Strengths One of the Company's competitive advantages is the science and technology behind its products and manufacturing processes. The Company uses these industry leading capabilities to deliver sustainable solutions to its clients</p> | <p>Strategic Focus Areas</p> <ul style="list-style-type: none"> Strengthen distribution network reach Expand reach to newer geographies Enhance capacities to cater to growing domestic and global demand Maintain high safety standards and compliances Investments in R&D to add new products to our offerings | | |

Key Performance Indicators

Maintaining Strong Business Performance

Best Agrolife has witnessed growth and momentum that has fuelled the passion of the Company to innovate, differentiate and create superior quality products that truly make an impact.



Going by the mantra, of putting in hard work and intelligence to drive profitability, has worked in the best interest of the Company. Through sheer grit and resilience, the Company has not only made a mark in the industry, but it has also created a lasting impression on its customers who seek Best Agrolife's solutions to grow their respective businesses. While the Company's evidence of success is embedded in its financial performance, it is the Company's values and passion that truly enable it to become an unparalleled name in the industry.

Board of Directors

Leading with Experience and Foresight



Mr Braj Kishore Prasad
Chairman and Independent Director

Mr Prasad, a retired IAS officer holds a Double Masters' degree in Botany and Administrative Science & Development Problems from the University of York, United Kingdom. During his long career spanning 38 years, he held several key positions such as Collector of Salem, Director of Industries, Special/ Secretary of Home & Prohibition Excise Department, Tamil Nadu. As in-charge of disaster management in the Ministry of Home Affairs, he effectively supervised various disaster management and relief activities at the national level. He has closely worked with NDRF, Defence, and Navy in planning and implementing key strategies to tackle natural disasters in the country.

Mr. Prasad being a bold and upright officer, is respected for his strong moral character. His critical thinking and problem-solving skills helped him excel in each assignment as an administrator.

He also held various important and sensitive assignment in Government of India and was a member of Supreme Court appointed committee to enquire into the matter related to ISRO - espionage case.

C A N R S



Mr Vimal Alawadhi
Managing Director

Mr Vimal holds a Bachelors' degree in Agriculture from Kurukshetra University. With over 20 years of rich experience in the agrochemicals industry, Mr. Vimal has performed a crucial role and his contributions towards the Company's exponential growth have been monumental. He is a highly motivated and passionate entrepreneur. With a vibrant personality and exceptional business acumen, Mr. Vimal is among the young, dynamic leaders in the industry. His decision-making skills, determination, problem-solving school of thought, have turned him into a true visionary. Under his leadership, the Company has featured among the "Top 15 Indian Agrochemical companies in India", and has also been featured in the Forbes India magazine under "Global Indian Brands and Leaders."



Mr Raajan Ailawadhi
Whole-Time Director

Mr Raajan holds a Bachelor degree in Agricultural (H) from Haryana Agricultural University, and a Diploma in Agri-Business Management from DBS, Dehradun. With a rich experience of over 18 years, he has been instrumental in stimulating growth and achieving scale for the Company. He aims to optimize the full potential in the industry to make a positive impact and uplift the farmer's community across the globe. He is a man of few words who strongly believe in actions. Often referred to as "The Brainiac" his dedication, leadership, determination and high team spirit has directly helped Best Agrolife to expand its business and register strong growth in the last few years.

On behalf of various associations, he has presented the role of "Indian Agrochemicals Companies in regularly educating the Farmers on Integrated Pest Management Practices" before Ministry of Agriculture & Farmer Welfare.

Board Committees

A: Audit Committee | N: Nomination and remuneration committee | S: Stakeholder Relationship Committee | R: Risk Management Committee | C: Corporate Social Responsibility Committee
● Chairperson ● Member



Ms Isha Luthra
Whole-Time Director

Ms Isha Luthra holds a degree of Bachelors in Arts from Delhi University. With more than 10 years of experience, she has closely helped the team to upskill their technical know-how and bring positive changes in the organization by increasing process efficiencies. Being an integral part of the Company, she holds the Company's value of making every farmer prosperous close to her heart. With time, she has evolved as a leader and understands the nitty-gritty of the business well. She loves to initiate technological advancements in the organization, takes a keen interest in helping the team in domestic and global license work, product registrations, and closely monitors smooth administration in day-to-day life at work.



Mr Shuvendu Kumar Satpathy
Non-Executive Director

Mr Satpathy holds a B.SC degree in Agriculture from the renowned Orissa University of Agriculture & Technology, Bhubaneswar. He also holds CAIIB (Certified Associate of Indian Institute of Bankers) certification in Finance from the Indian Institute of Banking & Finance. With over 33 years of rich experience in the banking and agrochemical industry, he is known as a good analyst for problem-solving and decision-making skills. He was associated with Punjab National Bank for 22 years and has closely worked on the growth model of the bank. He is majorly involved in the administration, and banking operations of the company which includes overlooking of company's finance portfolio, CMA data, projections and liaising with banking & other officials. A strong influencer and a persuasive communicator Mr. Satpathy is good in implementing system and team-building.

S A N R C



Mrs Chetna
Independent Director

Mrs Chetna is an associate member of The Institute of Company Secretaries of India (ICSI), and also holds a law degree from Jaipur College of law. She has been awarded a crash course certificate of National Company Law Tribunal from ICSI. With over 5 years of experience in Corporate Laws, SEBI Compliances, Financial Management, Accounts and Taxations, Mrs Chetna is a valuable addition to the Company's board. She is presently associated with Prosper Housing Finance Limited, Esquire Money Guarantees Limited and Advik Capital Limited as an Independent Director.

A N R S C

Leadership Team

Steering Towards Success

Mr Pramod Narayan Karlekar

Managing Director;
Best Crop Science
Private Limited

A Chemical Engineer from UDCT- one of the top Indian Institute for Chemical Technology and a Management Graduate from Mumbai University, Mr. Karlekar has a diverse and rich professional background. He has been associated at the apex level with many reputed organizations such as Davy Powergas India, Rallis India Limited; Atul Limited; Deepak Nitrite Limited., Cheminova India Limited. He promoted Sudarshan Farm Chemicals India Private Limited in 2018 with a view to develop chemical technologies for products not being manufactured by anyone in India thus far and assumed the position of its CMD. While fulfilling his responsibilities for various commercial assignments mentioned above, he has also contributed to the cause of industry in the capacity of Director on the board of CropLife Asia and CropLife Africa- Middle East and also as Director on Crop Care Federation of India for over last two decades.

Mr Atul Garg

Chief Financial Officer

Mr Garg is a qualified Chartered Accountant with more than 15 years of experience in finance & taxation, MIS, transactions reporting, auditing and taxation. He has a proven track record of enhancing operations and maintaining continuous profitability through internal & cost controls and productivity enhancements. Presently, he is handling all the Company's financial transactions and also been instrumental in establishing and sustaining relationships with various stakeholders.

Mr Sara Narsaiah

National Marketing Head

Mr Narsaiah is a result-driven, enthusiastic and creative sales & marketing professional with over 30 years of demonstrated record in organisational growth and revenue enhancement. In his past experience, he has been associated with Bayer Crop Science, one of the leading agrochemical companies for 28 years.

With a diverse and rich professional background, Mr. Sara's strength comprises of business strategy, sales and marketing, product & portfolio management, brand building, market research & analysis, partnership development, client relationship management, people management, training of internal & external field team.

His vision is to market the presence of the Company Pan-India and take the product development platform of the Company to new heights by leveraging his extensive experience in sales, marketing development, and channel servicing, combined with his innate interpersonal and analytical skills.

Mr Ajit Gujral

Head of Institutional
Business

Mr Gujral is a postgraduate in Agronomy from Haryana Agricultural University (HAU). He started his career with a premier organization, Hoechst India, in 1984. With more than 35 years of rich and multifaceted experience Mr Gujral has a profound understanding of the market and customer needs. He has played a significant role in the global product strategy and international expansion of Best Agrolife, as the company expands its footprint into new regions. He has also performed leadership duties for major corporations' domestic operations, including Gharda Chemicals, Sumitomo Chemicals, and GSP Crop Science.

Mr Suresh V Sutar

Head R & D

Mr Suresh V Sutar is a dynamic professional with more than 22 years of experience in R&D and new products and process development in Agrochemicals, its Intermediates, Biocides, Veterinary & Surfactant. A postgraduate in Organic Chemistry from North Maharashtra University, Mr Sutar comes with an experience in different areas such as process development of a new product, process improvement, cost reduction of existing process/product, plant support & troubleshooting. He also has wide experience in technology transfer of new product to lab & pilot plant and final commercialization in the plant. He was previously associated with Viswaat Chemicals Limited as an R&D Head.

Mr Deepak Patel

Head Formulations

Mr Deepak Patel holds Master's in Chemistry and Diploma in Business Management. He has an extensive work experience of 35 years with leading pharmaceuticals and Agrochemicals companies. He is skilled in Product and Process Development, Operations with CGMP environment, planning and control, outsourcing EHS, documentation, coordination with QA and procurement. As a team player, he thrives in highly pressurized and challenging working environments. In his past assignments, he has worked as a Scientist Formulation Development at Koru Lifescience Limited, Auckland, New Zealand. He was also associated with other renowned names like Ramco Pharma, Unique Pharmaceuticals Limited., Medicap Limited, FMC India Limited previously known as Cheminova India Limited.

Mr Davinder Dogra

President Finance &
Accounts

Mr Davinder Dogra is a qualified Chartered Accountant & B.Com (H) with more than 24 years of post-qualification experience in the field of planning, treasury, governance and compliance, controlling, financial accounting, and taxation. Having worked for large multinational corporations & leading Indian Companies Mr Dogra has an extensive & multi-sectoral experience. In his last assignment, he had played a leadership role and was CFO of a leading FMCG Company.

Ms Astha Wahi

Company Secretary and
Compliance Officer

Ms Astha Wahi is a qualified Company Secretary & Law Graduate with more than 9 Years of experience in Company Secretarial and legal functions, including corporate affairs and governance. She has exposure in carrying out efficient administration of a company, particularly in terms of ensuring compliance with statutory and regulatory requirements and ensuring that decisions of the board of directors are implemented. Ms Astha has an ability to ensure that a company complies and operates in accordance with statutory and legal provisions.

Risk Mitigation

Strengthening Our Safeguards

The Company's long term success depends on its understanding of the overall business environment, and the risk and opportunities that may impact its operations. BAL has a robust mechanism for evaluating and mitigating risks, allowing it to generate enduring value for its stakeholders and meeting their expectations.

| Risk Type | Risks | Mitigation strategies |
|--|--|---|
| Economic  | The Company is dependent on the Indian economy for growth. It is also dependent on regional, domestic as well as international market conditions significantly. | The Company has effectively diversified its product sales mix to include multiple geographies, thus reducing dependency on any specific economy or market. The Company also engages with its customers regularly to develop products with advance chemistry to cater to their specific needs. |
| Regulatory  | Obtaining, renewing and maintaining statutory and regulatory permits, licenses and approvals for smooth business operations can be a cumbersome process. Moreover, there exists a strong dependency on the Indian government's regulations and policies. | The Company ensures that it applies for approvals well within time, and it is also compliant with all the Indian corporate governance requirements. While drastic policy changes may impact the Company, it regularly revisits its framework to effectively plan for such policy changes. |
| Raw Material  | Maintaining a steady and abundant flow of raw materials is essential, as it determines the cost of production, profitability and competitiveness of the Company. | The Company consistently makes attempts to broaden its procurement base to de-risk itself from supply issues. Till date, the Company has not faced any major disruption in supply of raw material, and neither have there been any material disputes with the suppliers in the past. Moreover, being backward integrated also helps the Company mitigate this risk significantly. |

| Risk Type | Risks | Mitigation strategies |
|---|---|--|
| Client  | A sizable contribution to the revenue is dependent on a limited number of clients, and the loss of such clients, whether due to weakened economic environment, adverse market conditions or any client specific circumstance may materially and adversely impact the Company. | Best Agrolife's superior quality products differentiate it from its peers, and further, its niche advanced chemistry is one of a kind too. Since its inception, the Company has worked hard to establish long-term associations with its marquee customers. Going forward, it will broaden its customer base and enhance its geographic footprint to reduce dependency on top customers. |
| Dependence on Key Personnel  | Dependence on the Promoters, Directors, Senior Management, Key Managerial Personnel including Business Heads for strategic direction and day-to-day management of the business operations. | Best Agrolife invests in the professional growth of such personnel, and enables them to lead autonomously. Further, the Company has a track record of employee retention, with some of them having been with the Company since its inception. |
| Foreign Exchange  | Export sales generate income for the Company in foreign currency, and any appreciation or depreciation of the Indian Rupee against foreign currencies can impact it severely. | Best Agrolife is abreast of the foreign exchange differences, and it plans to selectively hedge itself to minimize such risks in the future, when export sales pick up for the Company. |
| Competition  | The agrochemical industry comprises many players. The inability to meet the cost and product demand of customers could result in customer attrition. | We maintain strong relationships and regular engagement with our customers to understand their needs and deliver on them through our robust R&D. We provide a high value proposition to customers through quality products, competitive prices and by meeting their evolving needs. Our compliance to global environment norms further enhances our reputation as a preferred partner. More than 60% of our business is from repeat customers. |
| Quality  | A drop in the quality of our products may have an impact on our relationship with current customers and jeopardise the trust we have earned over the years. It may also have a negative impact on any new business opportunities that we may wish to pursue. | To maintain superior product quality, the company invests continuously in improving its quality control processes and ensuring strict adherence to SOPs. The modern manufacturing infrastructure and testing equipment, combined with an experienced quality control team, allow for optimal product quality to be maintained. |

Corporate Social Responsibility

Growing With Our Communities



We value non-economic contributions just as much as financial results when assessing our success. Profitability, for us, is also measured by the extent to which our work improves the lives of those who are less fortunate. We aim to serve humanity in several ways and make the lives of the weaker and underprivileged sections of society more sustainable.

At Best Agrolife, we look to develop mutually beneficial partnerships with our communities and collaborate with various institutions to serve their needs.

₹ 47.25 Lacs
CSR Spend for FY22

During the year, we undertook the following activities:

 Supporting healthcare and education initiatives for the children of leprosy patients

 Creating infrastructure for animal care

 Restoring biodiversity by undertaking planting initiatives

 Healthcare support by facilitating necessary equipment

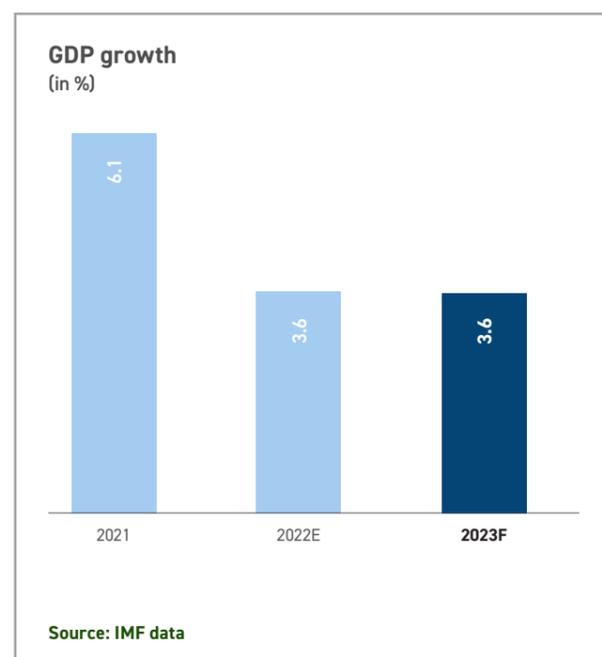


Management Discussion and Analysis

Economic Overview

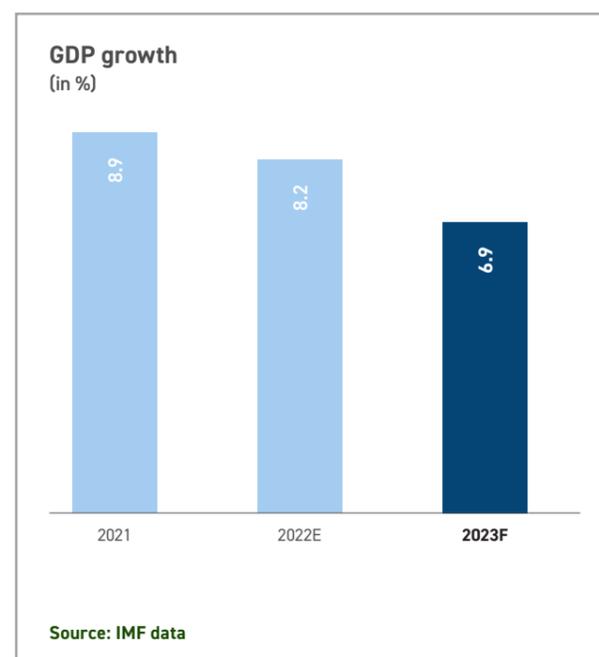
Global Economy

The global economy has been going through a rough patch ever since the advent of the pandemic. It bounced back from the COVID-19 crisis and grew at a rate of 6.1% in 2021. However, the European upheaval with the Ukraine crisis has yet again tampered with global growth. The uncertainties continue to follow because of record high inflation and repetitive COVID-19 virus attacks in multiple regions. The global growth is expected to remain relatively slow at 3.6% in 2022 and is projected to continue that pace over 2023-24. This is mainly because of the Ukrainian war, which has disrupted economic activity, investment and trade in the near term, coupled with pent-up demand fading away and fiscal and monetary policy accommodation being withdrawn. In effect, what is being witnessed worldwide, such as the war crisis, lockdowns in China, disruption in supply chain and high input costs, severely hinder the growth in the short and medium term. The IMF has released its conservative estimates, keeping the uncertainties in mind, that project advanced economies to grow at a rate of 2.4% and emerging economies at 3.4% in 2022. However, what is interesting to note is that Asia-Pacific is still estimated to grow much faster than the rest of the world.



Indian Economy

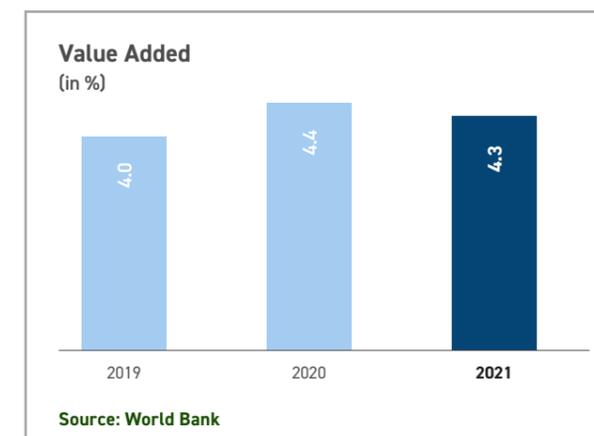
The Indian economy reported a strong comeback and a fast recovery from the COVID-19 crisis and recorded a growth of 8.9% in 2021. However, with the global economy in disarray, India, too was impacted. Right when the Indian economy was at the cusp of witnessing green shoots of recovery after its pandemic-induced health crisis, despite uncertainties associated with subsequent waves of the virus and rising global inflationary pressures, the Russia-Ukraine war escalated. This led to a consequent sharp rise in commodity prices, including oil and food. The Indian government was prompt to take action against inflation, and even though the short term is turbulent, the impact on the long-term outlook remains marginal. The moves that the government made which solidified the Indian economy's stance are its rampant Production Linked Incentive (PLI) schemes, growing infrastructure spending and rapid technological transformation. Furthermore, the IMF has stated that India is expected to be the fastest growing economy in the next decade, and has further estimated the economy to grow at a rate of 8.2% in 2022, followed by 6.9% in 2023.



Global Agriculture

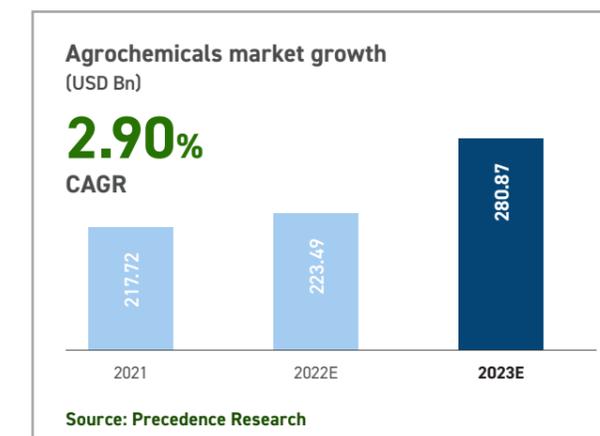
The global agriculture sector has witnessed tumultuous times ever since the Ukrainian crisis. It has left an impact on the agricultural markets, especially for grains and oilseeds, which were heavily exported from Russia and Ukraine in the past. The global agriculture market size is expected to grow from USD 11,287.56 billion in 2021 to USD 12,541.15 billion in 2022, at a CAGR of 11.1%. Further, the global agriculture market size is expected to grow to USD 18,814.21 billion by 2026 at a CAGR of 10.7%.

Agriculture and Allied Sectors: Value Added as a % of GDP



Global Agrochemicals

The world loses upto 25% of its crop output every year due to diseases, pest infestations and weed attacks. Agrochemicals such as pesticides therefore become an important tool to combat these issues, while also increasing crop yield and production. The demand for agrochemicals has been on a rise for over a decade now. The agrochemicals market is dominated by Asia-Pacific, followed by Europe and North America. The fertilizers segment holds the largest market share within the industry. The global agrochemical market was valued at USD 217.72 billion in 2021 and is expected to reach USD 223.49 billion by 2022. The market is further expected to grow to USD 280.87 billion by 2030 at a CAGR of 2.90%.



Indian Agriculture

The agriculture sector is the main source of income for more than 58% of India's population and it accounts for roughly 16% of the nation's GDP. The Indian Agriculture sector has experienced a buoyant growth in the last two years. It is the largest employer of workforce in the country, and in FY22 it accounted for a sizable 18.8% in the Gross Value Added (GVA) of the country, registering a growth of 3.6% in FY21 and 3.9% in FY22. What has led this growth is the growth in the allied sectors which include livestock, dairy and fisheries. Also, India is the world's second-largest consumer and number one importer of vegetable oil.

Figure 1: Growth of Agriculture and Allied Sectors (per cent)

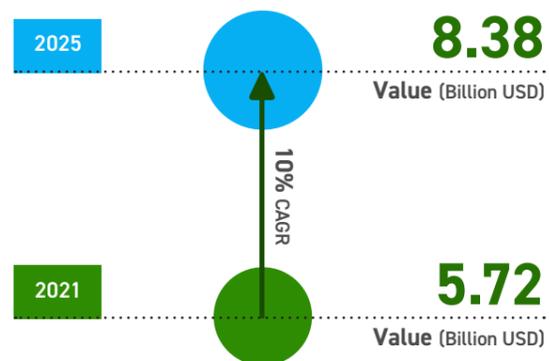


Management Discussion and Analysis

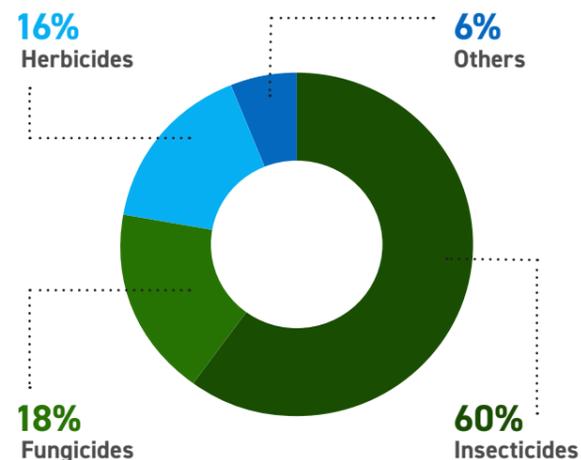
Economic Overview

Indian Agrochemicals

As per an internal report of PricewaterhouseCoopers, the Indian agrochemicals industry was valued at around USD 5.72 billion in FY21, and domestic consumption accounted for approximately USD 2.72 billion, while exports stood at around USD 3 billion. Further, the Indian agrochemical industry is expected to grow at a CAGR of 10% until 2025.



Unlike the global agrochemical market, which is majorly dominated by herbicides usage, the Indian Agrochemical market is dominated by Insecticides usage which account for 60% of the total market share followed by Fungicides at 18% Herbicide at 16% and other plant protection and growth regulators account for 6% of the total market share. Paddy accounts for the maximum share of agrochemicals consumption at around 26%-28% followed by cotton at 18% -20%. The eight states including Andhra Pradesh, Maharashtra, Punjab, Madhya Pradesh, Chhattisgarh, Gujarat, Tamil Nadu and Haryana account for usage of over 70% of the agrochemicals in India. At present, India is the world's fourth largest producer of agrochemicals after the United States, Japan and China, and has emerged as the thirteenth largest exporter of pesticides globally.



Company Overview

Best Agrolife is a leading agrochemicals manufacturer in India and is among the top 15 agrochemicals companies in the country. It is one of the fastest growing manufacturers of Technicals, Formulations, Intermediates and Public Health products. The Company is recognised for its niche product category which promotes sustainable agriculture by delivering high quality, modern, innovative and cost-effective crop protection solutions to farmers across the globe.

The Company offers more than 70 Formulations in the form of Insecticides, Herbicides, Fungicides and Plant Growth Regulators, which are developed from active ingredients manufactured in-house. As part of its P2P set-up, Best Agrolife caters to several blue-chip corporates and leading MNCs from India and abroad. Going forward, the Company aspires to become a global leader in the agrochemicals industry through its strategic expansion plans.



Financial Overview

| | FY21* | FY22 | % Change |
|------------------------------------|-------|-------|----------|
| Debtors Turnover (in times) | 5.92 | 6.26 | 5.68 |
| Inventory Turnover (in times) | 7.29 | 3.24 | (55.57) |
| Interest Coverage Ratio (in times) | 11.72 | 10.32 | (11.97) |
| Current Ratio (in times) | 1.49 | 1.36 | (8.31) |
| Debt Equity Ratio (in times) | 0.21 | 0.80 | 283 |
| Operating Profit Margin (in %) | 6.13 | 12.86 | 109.78 |
| Net Profit Margin (in %) | 5.61 | 11.62 | 107.12 |
| Return on Net Worth (in %) | 34.74 | 45.59 | 31.23 |

Threats, Risks and Concerns

Please refer to page number 24 to know more about the threats that may impact our operation and financial performance.

Segment-Wise Performance

The company operates only in the one revenue segment. i.e. agrochemicals.

Financial Performance and Outlook

Please refer to page number 14 to know more about our performance and outlook.

Due to consolidation of Best Crop Science Private Limited as a wholly owned subsidiary in FY22, the financial performance is not directly comparable to FY21.

Human Resources

Best Agrolife believes that its human resources are one of the most crucial assets and critical enablers of the Company's growth. To that extent, the Company engages with its employees to hone their skill sets and equip them with knowledge and know-how. It is also deeply invested in establishing its brand name to attract and retain the best talent in the market. During the period under review, employee relations continued to be healthy, cordial and harmonious at all levels, and the Company aims to maintain such relations with its employees going forward as well. As of March 31, 2022 the Company has 600+ permanent employees.



Internal Control Systems and their Adequacy

The Company's proper and adequate system of internal control ensures that all its assets are safeguarded and protected against losses from unauthorized use or disposition, and that all transactions are authorized, recorded and reported appropriately. The Company has deployed an effective mechanism to achieve optimum and effective utilization of resources, efficiency in operations, monitoring thereof, and compliance with applicable laws. Further, the auditors have also expressed that the Company's internal control systems are adequate and satisfactory.

Cautionary Statement

Statements in the Management Discussion and Analysis and other parts of the report describing the Company's objectives, projections, estimates and expectations may be forward-looking statements. Actual results may differ materially from those expressed or implied due to various risks and uncertainties. Important factors that could make a difference to the Company's operations include economic and political conditions in India and other countries, in which the Company may operate. Other factors that may impact the Company's operations include volatility in interest rates, changes in government regulations and policies, tax laws, statutes, and other incidental factors. The Company does not intend to update these statements.

Corporate Information

Board of Directors

Mr. Braj Kishore Prasad

Chairman & Independent Director

Mr. Vimal Alawadhi

Managing Director

Mr. Raajan Kumar Ailawadhi

Whole-Time Director

Mrs. Isha Luthra

Whole-Time Director

Mr. Shuvendu Kumar Satpathy

Non-Executive Director

Mrs. Chetna

Independent Director

Chief Financial Officer

Mr. Atul Garg

Company Secretary & Compliance Officer

Mrs. Astha Wahi

Statutory Auditors

M/s Walker Chandniok, Co. LLP, Chartered Accountant, New Delhi

Secretarial Auditors

Ms. Rakhi Rani, Practicing Company Secretary

Internal Auditors

SHPH & Associates, Chartered Accountants, New Delhi

Bankers

State Bank of India Limited
Axis Bank Limited
SBM Bank (India) Limited
Standard Chartered Bank
Yes Bank Limited

Registrar and Share Transfer Agent

Skyline Financial Services Private Limited
D-153A, 1st Floor Okhla Industrial Area,
Phase-I, New Delhi 110020
Email: info@skylinerta.com
Tel: 011-40450193-97

Corporate Identity Number

L74110DL1992PLC116773

Registered and Corporate Office

B-4, Bhagwan Dass Nagar, East Punjabi Bagh, New Delhi- 110026

Website

www.bestagrolife.com

Notice is hereby given that the 31st Annual General Meeting (“AGM”) of Best Agrolife Limited will be held on Wednesday, September 28, 2022 at 12:30 P.M., through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) to transact following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon.

To consider and if thought fit, to pass following resolution(s) as an ordinary resolution(s);

(a) **“RESOLVED THAT** the Audited Financial Statements of the Company for the financial year ended March 31, 2022 together with the Reports of Directors and Auditors thereon be and are hereby considered and adopted.”

(b) **“RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the Report of Auditors thereon be and are hereby considered and adopted.”

2. To declare dividend on equity shares for the Financial Year ended March 31, 2022.

To consider and if thought fit, to pass following resolution(s) as an ordinary resolution(s);

“RESOLVED THAT dividend of ₹ 2.00 (20%) per Equity Share of ₹ 10/- each be and is hereby declared for the financial year ended March 31, 2022.”

3. To appoint a director in place of Mrs. Isha Luthra (DIN: 07283137), who retires by rotation and being eligible, offers herself for re-appointment.

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

“RESOLVED That Mrs. Isha Luthra (DIN: 07283137), who retires by rotation be and is hereby re-appointed as a Director of the Company and such appointment would not have any effect on the continuity of her tenure as Whole-Time Director of the Company.”

Special Business

4. To approve and increase in the limit of managerial remuneration payable to Mr. Vimal Alawadhi, Managing Director

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

RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s)

thereof, for the time being in force), approval of the members be and is hereby accorded for the terms of remuneration payable to, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of appointment of Mr. Vimal Alawadhi (DIN: 01260082), as a Managing Director of the Company, for a period of five years from August 14, 2020 to August 13, 2025 on the terms and conditions, as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Directors / Nomination and Compensation Committee to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Directors and Mr. Vimal Alawadhi.

5. To approve the remuneration payable to Mr. Shuvendu Kumar Satpathy, Non-Executive Director of the Company, for the financial year 2022-23

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013, if any, and the Rules framed thereunder (“the Act”), the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Articles of Association of the Company, the Company’s Policy on Nomination, Remuneration & Evaluation, the resolution passed by the Members at the 30th Annual General Meeting of the Company held on September 28, 2021 approving the remuneration payable to Non-Executive Directors of the Company, in aggregate up to 1% (One percent) of the Net Profits of the Company for any financial year, as computed in the manner laid down under the Act, approval of the Members be and is hereby accorded for the payment of remuneration to Mr. Shuvendu Kumar Satpathy (DIN: 07552741), Non-Executive Director of the Company, as below, for the financial year 2022-23:

- i. ₹ 15,00,000/- (Rupees Fifteen Lakh only);
- ii. other benefits and entitlements like provision of office personnel and cars, memberships to Club(s), health insurance and reimbursements for travel and entertainment as may be required for official purpose and as approved by the Board of Directors; and
- iii. sitting fees as approved by the Board of Directors for all the Non-Executive Directors from time to time.

6. Place of keeping and inspection of the Registers and Annual Returns of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] read

with the Companies (Management and Administration) Rules, 2014, as amended from time to time, approval of the Members of the Company be and is hereby accorded to keep and maintain the Registers as prescribed under Section 88 of the Act and copies of Annual Returns as required under Section 92 of the Act, together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the Registered Office of the Company and/or at the office of Skyline Financial Services Private Limited, Registrar and Transfer Agent of the Company at D-153/A, 1st floor, Phase I, Okhla Industrial Area, New Delhi, Delhi-110020 and/or such other place where the office of the Registrar and Transfer Agent of the Company is situated from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

7. Approval for Material Related Party Transaction(s) with Best Crop Science Private Limited

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

"RESOLVED THAT pursuant to the provisions of Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time and the Company's Policy on Related Party Transactions, the approval of the Members, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'Board', which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Best Crop Science Private Limited ('BCSPL'), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions, as may be agreed between the Company and BCSPL, for an aggregate value upto ₹ 1,000 crore to be entered during FY 2022-23, subject to such contract(s)/ arrangement(s)/ transaction(s) being carried out at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities/ regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto,

without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised, to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s)/Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

8. Approval for Material Related Party Transaction(s) with Seedlings India Private Limited

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

"RESOLVED THAT pursuant to the provisions of Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') the applicable provisions of the Companies Act, 2013 ('Act'), if any, read with related rules, if any, each as amended from time to time and the Company's Policy on Related Party Transactions, the approval of the Members, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'Board', which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to enter into contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as mentioned in the explanatory statement with Seedlings India Private Limited ('SIPL'), a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions, as may be agreed between the Company and SIPL, for an aggregate value upto ₹ 500 crore to be entered during FY 2022-23, subject to such contract(s)/ arrangement(s)/ transaction(s) being carried out at arm's length and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contract(s), scheme(s), agreement(s) and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities/ regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the

Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised, to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s)/Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

9. Authorisation under Section 185 of the Companies Act, 2013

To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 185 of the Companies Act, 2013 (as amended by Companies (Amendment) Act, 2017) ("said sections") read with section 186 of Companies Act, 2013

(including any statutory modification(s) or reenactment thereof for the time being in force) the consent of the Members of the Company be and is hereby accorded for advancing loan and / or giving of guarantee(s), and / or providing of security(ies) in connection with any loan taken / to be taken from financial institutions / banks / insurance companies / other investing agencies or any other person(s) / bodies corporate by any entity (said entity(ies) covered under the category of 'a person in whom any of the director of the company is interested' as specified in the explanation to Sub-section (b) of Section 2 of the said section, of an aggregate outstanding amount not exceeding ₹ 500 Crores (Rupees Five Hundred Crore Only).

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any committee thereof) be and is hereby authorized to negotiate, finalise and agree to the terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deed and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable."

For & on behalf of the Board

Astha Wahni
CS & Compliance Officer

New Delhi, September 02, 2022

Notes:

1. Pursuant to the General Circulars 2/2022 and 19/2021, other circulars issued by the Ministry of Corporate Affairs (MCA) and Circular SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
2. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of AGM are not annexed to this Notice. Institutional members/ Corporate members (i.e. other than individuals, HUF's, NRI's, etc.) intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by email to info@bestagrolife.com with a copy marked to evoting@nsdl.co.in
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 4 to 9 of the Notice, is annexed hereto. Further, the relevant details with respect to Item No. 3 pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed.
4. The Members can join the AGM in the VC/OAVM mode thirty minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Members desirous of seeking information in respect of Accounts of the Company are requested to send their queries to info@bestagrolife.com on or before September 15, 2022.
6. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM through e-voting.
7. The Company has fixed Wednesday, September 21, 2022 as the "Record Date" for determining entitlement of Members to final dividend for the financial year ended March 31, 2022, if approved at the AGM.
8. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on September 21, 2022.
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on September 21, 2022.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,
 - a. For shares held in electronic form: to their Depository Participants (DPs)
 - b. For shares held in physical form: to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021.
10. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at www.bestagrolife.com and on the website of the Company's Registrar and Transfer Agents at www.skylinerta.com. It may be noted that any service request can be processed only after the folio is KYC Compliant.
11. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
13. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website www.bestagrolife.com. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and relevant documents referred to in the Notice of this AGM and explanatory statement, will be available electronically for inspection by the Members during the AGM. Members who wish to inspect such documents can send their requests to the Company at info@bestagrolife.com by mentioning name and Folio number/DP ID and Client ID.
15. Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. Members may note that the Notice and annual Report 2021-22 will also be available on the Company's website, www.bestagrolife.com, website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL <https://www.evoting.nsdl.com>
16. Members at the 29th AGM of the Company, held on September 28, 2020 had approved the appointment of M/s Walker Chandiok & Co LLP (Firm Regn. No. 001076N/N500013 as statutory auditors of the Company, to hold office for a period of five years, subject to ratification of shareholders, from the conclusion of the 29th AGM till the conclusion of the 34th AGM. The Ministry of Corporate Affairs vide its Notification dated May 07, 2018 has dispensed with the requirement of ratification of Auditors appointment by shareholders every year. Hence, the resolution relating to ratification of Auditors' appointment is not included in the Notice to the AGM.
17. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the

prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ Skyline Financial Services Private Limited (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by email to info@bestagrolife.com by 11:59 p.m. (IST), on Thursday, September 15, 2022. Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to info@bestagrolife.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. (IST), on Thursday, September 15, 2022.

18. Instructions for e-voting and joining the AGM are as follows:

A. VOTING THROUGH ELECTRONIC MEANS

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 in relation to "e-voting Facility Provided by Listed Entities", the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii. The remote e-voting period commences on Sunday, September 25, 2022 (9:00 a.m. IST) and ends on Tuesday, September 27, 2022 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on September 21, 2022 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility, either during the period commencing September 25, 2022 to September 27, 2022 or e-voting during the AGM. Members who have voted on some of the resolutions during the said voting period are also eligible to vote on the remaining resolutions during the AGM.
- iii. The Members who have cast their vote by remote

e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution again.

- iv. The Board of Directors has appointed Ms. Rakhi Rani, Practicing Company Secretary (Membership Number-31715) as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting at the meeting and remote e-voting process, in a fair and transparent manner.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 21, 2022.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date Wednesday, September 21, 2022, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/ she can use his/her existing User ID and Password for casting the vote. In case of individual shareholders holding securities in dematerialized mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under

“Login method for remote e-voting and joining virtual meeting for individual shareholders holding securities in dematerialized mode.

- vii. The procedure to login to e-Voting website consists of two steps as detailed hereunder:

Step 1: Access to NSDL e-voting system Step

Step 2: Cast your vote electronically on NSDL e-voting system.

Step 1: Access to NSDL e-Voting system

- I. Login method for remote e-Voting and joining the virtual meeting for Individual shareholders holding securities in dematerialized mode

Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on “e-voting facility provided by Listed Companies”, e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/ DPs to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (“ESP”) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-voting facility.

Login method for Individual shareholders holding securities in dematerialized mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in dematerialized mode with NSDL. | <p>A. NSDL IDeAS facility</p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser and type the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. 2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. 3. A new screen will open. You will need to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. 4. Click on “Access to e-voting” appearing on the left-hand side under e-voting services and you will be able to see e-voting page. 5. Click on options available against Company name or e-voting service provider-NSDL and you will be re-directed to NSDL e-voting website for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> a. Option to register is available at https://eservices.nsdl.com. b. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp c. Please follow steps given in points 1-5 above. |

B. e-voting website of NSDL

1. Open web browser and type the following URL: <https://www.evoting.nsdl.com> either on a personal computer or on a mobile phone.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will need to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.
4. After successful authentication, you will be redirected to NSDL website wherein you can see e-voting page. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting.

C. Shareholders/Members can also download NSDL mobile app "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.



| | |
|---|---|
| Individual Shareholders holding securities in dematerialized mode with CDSL. | <ol style="list-style-type: none"> 1. Existing users who have opted for Easi/Easiest, they can login through their User id and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-voting menu. The menu will have links of e-voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-voting is in progress. |
| Individual Shareholders (holding securities in dematerialized mode) login through their depository participants | <ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-voting facility. 2. Once logged-in, you will be able to see the e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. 3. Click on options available against Company name or e-voting service provider-NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting and e-voting during the meeting. |

Important Note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in dematerialized mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---------------------------|---|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542/43 |

- II) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- i. Visit the e-voting website of NSDL. Open web browser by clicking the URL: <https://www.evoting.nsdl.com> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- iii. A new screen will open. You will have to enter your User ID, Password/OTP and a verification code as shown on the screen.
- iv. Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can login at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you login to NSDL eservices after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- v. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|---|--|
| a. For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID i.e. if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b. Individual Shareholders holding securities in demat mode with CDSL | 16 Digit Beneficiary ID i.e. if your Beneficiary ID is 12***** then your user ID is 12***** |
| c. For Members holding shares in Physical Form | EVEN Number followed by Folio Number registered with the company i.e. if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

- vi. Password details for shareholders other than Individual shareholders are given below:
 - i. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - ii. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
 - iii. How to retrieve your ‘initial password’?
 - » If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - » If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered
- vii. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “Forgot User Details/Password?” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 - viii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
 - ix. Now, you will have to click on “Login” button.
 - x. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsd.com> to reset the Password.
2. In case of any queries related to e-voting, you may refer the Frequently Asked Questions ("FAQs") for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsd.com>. For any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, e-mail: evoting@nsdl.co.in, toll free no: 1800 1020 990/1800 224 430.
3. Members may send a request to evoting@nsdl.co.in for procuring User id and Password for e-voting by providing demat account number/ folio number, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). If you are an Individual shareholder holding securities in dematerialized mode, you are requested to refer to the login method explained above.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting (votes cast during the AGM and votes cast through remote e-voting) and will submit a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The results will be announced within the time stipulated under the applicable laws.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.bestagrolife.com and on the website of NSDL www.evoting.nsd.com. The Company shall simultaneously forward the results to BSE Limited, where the share of the Company is listed.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC / OAVM :

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsd.com> by using their remote e-voting login credentials and selecting the EVEN 122061 for Company's AGM. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e-voting system of NSDL.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in, 1800-222-990 or Ms. Sarita Mote at saritam@nsdl.co.in / + 91 22 24994890 or write to the Company at info@bestagrolife.com
4. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ folio number, PAN, mobile number at info@bestagrolife.com between September 14, 2022 and September 21, 2022. The facility to express views/ask questions during the AGM shall be restricted only to those members who have pre-registered themselves as a speaker. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

For & on behalf of the Board

Astha Wahni
CS & Compliance Officer

New Delhi, September 02, 2022

Explanatory Statement Pursuant to section 102 of the Companies Act, 2013

The following Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, sets out all material facts relating to the business mentioned at Item Nos. 4 to 9 of the accompanying Notice:

Item No. 4

Mr. Vimal Alawadhi is a Promoter and Managing Director of the Company and is having more than 20 years of experience in the Agrochemical Industry. The tenure of Mr. Vimal Alawadhi will expire on August 13, 2025. He has excellent grasp and thorough knowledge and experience in agrochemical industry. Looking into his knowledge relating to the Company's affairs and business experience and on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on August 05, 2022 was of the opinion that for smooth and efficient running of the business, the remuneration of Mr. Vimal Alawadhi, shall be enhanced subject to the approval of the Members of the Company. This resolution, though related party transactions under Regulation 23 of the SEBI (LODR), 2015 and the applicable accounting standards, is not material related party transaction.

The proposed remuneration and terms and conditions of appointment of Mr. Vimal Alawadhi, Managing Director is as given below:

- a. The Managing Director shall perform his duties subject to the superintendence, control and direction of the Board of Directors of the Company.
- b. In consideration of the performance of their duties, the Managing Director shall be entitled to receive remuneration as stated herein below:-

SALARY ₹ 20,00,000/- (Twenty Lakh only) per month to be revised from time to time in the grade of ₹ 20,00,000 per month - ₹ 30,00,000 per month.

PERQUISITES

I. The Managing Director shall be entitled to perquisites and benefits like furnished/non furnished accommodation or house rent allowance in lieu thereof, medical reimbursement, leave travel concession for self and family, car with driver for business and personal use, medical and personal accident insurance, education allowance, bonus/ex-gratia etc. as per rules of the Company. The value of perquisites shall be evaluated as per Income Tax Rules wherever applicable.

II. The Managing Director shall be entitled to Company's contribution to Provident Fund, Gratuity, encashment of earned leave at the end of the tenure, as per the rules of the Company, and these shall not be included in the computation of perquisites.

MINIMUM REMUNERATION

In the event of loss or inadequacy of profits, the remuneration including the perquisites as mentioned above shall be paid in accordance with Schedule V and other applicable provisions of the Companies Act, 2013 as amended from time to time.

OTHER TERMS

- I. The Managing Director shall not be paid any sitting fees for attending the meeting(s) of the Board of Directors or Committees thereof.
- II. The Managing Director shall be entitled to reimbursement of entertainment, traveling and all other expenses incurred in the course of the Company's business.

The aggregate of the remuneration and perquisites / benefits, including contributions towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to the Chairman & Managing Director and the Whole-time Directors of the Company taken together, shall be within the limit prescribed under the Act.

The Board commends the Resolution set out in Item No. 4 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel (KMP) of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice except Mrs. Vandana Alawadhi, spouse of Mr. Vimal Alawadhi.

Item No. 5

Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires companies to obtain approval of the Members by passing of a special resolution, every year, for payment of remuneration to a Non-Executive Director exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors. Mr. Shuvendu Kumar Satpathy is the Non-Executive Director of the Board of Directors of the Company. He plays an important role in guiding the Company for ensuring sustainable profitable growth of the Company.

In his capacity as the Non-Executive Director, Mr. Satpathy guides on the Company's long-term strategic imperatives. He also engages with the Board for improving the effectiveness of the Board's functioning and also on the corporate social responsibility agenda of the Company. In light of the role that he is expected to play, the proposed remuneration structure of Mr. Satpathy is devised so as to be commensurate with the efforts and inputs that he provides to the Company and accordingly he is entitled to an additional remuneration for his engagement beyond Board meetings which is based on industry benchmarks.

The Board of Directors on recommendation of the Nomination & Remuneration Committee and subject to the approval of the Members, approved the remuneration of Mr. Shuvendu Kumar Satpathy, Non-Executive Director of the Company and further recommends the same for the approval of the members.

The above proposal is in the interest of the Company and the Board commends the Resolution as set out at Item No. 5 for approval by the members of the Company.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

Item No. 6

As per the provisions of Section 94 of the Act, approval of the Members by way of a special resolution is required for the Company to have its Register and Index of Members, the Register and Index of Debenture holders, if any, copies of all Annual Returns prepared under Section 92 of the Act, together with the copies of the certificates and documents required to be annexed thereto, to be kept at a place other than the Company's Registered Office, but within the same city, town or village where the Registered Office of the Company is situated. Owing to this approval of the members is sought by way of a Special Resolution for keeping the aforesaid documents at the Office of the Company's Registrar and Share Transfer Agents viz. Skyline Financial Services Private Limited at D-153/A, 1st floor, Phase I, Okhla Industrial Area, New Delhi, Delhi-110020 and/or such other place where the office of the Registrar and Transfer Agent of the Company is situated from time to time.

The Board commends the resolution as set out at Item No. 6 of the accompanying Notice for the approval of the Members of the Company by way of a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 6 of the Notice.

Item No. 7

Best Agrolife Limited ("BAL") is the holding Company of Best Crop Science Pvt. Ltd. ("BCSPL"). BAL enters into various transactions with BCSPL including purchase and sale of required goods, and other transactions. These transactions, not only help smoothen business operations for both the companies, but also ensures consistent flow of desired quality and quantity of material without interruptions. These transactions also help in generating revenue and enhance business operations for each other. These transactions are on arm's length and in the ordinary course of business of the Company.

The management has provided the Audit Committee with the relevant details, as required under law, of various proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into RPTs with Best Crop Science Pvt. Ltd. for an aggregate value of up to ₹ 1,000 crore to be entered during FY2022-23. The Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

Accordingly, basis the review and approval of the Audit Committee, the Board of Directors recommend the resolution contained in Item No. 7 of the accompanying Notice to the shareholders for approval.

Details of the proposed transactions with Best Crop Science Private Limited, being a related party of the Company, are as follows:

Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021

| Sr. No. | Description | Details |
|---|---|--|
| 1. Details of Summary of information provided by the Management to the Audit Committee | | |
| a. | Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise) | Best Crop Science Private Limited is a wholly owned subsidiary of Best Agrolife Limited and consequently a related party. |
| b. | Name of the director or key managerial personnel who is related, if any and nature of relationship | Mr. Vimal Alawadhi, Director of Best Crop Science Pvt. Ltd. is the Managing Director of Best Agrolife Limited. Mrs. Vandana Alawadhi, Whole-Time Director of Best Crop Science Pvt. Ltd. is spouse of Mr. Vimal Alawadhi. |
| c. | Nature, material terms, monetary value and particulars of contracts or arrangement | The transaction involves sale and purchase of goods and other transactions for business purpose from/to Best Crop Science Private Limited during F.Y. 2022-23, aggregating up to ₹ 1,000 crore. |
| d. | Value of Transaction | up to ₹ 1,000 crore during F.Y. 2022-23 |
| e. | Percentage of annual consolidated turnover considering FY 2021-22 as the immediately preceding financial year | |

2. Justification for the transaction

Best Agrolife Limited ("BAL") is the holding Company of Best Crop Science Pvt. Ltd. ("BCSPL"). BAL enters into various transactions with BCSPL including purchase and sale of required goods and other transactions. These transactions, not only help smoothen business operations for both the companies, but also ensures consistent flow of desired quality and quantity of material without interruptions. These transactions also help in generating revenue and enhance business operations for each other. These transactions are on arm's length and in the ordinary course of business of the Company.

The management has provided the Audit Committee with the relevant details, as required under law, of various proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into RPTs with Best Crop Science Pvt. Ltd. for an aggregate value of up to ₹ 1,000 crore to be entered during FY2022-23. The Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

3. Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:

| | | |
|------|--|--|
| i. | details of the source of funds in connection with the proposed transaction | |
| ii. | where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure | |
| iii. | applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security | |
| iv. | the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT | |
| 4. | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder | The proposed RPTs have been evaluated by an independent external consulting firm in terms of pricing and arm's length criteria and the report confirms that the proposed RPTs are on arm's length basis. |
| 5. | Any other information that may be relevant | All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice |

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the said resolution, except Mr. Vimal Alawadhi and Mrs. Vandana Alawadhi (Directors in Best Crop Science Private Limited).

The Board recommends the Resolution set out in Item No. 7 of the accompanying Notice for approval of the Members.

Item No. 8

Best Agrolife Limited ("BAL") is the holding Company of Seedlings India Pvt. Ltd. ("SIPL"). BAL enters into various transactions with SIPL including purchase and sale of required goods, and other transactions. These transactions, not only help smoothen business operations for both the companies, but also ensures consistent flow of desired quality and quantity of material without interruptions. These transactions also help in generating revenue and enhance business operations for each other. These transactions are on arm's length and in the ordinary course of business of the Company.

The management has provided the Audit Committee with the relevant details, as required under law, of various proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into RPTs with Seedlings India Pvt. Ltd. for an aggregate value of up to ₹ 500 crore to be entered during FY2022-23. The Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.

Accordingly, basis the review and approval of the Audit Committee, the Board of Directors recommend the resolution contained in Item No. 8 of the accompanying Notice to the shareholders for approval.

Details of the proposed transactions with Seedlings India Private Limited, being a related party of the Company, are as follows:

Information pursuant SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021

| Sr. No. | Description | Details |
|---|--|---|
| 1. Details of Summary of information provided by the Management to the Audit Committee | | |
| a. | Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise) | Seedlings India Private Limited is a wholly owned subsidiary of Best Agrolife Limited and consequently a related party. |
| b. | Name of the director or key managerial personnel who is related, if any and nature of relationship | Mr. Vimal Alawadhi, Director of Seedlings India Pvt. Ltd. is the Managing Director of Best Agrolife Limited. Mrs. Vandana Alawadhi, Director of Seedlings India Pvt. Ltd. is spouse of Mr. Vimal Alawadhi. |
| c. | Nature, material terms, monetary value and particulars of contracts or arrangement | The transaction involves sale and purchase of goods and other transactions for business purpose from/to Seedlings India Private Limited during F.Y. 2022-23, aggregating up to ₹ 500 crore. |
| d. | Value of Transaction | up to ₹ 500 crore during F.Y. 2022-23 |
| e. | Percentage of annual consolidated turnover considering FY 2021-22 as the immediately preceding financial year | |
| 2. Justification for the transaction | | |
| <p>Best Agrolife Limited ("BAL") is the holding Company of Seedlings India Pvt. Ltd. ("SIPL"). BAL enters into various transactions with SIPL including purchase and other transactions. These transactions, not only help smoothen business operations for both the companies, but also ensures consistent flow of desired quality and quantity of material without interruptions. These transactions also help in generating revenue and enhance business operations for each other. These transactions are on arm's length and in the ordinary course of business of the Company.</p> <p>The management has provided the Audit Committee with the relevant details, as required under law, of various proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted approval for entering into RPTs with Seedlings India Pvt. Ltd. for an aggregate value of up to ₹ 500 crore to be entered during FY2022-23. The Committee has noted that the said transactions will be on an arms' length basis and in the ordinary course of business of the Company.</p> | | |
| 3. Details of transaction relating to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary: | | |
| i. | details of the source of funds in connection with the proposed transaction | |
| ii. | where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments - nature of indebtedness; - cost of funds; and - tenure | |
| iii. | applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security | |
| iv. | the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT | |
| 4. | A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder | The proposed RPTs have been evaluated by an independent external consulting firm in terms of pricing and arm's length criteria and the report confirms that the proposed RPTs are on arm's length basis. |
| 5. | Any other information that may be relevant | All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice |

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested, financially or otherwise, in the said resolution, except Mr. Vimal Alawadhi and Mrs. Vandana Alawadhi (Directors in Seedlings India Private Limited).

The Board recommends the Resolution set out in Item No. 8 of the accompanying Notice for approval of the Members.

Item No. 9

Pursuant to Section 185 of the Companies Act, 2013 (as amended by the Companies (Amendment) Act, 2017), a Company may advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken by any entity (said entity(ies) covered under the category of 'a person in whom any of the director of the Company is interested' as specified in the explanation to Section 185(2)(b) of the Companies Act, 2013, after passing a special resolution in the general meeting. It is proposed to grant loan or give guarantee or provide security in respect of any loan granted to such entities and the proposed loan shall be at the interest rate of prevailing market rate and shall be used by the borrowing Company for its principal business activities only. The details of the existing Subsidiaries/Joint Venture Companies are as follows:

| Sr. No. | Name of the Company | Nature of relationship | Purpose |
|---------|-----------------------------------|------------------------|--|
| 1. | Best Crop Science Private Limited | Subsidiary Company | Sale and purchase of goods or any other expense including working capital requirements to support its principal business activities. |
| 2. | Seedlings India Private Limited | Subsidiary Company | Sale and purchase of goods or any other expense including working capital requirements to support its principal business activities. |

In case of any subsidiaries / joint ventures incorporated in future, the Board of Directors may grant loan or give guarantee or provide security within the aggregate amount of ₹ 500 Cr, to such entities subject to the approval of the Audit Committee. The Board proposes the Resolution at Item No. 9 of the notice for approval of the Shareholders by a Special Resolution.

The Directors or Key Managerial Personnel or their relatives do not have any concern or interest, financial or otherwise, in passing of the said Resolution, except to the extent of their shareholding in the Company.

Details of Directors seeking appointment / re-appointment at the Annual General Meeting [Pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings]

| Particulars | Mrs. Isha Luthra (Whole-Time Director) |
|--|---|
| Director Identification Number (DIN) | 07283137 |
| Date of Birth & Age | December 20, 1988 |
| Age | 34 years |
| Date of Appointment | November 11, 2019 |
| Qualifications | Bachelor Degree in Arts from Delhi University |
| Expertise in specific functional areas | Wide experience of domestic and global license work, product registrations. |
| Directorships held in other public companies (excluding foreign companies and Section 8 companies) | Nil |
| Memberships/ Chairmanships of committees of other public companies (Audit Committee and Stakeholders' Relationship Committee considered) | Nil |
| Number of shares held in the Company as on March 31, 2022 | Nil |

None of the Directors seeking appointment / re-appointment are related to any of the other Directors of the Company within the meaning of the term "relative" as per section 2(77) of the Companies Act, 2013.

Directors' Report to the Members

Your directors' take pleasure in presenting the Thirty-first Annual Report on the business and operations of Best Agrolife Limited ("the Company") along with the Audited Financial Statements for the year ended March 31, 2022. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial Highlight

Amount (₹ in lakhs)

| Particulars | Standalone | | Consolidated | |
|--|------------|-----------|--------------|-----------|
| | 2021-2022 | 2020-2021 | 2021-2022 | 2020-2021 |
| Revenue from operations | 113427.44 | 90544.50 | 121079.54 | 90544.50 |
| Other income (Net) | 535.37 | 729.56 | 177.58 | 729.56 |
| Total Income | 113962.81 | 91274.06 | 121257.12 | 91274.06 |
| Profit before financial expenses, depreciation | 13045.78 | 5847.46 | 16758.99 | 5847.46 |
| Less: Financial expenses | 1055.06 | 473.65 | 1509.31 | 473.65 |
| Depreciation/ Amortization | 384.34 | 295.24 | 1183.69 | 295.24 |
| Profit before tax | 11606.38 | 5078.57 | 14065.99 | 5078.57 |
| Tax expenses | 2899.36 | 1371.95 | 3589.80 | 1370.99 |
| Profit after tax for the year | 8707.02 | 3706.62 | 10476.19 | 3707.58 |
| Other Comprehensive income | 8.02 | 903.00 | 2.31 | 903.00 |
| Net Profit for the year | 8715.04 | 4609.62 | 10478.50 | 4610.58 |

Response to Covid-19

The COVID-19 pandemic created an unprecedented crisis globally. As a responsible business organization, we took all the possible steps to ensure the health and safety of our employees during the deadly second wave of COVID-19. Other than financial support and regular payroll payments we also provided psychological support and emergency assistance to our staff during the pandemic. The company conducted an employee vaccination drive to protect the employees and their families from COVID-19. When things started coming back to normal, we began to work from the office by following all the government guidelines and COVID protocols. We focused on organizing a safe work environment for our team by self-monitoring of employees' health and keeping the required medical equipment and supplies like thermometers and sanitizers available all the time.

Dividend

The Directors are pleased to recommend a dividend of ₹ 2 per share (i.e. 20%) on the Equity Shares of the Company of ₹ 10/- each for the year ended March 31, 2022 ((previous year ₹ 2 per share i.e. 20%). If the dividend, as recommended above, is declared at the ensuing Annual General Meeting ('AGM') to be held on September 28, 2022, the total outflow towards dividend on Equity Shares for the year would be ₹ 4.73 crore (Previous year ₹ 4.41 crores).

The record date for the purposes of the final dividend will be September 21, and will be paid on or after September 28, 2022.

Dividend Distribution Policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of the Company have adopted a Dividend Distribution Policy which aims to maintain a balance between profit retention and a fair, sustainable and consistent distribution of profits among its members.

The said Policy is available on the website of the Company under the 'Investors' section at <https://www.bestagrolife.com/investorss/DIVIDEND-DISTRIBUTION-POLICY.pdf>

Share Capital

The paid-up share capital of the Company as on March 31, 2022 was ₹ 23,64,47,400/- (Twenty-Three Crore Sixty-Four Lacs Forty-Seven Thousand Four Hundred Only) divided into 2,36,44,740 (Two Crore Thirty-Six Lakhs Forty-Four Thousand Seven Hundred Forty) Equity Shares of ₹ 10/-each.

During the year under review, the Company has issued and allotted 16,12,674 equity shares by way of Preferential issue for consideration other than cash towards full discharge against the acquisition of 68,50,000 equity shares of Best Crop Science Private Limited from its shareholders.

Change in Nature of Business

There was no change in the nature of the existing business of the Company.

Transfer to General Reserve

As permitted under the provisions of the Companies Act, 2013, the Board do not propose to transfer any amount to general reserve on declaration of Dividend and has decided to retain the entire amount of profit for Financial Year 2021-22 in the profit and loss account.

Particulars of Loans, Guarantees or Investments

The particulars of loans, guarantees and investments as per Section 186 of the Act by the Company, have been disclosed in the financial statements.

Fixed Deposits

We have not accepted any fixed deposits, including from the public, and as such no amount of principal or interest was outstanding as of the Balance Sheet date.

Particulars of contracts or arrangements made with Related Parties

The Company formulated a Policy on Related Party Transactions in accordance with the Act and the SEBI Listing Regulations including any amendments thereto for identifying, reviewing, approving and monitoring of Related Party Transactions ('RPTs'). The "Policy on materiality of and on dealing with related party transactions" as approved by the Board may be accessed on the Company's website at the link <https://www.bestagrolife.com/investorss/Policy-On-Materiality-And-Dealing-WithRelated-Party-Transactions.pdf>

All RPTs are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is obtained on an annual basis for the transactions which are planned/repetitive in nature. A statement giving details of all RPTs entered pursuant to omnibus approval so granted is placed before the Audit Committee on a quarterly basis for its review specifying the nature, value and terms and conditions of the transactions. All the RPTs under Ind AS-24 have been disclosed in note no. 40 to the Standalone Financial Statements forming part of this Annual Report.

The RPTs entered into during the year under review were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act read with the rules framed thereunder and the SEBI Listing Regulations. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable to the Company for the Financial Year 2021-22 and hence does not form part of this report.

In terms of Regulation 23 of the SEBI Listing Regulations, the Company submits details of RPTs on a consolidated basis, as per the format specified in the relevant accounting standards to the stock exchanges on a half-yearly basis.

Corporate Governance

A report on Corporate Governance along with a certificate from the Practicing Company Secretary regarding the compliance with the conditions of Corporate Governance as stipulated under the Schedule V of SEBI (LODR), 2015 forms part of this Annual Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report, which gives a detailed account of state of affairs of the operations of the Company forms part of this Annual Report. The Audit Committee of the Company has reviewed the Management Discussion and Analysis report of the Company for the year ended March 31, 2022 as required under the provisions of the SEBI (LODR), 2015.

Material changes and commitments affecting financial position between the end of the Financial year and date of the report

There have been no material changes and commitments affecting the financial position between end of the financial year and the date of this report.

Consolidated Financial Statements

In accordance with the provisions of Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, as amended from time to time, the Company has prepared Consolidated Financial Statements as per Indian Accounting Standard Ind AS-110 on Consolidated Financial Statements. The audited Consolidated Financial Statements along with Auditors' Report thereon forms part of this Annual Report.

Subsidiaries/ Joint Venture Companies

The Company has Two (2) subsidiaries as on March 31, 2022. There are no associates or joint venture companies within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). There has been no material change in the nature of the business of the subsidiaries.

During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the Consolidated financial statements of the Company, which forms part of this Annual Report. Further, a statement containing the salient features of the financial statements of our subsidiaries in the prescribed format AOC-1 is appended as an Annexure-1 to the Board's report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website at <https://www.bestagrolife.com/investors>

The Company will provide the financial statements of subsidiaries upon receipt of a written request from any member of the Company interested in obtaining the same. The financial statement of subsidiaries will also be available for inspection at the Registered Office of your Company during working hours up to the date of the Annual General Meeting.

Human Resources Management

Best Agrolife considers human resource to be one of the most valued stakeholders for the Company and accordingly development of people and providing a best-in-class work environment is a key priority for the organization to drive business objectives and goals. Our people practices have enabled

us to create an environment of collaboration and connect, which has aided us to achieve industrial harmony. Improving employee productivity is of utmost importance to the organisation. Efforts have been taken on hiring and creating infrastructure for diverse workforce. Excellent facilities towards education, health services and accommodation have been created and we feel proud that our retention level is one of the best in the sector.

All Safety protocols related to COVID-19 mandated by local authorities have been followed. The workforce showed great resilience in the face of an unprecedented pandemic demonstrating its ability to adapt to new circumstances.

Best Agrolife is very proud that it has impeccable record in the safety of its human capital, women empowerment and nurturing pool of young talent and considers its human resources as key to its success story till date.

The Company is also very proud of its grievance redressal system which ensures that we are fair, prompt in response and eliminate any possibility of harassment or unacceptable practices.

As on March 31, 2022, the Company had a total count of 288 employees.

Internal Financial Control

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Audit Committee of the Board reviews the internal control systems including internal financial control system, the adequacy of internal audit function and significant internal audit findings with the management, Internal Auditors and Statutory Auditors.

Credit Ratings

As on March 31, 2022, the Company had a short-term credit rating of BWR A2+ and a long-term rating of BWRA-/ Stable by Brickwork Ratings India Private Limited for bank loan facilities aggregating to ₹ 111.50 crore.

Board Meetings

During the year, 9 (Nine) Board Meetings were convened and all meetings were held through audio/video conferencing except two meeting held on June 30, 2021 and September 02, 2021. The details of meetings are provided in the Corporate Governance Report. The intervening gap between two consecutive meetings was within the period prescribed under the Companies Act, 2013, Secretarial Standards on Board Meetings and SEBI, LODR as amended from time to time.

Board Evaluation

The Board of Directors has carried out the Annual Performance Evaluation of its own, Committees of Board of Directors and Individual Directors pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance of the Board was evaluated by the Board, after seeking inputs from all Directors on the basis of the criteria such as Board composition and structures, effectiveness of Board processes, information and functioning etc. The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings etc. The Board

and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as contribution of the Individual Director to the Board and Committee meetings.

Also, in a separate meeting of Independent Directors, performance of Non-Independent Directors, Board as a whole and the Chairman were evaluated, taking into account the views of Executive Directors and Non-Executive Directors. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated

Policy on Directors' Appointment and Remuneration

The salient features of Company's policy on appointment and remuneration of Directors, key managerial personnel and other employees including criteria for determining qualifications, positive attributes, independence of Directors and other matters provided in Section 178(3) of the Companies Act, 2013 has been disclosed in the Corporate Governance report, which forms part of this Report.

Audit Committee

As on March 31, 2022, the Audit Committee comprised of Two Non-Executive Independent Directors, namely Mr. Braj Kishore Prasad & Mrs. Chetna, and one Non-Executive Non-Independent Director, namely Mr. Shuvendu Kumar Satpathy.

Mrs. Chetna is the Chairman of the Committee. During the year 2021-22 Mrs. Shweta Grover showed her unwillingness to continue as a director due to her pre-occupations and was relieved at the end hour of working day on June 30, 2021. In view of that she requested the Board to re-constitute the Audit Committee by appointing someone in her place. Accordingly, the Board, at its meeting held on June 30, 2021, re-constituted the Audit Committee by appointing Mrs. Chetna as a member of the Committee w.e.f. July 01, 2021, in place of Mrs. Shweta Grover.

All members of the Audit Committee possess strong knowledge of accounting and financial management. The Chief Financial Officer, Internal Auditors and Statutory Auditors are regularly invited to attend the Audit Committee Meetings. The Company Secretary is the Secretary to the Committee. The Internal Auditor reports to the Chairman of the Audit Committee. The significant audit observations and corrective actions as may be required and taken by the management are presented to the Audit Committee. The Board has accepted all recommendations made by the Audit Committee from time to time.

Auditors

The Shareholders of the Company at the 29th Annual General Meeting of the Company held on September 28, 2020, had appointed M/s. Walker Chandiook & Co LLP, Chartered Accountants (ICAI Registration No. 001076N/N500013) Address: L 41, Connaught Circus, New Delhi-110001, as Statutory Auditors of the Company to hold office until the conclusion of the 34th Annual General Meeting to conduct the audit of the Accounts of the Company, at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.

As required under the provisions of Section 139(1) and 141 of the Companies Act, 2013 read with the Companies (Accounts

and Auditors) Rules, 2014, the Company has received a written consent and certificate from the auditors to the effect that they are eligible to continue as Statutory Auditor of the Company. The notes of the financial statements referred to in the Auditors' Report issued by M/s. Walker Chandiook & Co LLP, Chartered Accountants, New Delhi for the financial year ended on March 31, 2022 are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

Risk Management

Pursuant to the requirement of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR"), the Company has constituted a Risk Management Committee (RMC), to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on continuous basis and monitored regularly with reference to statutory regulations and guidelines. The Company's business operations are exposed to a variety of financial risks such as market risks (foreign exchange risk, internal rate risk and price risk), Liquidity risk etc. The Board of the Company has approved the Risk Management Policy of the Company and authorized the Risk Management Committee to implement and monitor the risk management plan for the Company and also identify and mitigate various elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

The particulars as prescribed under sub-section (3) (m) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are furnished in Annexure-2 to the Board's Report.

Corporate Social Responsibility (CSR)

In compliance with Section 135 of the Act, the Company has constituted Corporate Social Responsibility (CSR) Committee to undertake CSR activities, projects and programs as provided in the CSR policy of the Company and as identified under Schedule VII of the Act and excluding activities undertaken in pursuance of its normal course of business.

The Board on the recommendation of CSR Committee adopted a CSR Policy and the same is available on the Company's website at <https://www.bestagrolife.com/investorss/Corporate-Social-Responsibility-Policy-.pdf>. The CSR objectives are designed to serve societal, local and national goals in the locations that we operate in, create a significant and sustained impact on local communities and provide opportunities for our employees to contribute to these efforts through volunteering.

The Company has spent the entire 2% of the net profits earmarked for CSR projects during the Financial Year 2021-22. A Report on the CSR initiatives undertaken by the Company as per the Companies (Corporate Social Responsibilities Policy) Rules, 2014 is annexed as Annexure-3. The detail of the CSR Committee and its composition is provided in the Corporate Governance Report which forms part of this annual report.

Annual Return

Pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 read with Section 134(3)(a) of the Act, the Annual Return in Form MGT-7 as on March 31, 2022 is available on the Company's website at www.bestagrolife.com

Vigil Mechanism

The Company has adopted a whistle blower policy wherein the employees can approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Insider Trading Code. The Whistle Blower Policy requires every employee to promptly report to the Management any actual or possible violation of the Code or an event an employee becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the policy. A mechanism is in place whereby any employee of the Company has access to the Chairman of the Audit Committee to report any concern. No person has been denied access to the Chairman to report any concern. Further, the said policy has been disseminated within the organisation and has also been posted on the Company's website at <https://www.bestagrolife.com/investorss/VIGIL-MECHANISM-&-WHISTLE-BLOWER-POLICY.pdf>

Secretarial Standards

The Directors state that the applicable Secretarial Standards i.e., SS-1 and SS-2, issued by the Institute of Company Secretaries of India, relating to Meetings of Board of Directors and General Meetings respectively, have been duly complied with.

Secretarial Audit

The Board has appointed M/s Rakhi Rani, Practicing Company Secretary (M. No. ACS-31715) to conduct Secretarial Audit for the financial year ended March 31, 2022. The Secretarial Audit Report for the year ended March 31, 2022 is annexed as a part of this Report.

A Certificate under Clause (i) of point (10) of para C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by M/s Rakhi Rani, Practicing Company Secretary, (M. No. ACS-31715) confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority is attached as a part of this report.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has constituted an Internal Complaints Committee under Section 4 of the Sexual Harassment of Women at Workplace (Preventions, Prohibition and Redressal) Act, 2013.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

- a. number of complaints filed during the financial year-NIL
- b. number of complaints disposed of during the financial year-NIL
- c. number of complaints pending as on end of the financial year-NIL

Frauds Reported by Auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

Business Responsibility Report

As per Regulation 34(2)(f) of the SEBI Listing Regulations, as amended, and in line with the SEBI Circulars, the Company has made disclosure in the Business Responsibility Report ('BRR') The BRR forms part of this Annual Report.

Directors and Key Managerial Personnel

In accordance with the provisions of Section 152 of the Act, Ms. Isha Luthra (DIN: 07283137) Whole-Time Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

During the year, Mrs. Shweta Grover ceased to be Director of the Company upon her resignation from the end of the working hour of June 30, 2021, the Board placed on record its appreciation for the valuable contribution during her tenure as a member of the Board. Mrs. Chetna was appointed as an Additional Director and Independent Director on the Board of the Company with effect from July 01, 2021 and subsequently approved by the shareholders at the 30th Annual General Meeting held on September 28, 2021 as an Independent Director, not liable to retire by rotation for a period of five years effective from July 01, 2021.

All the Independent Directors have given declarations that they continue to meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR and that they are not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

None of the Directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Act.

Vimal Alawadhi
Managing Director

Date: September 02, 2022
Place: New Delhi

Pursuant to the provisions of Sections 2(51) and Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company as on March 31, 2022 were Mr. Vimal Alawadhi, Managing Director, Mr. Atul Garg, Chief Financial Officer and Mrs. Astha Wahi, Company Secretary & Compliance Officer.

Directors' Responsibility Statement

Pursuant to the requirements of Section 134 (5) of the Act, the Directors hereby confirm:

- i. That in the preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures;
- ii. that the accounting policies selected and applied are consistent and the judgments and estimates made 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 financial year and of the loss of the Company for that period;
- iii. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Annual Accounts for the year ended March 31, 2022 have been prepared on a going concern basis
- v. that the internal financial controls laid down by the Board and being followed by the Company are adequate and were operating effectively; and
- vi. that the proper systems, devised by Directors to ensure compliance with the provisions of all applicable laws, were adequate and operating effectively.

Acknowledgements

The Directors appreciate and value the contribution, dedication, hard work, and commitment made by all the employees and acknowledge the support extended by them during these challenging times.

The Directors would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, financial institutions, government authorities, farming community, business partners, shareholders, customers and other stakeholders. The Directors look forward to continuance of the supportive relations and assistance in the future.

The Directors deeply regret the losses suffered due to the Covid-19 pandemic and place on record their sincere appreciation to all the front-line workers and all who have gone beyond their duties in battling against the pandemic

Raajan Kumar Ailawadhi
Whole-Time Director

Annexures to Directors' Report

Particulars of Employees

We are one of the fastest growing agrochemical Company in India. We enable clients globally to outperform their competition and stay ahead on the innovation curve.

The remuneration and perquisites provided to our employees, including that of the Management, are on par with industry benchmarks. The nomination and remuneration committee continuously reviews the compensation of our Managing Director and other Key Managerial Personnel (KMP) to align both the short-term and long-term business objectives of the Company and to link compensation with the achievement of goals.

The details of remuneration to directors, KMP and other employees are in compliance with Rule 5 of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1. Information as per rule 5(1) of the Companies (Appointment and Remuneration) Rules, 2014.

a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2021-22 is as under:

| Sr. No. | Name of Director/Key Managerial Personnel | Title | Ratio to median remuneration | % Increase in remuneration in the financial year |
|---------|---|---------------------------------|------------------------------|--|
| 1. | Mr. Braj Kishore Prasad | Chairman & Independent Director | 1.05 | NA |
| 2. | Mr. Vimal Alawadhi | Managing Director | 29.88 | 275.00 |
| 3. | Mr. Raajan Kumar Ailawadhi | Whole-Time Director | 12.97 | 42.86 |
| 4. | Mrs. Isha Luthra | Whole-Time Director | 1.96 | 24.22 |
| 5. | Mr. Shuvendu Kumar Satpathy | Non-Executive Director | 2.52 | 12.00 |
| 6. | Mrs. Shweta Grover* (Ceased w.e.f. June 30, 2021) | Independent Director | 0.08 | NA |
| 7. | Mrs. Chetna** (Appointed w.e.f. July 01, 2021) | Independent Director | 0.25 | NA |
| 8. | Mr. Atul Garg | Chief Financial officer | 5.45 | NA |
| 9. | Mrs. Astha Wahi | CS & Compliance Officer | 2.17 | 5 |

b. the percentage increase in the median remuneration of employees in the financial year 2021-22 - Nil

c. the number of permanent employees on the rolls of Company as on March 31, 2022 - 288.

d. Comparison of average percentile increase in salary of employees other than the managerial personnel in the last financial year and the percentile increase in the managerial remuneration:

| Particulars | % Change in Remuneration |
|---|--------------------------|
| Average increase in salary of employees (other than managerial personnel) | 3.58 |
| Average increase in remuneration of managerial personnel | 75.81 |

e. The Company affirms that the remuneration is as per the remuneration policy of the Company.

2. Information as per rule 5(2) and (3) of the Companies (Appointment and Remuneration) Rules, 2014.

Statement showing the names and other details of the top ten employees in terms of remuneration drawn along with other particulars, who:

(1) if employed throughout the financial year or part thereof, was in receipt of remuneration exceeding the limit of ₹ 1.02 Crores:

There were no employees, who were in receipt of remuneration in excess of above specified limit during the year 2021-22.

(2) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;

There were no employees, who were in receipt of remuneration in excess of above specified limit during the year 2021-22.

f. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

There were no employees, who were in receipt of remuneration in excess of above specified limit during the year 2021-22 and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

For and on behalf of the Board

Vimal Alawadhi
Managing Director

Raajan Kumar Ailawadhi
Whole-Time Director

Date: September 02, 2022

Place: New Delhi

Annexure-1

Form No. AOC.1

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

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

Part "A" Subsidiaries

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

| Sr. No. | Particulars | | |
|---------|--|----------------------------------|-----------------------------------|
| 1. | Name of the subsidiary | Seedlings India Private Limited | Best Crop Science Private Limited |
| | The date since when subsidiary was acquired | February 24, 2021 | October 13, 2021 |
| | Reporting period for the subsidiary concerned, if different from the holding company's reporting period. | April 01, 2021 to March 31, 2022 | August 29, 2021 to March 31, 2022 |
| | Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries. | Not applicable | Not applicable |
| | Share Capital | ₹ 1,00,000 | ₹ 6,85,00,000 |
| | Reserves and Surplus | ₹ 6,18,79,304 | ₹ 43,87,13,000 |
| | Total assets | ₹ 92,51,05,904 | ₹ 3,57,19,54,000 |
| | Total Liabilities | ₹ 86,31,26,600 | ₹ 3,06,47,41,000 |
| | Investments | - | - |
| | Turnover | ₹ 38,45,51,145 | ₹ 1,44,16,05,000 |
| | Profit before taxation | ₹ 7,47,40,562 | ₹ 26,49,41,000 |
| | Provision for taxation | ₹ 1,29,56,850 | ₹ 6,70,58,000 |
| | Profit after taxation | ₹ 6,17,83,712 | ₹ 19,78,83,000 |
| | Proposed Dividend | Not applicable | Not applicable |
| | Extent of shareholding (in percentage) | 100% | 100% |

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

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

Part “B” Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of Associates/Joint Ventures | Name 1 | Name 2 | Name 3 |
|--|--------|--------|--------|
| 1. Latest audited Balance Sheet Date | | | |
| 2. Shares of Associate/Joint Ventures held by the company on the year end | | | |
| No. | | | |
| Amount of Investment in Associates/Joint Venture | | | |
| Extend of Holding % | | | |
| 3. Description of how there is significant influence | | | |
| 4. Reason why the associate/joint venture is not consolidated | | | |
| 5. Net worth attributable to Shareholding as per latest audited Balance Sheet | | | |
| 6. Profit / Loss for the year | | | |
| i. Considered in Consolidation | | | |
| ii. Not Considered in Consolidation | | | |

1. Names of associates or joint ventures which are yet to commence operations- N.A.

2. Names of associates or joint ventures which have been liquidated or sold during the year – N.A.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

Annexure-2

Information under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part Report to Directors.

A. Conservation of Energy

- I. The steps taken or impact on conservation of energy: NIL
- II. The steps taken by the Company for utilizing alternate sources of energy: NIL
- III. The capital investment on energy conservation equipment's: NIL

B. Technology Absorption

- I. Efforts made in technology absorption& Benefits derived: NIL
- II. Benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- III. In case of Imported Technology (imported during last 3 years reckoned from beginning of the financial year): NIL
- IV. The expenditure incurred on Research and Development: NIL

C. Foreign Exchange Earnings and Outgo

A statement containing the Foreign Exchange Earnings and Outgo are given in note 38 which forms part of the standalone financial statement.

Annexure-3

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company.

The Board of Directors, on recommendation of the Corporate Social Responsibility Committee framed a Corporate Social Responsibility Policy which is posted on the Company's website under the weblink <https://www.bestagrolife.com/investorss/Corporate-Social-Responsibility-Policy-.pdf>

The Company proposes to adopt projects or programs under one or more of the activities as prescribed under Schedule VII of the Companies Act, 2013, as recommended from time to time.

2. Composition of the CSR Committee

| Sl. No. | Name of the Director | Designation | Number of Meetings held during the year | Number of meetings attended during the year |
|---------|-----------------------------|-------------|---|---|
| 1 | Mr. Braj Kishore Prasad | Chairman | 2 | 2 |
| 2 | Mrs. Chetna* | Member | 2 | 0 |
| 3 | Mr. Shuvendu Kumar Satpathy | Member | 2 | 2 |
| 4. | Mrs. Shweta Grover** | Member | 2 | 2 |

*Mrs. Chetna was appointed as a member of the Committee w.e.f. July 01, 2021.

** Mrs. Shweta Grover ceased to be a member of the Committee w.e.f. June 30, 2021.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company <https://www.bestagrolife.com/investorss/Corporate-Social-Responsibility-Policy-.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) – **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – **Nil**

6. Average net profit of the Company as per section 135(5): ₹ **23,22,47,014.7**

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ **46,44,941**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

(c) Amount required to be set off for the financial year: if any: **NIL**

(d) Total CSR Obligation for the financial year (7a+7b+7c): ₹ **46,44,941**

8. (a) CSR amount spent or unspent for the financial year:

| Sl. No. | Particulars | CSR Number | Amount (in ₹) |
|--------------|---|-------------|------------------|
| 1. | Divya Prem Sewa Mission Haridwar (Health care and Education for the children of leprosy patients) | CSR00002521 | 50,000 |
| 2. | Sansthanam Abhay Daanam (Bird & Animal Hospital) | CSR00001492 | 12,50,000 |
| 3. | Jan kalyan charitable trust (For purchase of E.N.T. Equipment's and Dialysis of poor Patient) | CSR00010338 | 11,00,000 |
| 4. | Shree Haryana Kurushetra Gaushala, Udaypurian (For Gaushala Shed) | CSR00016609 | 11,00,000 |
| 5. | Heartfulness Institute (For Restoring biodiversity by planting native, Relieving farmer distress etc.) | CSR00006715 | 1,25,000 |
| 6. | Om Welfare For children Education | CSR00011789 | 11,00,000 |
| Total | | | 47,25,000 |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|----------------|---------------------|---|----------------------|--------------------------|----------|------------------|---|---|--|--|--|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No). | Location of the project. | | Project Duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration Number |
| Not Applicable | | | | | | | | | | | | |

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|----------------|---------------------|---|----------------------|--------------------------|----------|------------------|---|---|--|--|--|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No). | Location of the project. | | Project Duration | Amount allocated for the project (in ₹) | Amount spent in the current financial Year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration Number |
| Not Applicable | | | | | | | | | | | | |

(d) Amount spent in Administrative Overheads – Not Applicable

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year = (8b+8c+8d+8e) - Nil

(g) Excess amount for set off, if any –

| Sr. No. | Particular | Amount (In ₹) |
|---------|---|---------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 46,44,941 |
| (ii) | Total amount spent for the Financial Year | 47,25,000 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 80,059 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 80,059 |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---------------------------|--|---|---|---------------|------------------|--|
| | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| Not Applicable | | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| Project ID. | Name of the Project | Financial Year in which the project was commenced. | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year (in ₹) | Status of the project - Completed / Ongoing |
|----------------|---------------------|--|------------------|---|--|---|---|
| Not Applicable | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – **Not Applicable**

Vimal Alawadhi
Managing Director

Braj Kishore Prasad
Chairman

Corporate Governance Report

“Organisations need to practice qualitative corporate governance rather than quantitative governance thereby ensuring it is properly run.” – and “You cannot legislate good behaviour.”

– Mervyn King

1. Companies’ philosophy on Code of Governance:

In Best Agrolife Limited (“BAL”) Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and growth as well as enhancing investor confidence.

“Corporate Governance is a system by which corporate entities are directed and controlled, encompassing the entire mechanics of the functioning of a Company. Good Corporate Governance practices are a sine qua non for sustainable business that aims at generating long term value to all its shareholders and other stakeholders.”

The Company believes that Corporate Governance is not just limited to creating checks and balances; it is more about creating organizational excellence leading to increasing employee and customer satisfaction and shareholder value. The Company always endeavors to leverage its human and capital resources to translate opportunities into reality, create awareness of corporate vision and spark dynamism and entrepreneurship at all levels.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted a Code of Conduct for its non-executive directors which includes Code of Conduct for Independent Directors that suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013 (“the Act”).

The Company’s corporate governance philosophy has been further strengthened through the Best Agrolife Code of Conduct for Prevention of Insider Trading and the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as applicable, with regard to corporate governance.

2. Board of Directors’

The BAL Board, as on March 31, 2022, comprises of 6 Directors, out of which 3 (three) are Non-executive Director and 3 (three) are Executive Directors including Managing Director, and Whole-time Director. The Chairperson of the Board is the Non-Executive Independent Director. The Board comprises of 2 (Two) Independent Directors including 1 (One) women Independent Director, constituting majority of the Board strength which meets the requirements of the Companies Act, 2013 and the Listing Regulations, 2015.

Our Company’s Executive Directors are highly experienced professionals in their respective functional areas; provide directions to the management on operational issues, adoption of systems and best practices in management and oversight of compliance of various legal and other requirements.

Our Company believes that the Independent Directors bring with them the rich experience, knowledge and practices followed in other Companies resulting in imbibing the best practices followed in the industry.

All Independent Directors have confirmed that they meet the criteria as mentioned under Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and are independent of the management.

Further, Independent Directors are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

The Board as part of its succession planning exercise periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

| Name of the Director | Category | Number of Board Meetings attended during the F.Y. 2021-22 | Last AGM (Whether Attended Or not) | Number of Directorship in other public Companies | Number of Committee positions held in other Public Companies | |
|--------------------------------------|---|---|------------------------------------|--|--|--------|
| | | | | | Chairman | Member |
| Braj Kishore Prasad DIN: 01603310 | Chairman, Independent Non-Executive | 9 | Yes | - | - | - |
| Vimal Alawadhi DIN: 01260082 | Promoter, Executive | 9 | Yes | - | - | - |

| | | | | | | |
|---|------------------------------|---|-----|---|---|---|
| Chetna* DIN: 08981045 | Independent Non-Executive | 6 | NA | 6 | - | 2 |
| Isha Luthra DIN: 07283137 | Executive | 9 | Yes | - | - | - |
| Raajan Kumar Ailawadhi DIN: 08821964 | Executive | 9 | Yes | - | - | - |
| Shuvendu Kumar Satpathy DIN: 07552741 | Non-Executive | 9 | Yes | - | - | - |

*Mrs. Chetna was appointed as an Additional Director (Independent Category) of the Company w.e.f. July 01, 2021. Further, the Members of the Company at the 30th Annual General Meeting of the Company held on September 28, 2021, regularized her appointment for being a Director of the Company.

Note:

1. Only Audit Committee and Stakeholders' Relationship Committee have been considered for the Committee positions. None of the Directors on the Board is a member of more than 10 committees or Chairperson of more than 5 committees across all companies in which he/she is a Director.

2. Directorships do not include Private Limited Companies, LLP and Companies incorporated under Section 8 of the Companies Act, 2013.

Listed Entities where the Directors hold other Directorships in the Company other than Best Agrolife Limited

| Name of the Directors | Names of the other listed entities | Category of Directorship |
|-----------------------|------------------------------------|--------------------------|
| Mrs. Chetna | ANG Lifesciences India Limited | Independent Director |
| | Esquire Money Guarantees Ltd. | Independent Director |
| | Valecha Engineering Limited | Independent Director |

Note: No other Director is holding Directorship in any other Listed Entity.

Board Meetings & its Functioning

The Board and its Committees meet at regular intervals for discussion on Agenda circulated well in advance by the Company. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at the Meeting. Where it is not practical to attach or send the relevant information as a part of agenda papers, the same are tabled at the Meeting. To meet business exigencies, resolutions in respect of urgent matters are passed by Executive Committee of the Board. The Company has proper systems to enable the Board to periodically review Compliance Reports of all laws applicable to the Company, as prepared by the Company, and steps taken by the Company to rectify instances of non-compliances. The Board reviewed Compliance Reports prepared by the Company quarterly.

Nine (9) Board Meetings were held during the year 2021-22 under review and the gap between two meetings did not exceed 120 days. Necessary quorum was present for all the meetings. Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings except June 30, 2021 and September 02, 2021 were held through Video Conferencing in F.Y. 2021-22. Video/tele-conferencing facilities were provided to facilitate Directors present at other locations, to participate in the meetings.

| Sr. No. | Date of Board Meeting | Sr. No. | Date of Board Meeting |
|---------|-----------------------|---------|-----------------------|
| 1 | April 10, 2021 | 6 | October 08, 2021 |
| 2 | May 31, 2021 | 7 | October 26, 2021 |
| 3 | June 30, 2021 | 8 | November 10, 2021 |
| 4 | August 12, 2021 | 9 | January 25, 2022 |
| 5 | September 02, 2021 | | |

Disclosure of relationships between Directors inter-se: -

None of the Directors is related to each other.

During the year ended March 31, 2022, information as required in Part -A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration.

The Board periodically reviews the compliance reports of all laws applicable to the Company.

Details of equity shares & convertible instruments of the Company held by the Directors as on March 31, 2022.

| Sr. No. | Name of the Directors | Category | Number of shares held along with relative | Convertible instruments |
|---------|-------------------------|--------------------------------|---|--|
| 1 | Braj Kishore Prasad | Independent Non-Executive | 12,707 | The Company has not issued any convertible instruments |
| 2 | Vimal Alawadhi | Promoter, Executive | 1,01,47,672 | |
| 3 | Chetna | Independent Non-Executive | - | |
| 4 | Isha Luthra | Non-Independent, Executive | - | |
| 5 | Shuvendu Kumar Satpathy | Non-Independent, Non-Executive | 4,499 | |
| 6 | Raajan Kumar Ailawadhi | Non-Independent, Executive | 3,02,282 | |

Familiarization Programme and Training for Independent Directors

The Company has an orientation process/familiarization programme for its Independent Directors that includes:

- Briefing on their role, responsibilities, duties, and obligations as a member of the Board.
- Nature of business and business model of the Company, Company's strategic and operating plans.
- Matters relating to Corporate Governance, Code of Business Conduct, Risk Management, Compliance Programs, Internal Audit, etc.

As a process when a new independent director is appointed, a familiarization programme as described above is conducted by the senior management team and whenever a new member is appointed to a Board Committee, information relevant to the functioning of the Committee and the role and responsibility of Committee members is informed. Each of our independent directors have attended such orientation process/familiarization programme when they were inducted into the Board. The details of the familiarization programme are also available on the website of the Company at www.bestagrolife.com

Meeting of Independent Directors

A separate meeting of Independent Directors for the financial year 2021-22 as per Clause VII (1) of Schedule IV under Section 149 (8) of the Companies Act, 2013 and Regulation 25 (3) of the Listing Regulations was held on March 31, 2022. The Independent Directors have confirmed that they satisfy the criteria of Independence as stipulated under Section 149 (6) of the Companies Act, 2013 and Regulation 16 (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Appointment / Re-appointment of Director:

As required under Regulations 26(4) and 36(3) of the SEBI Regulations and Secretarial Standard - 2, particulars of the Directors seeking appointment / re-appointment are given in the Explanatory Statement to the Notice of the AGM.

During the year 2021-22, the Company has re-appointed Mr. Vimal Alawadhi (DIN: 01260082) at Annual General Meeting dated September 28, 2021, as he was retiring by rotation and being eligible, offered himself for re-appointment.

There being no changes among the Board of Directors of the Company, except the following:-

| Name of Director | Effective Date | Particulars |
|--------------------|----------------|--|
| Mrs. Shweta Grover | June 30, 2021 | Resigned from Directorship |
| Mrs. Chetna | July 01, 2021 | Appointed as an Independent Director for First Term of 5 (Five) consecutive years w.e.f. July 01, 2021 |

Code for Prevention of Insider Trading by Designated Persons

The Company has a Code for Prevention of Insider Trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013(as amended from time to time).

The Company also has a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information for Prevention of Insider Trading in line with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Companies Act, 2013.

The Trading Window is closed from the closure/end of the Quarter till 48 hours of publication of Quarterly Financial Results and also before the Board Meeting at which Unpublished Price Sensitive Information is discussed and re-opens after the Public Announcement of this information by the Company, in accordance with the Code. The Company observes a silent period when the Trading Window is closed.

Succession planning for the Board and Senior Management

The nomination and remuneration committee works with the Board on the leadership succession plan to ensure orderly succession in appointments to the Board and in senior management. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity. By integrating workforce planning with strategic business planning, the Company puts the necessary financial and human resources in place so that its objectives can be met. Our Board members bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy. In addition, promoting senior management within the organization fuels the ambitions of the talent force to earn future leadership roles.

Board Skills Matrix Strengthens

Board Skills Matrix strengthens an organization's overall governance practices by identifying the current skills, knowledge, experience and capabilities of Board of Directors in the context with business and industry sector.

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being an Agrochemical industry, the Company aims to provide practical, innovative crop protection and food safety solutions to our farmers. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

| Name of the Directors | Qualification | Experience | Competencies |
|--|---|------------|---|
| Mr. Braj Kishore Prasad Non-Executive, Independent | Retired IAS, Masters in Botany and Masters in administrative Science and Development Problems | 38 years | <p>Mr. Braj Kishore Prasad brings more than 38 years of experience having worked as Additional Secretary (Foreigners & Disaster Management), the Ministry of Home Affairs, Govt. of India, and as a Member Secretary in National Commission for Denotified, Nomadic Tribes & Semi-Nomadic Tribes. He was also a Chairman & Managing Director of Aavin (a Dairy Co-operative) Company, Govt. of Tamil Nadu.</p> <p>During his long career spanning 38 years, he held several key positions such as Collector of Salem, Director of Industries, Special/Secretary of Home & Prohibition Excise Department, Tamil Nadu. As in-charge of disaster management in the Ministry of Home Affairs, he effectively supervised various disaster management and relief activities at the national level.</p> <p>He was responsibly acting as a member of the Audit Committee and ensured that the Audit Committee effectively performing its functions as per the charter entrusted to it. Being member of the Stakeholders' Relationship Committee and Chairman of Corporate Social Responsibility Committee, he ensured that Shareholder's grievances, requests etc. are addressed in a proper and timely manner and that minority shareholders' interests are protected.</p> |
| Mrs. Chetna Non-Executive, Independent | CS, LLB | 5 years | <p>Mrs. Chetna has experience of more than 5 years' in Corporate Laws, SEBI Compliances, Financial Management, Accounts & Taxations.</p> <p>Mrs. Chetna is heading Audit Committee and Nomination and Remuneration Committee of the Company as Chairman and has been instrumental in maintaining high standards of accuracy and efficiency in all financial transactions, Audit, internal controls etc.</p> <p>She is also associated with Prosper Housing Finance Limited, Esquire Money Guarantees Limited as an Independent Director.</p> |
| Mr. Vimal Alawadhi Executive, | Graduate in Agriculture | 20+ Years | <p>Mr. Vimal Alawadhi is working as Managing Director of the Company. He is an eminent personality and has a vast and rich experience of more than 20 years in the Agrochemicals Industry. He is proficient in Corporate Affairs, and his keen insight and judgment bring excellence to the Company's functioning, its Board, and Committees. He has deep commitments towards the achievement of organizational goals and has also played a key role in introducing Corporate Governance Principles in the functioning of the Company. His foresight and business acumen have helped the Company achieve its goals. Under his exuberant personality and ambitious leadership, the Company expanded its production facilities, setting up state of the art world-class manufacturing facility in Gajraula and Greater Noida.</p> <p>His passion to contribute to Indian Agriculture is commendable. His ability to prioritize and deal effectively with a number of tasks simultaneously reinforced with the skills to make effective decisions has transformed the business venture into one of the fastest-growing agrochemical Companies in India.</p> |

| | | | |
|--|---|-----------|--|
| Mr. Raajan Kumar Ailawadhi Executive | Bachelor of Agricultural (H), Diploma in Agri-Business Management from Dehradun, MBA from Symbiosis | 18+ years | Mr. Raajan Kumar Ailawadhi has a distinguished corporate career of 18years. He is associated with Best Agrolife Limited since 2017. His technical expertise has supported to enlargement of the product base of Best Agrolife. He helped the Company in smoothening the production, procurement, and logistic functions and established quality control. His new initiatives include improving the efficiency and functioning of the Company and thus improving profitability. He is instrumental in driving various initiatives with the support of senior leadership teams to achieve the set milestones of the organization. Mr. Raajan, has a proven track record of helping the Best Agro group stimulate growth and achieve a scale of success. He has presented the role of "Indian Agrochemicals Companies in regularly educating the Farmers on Integrated Pest Management Practices" before Ministry of Agriculture & Farmer Welfare on behalf of various associations. His rich experience includes managing the brand and extensively overlooking and managing the company's strategic alliances, marketing, and branding strategies. He monitors personally the sales funnels and gets implemented comprehensive marketing strategies to create awareness of the company's business activities. |
| Mrs. Isha Luthra Executive | Bachelors in Arts from Delhi University and Diploma in Information Technology | 10+ Years | She has a distinguished corporate career of more than 10 years. She is associated with Best Agrolife Limited since 2013. Her technical expertise has supported to enlargement of the product base of Best Agrolife Limited. She is instrumental in driving various initiatives with the support of senior leadership teams to achieve the set milestones of the organization. She initiates technological advancements in the organization, takes a keen interest in helping the team in domestic and global license work, product registrations, and closely monitors smooth administration in day-to-day life at work. |
| Mr. Shuvendu Kumar Satpathy Non-Executive, Non-Independent | B.Sc in Agriculture, CIAB in Finance | 33+ Years | <p>He has a distinguished corporate career of more than 33 years where he has worked for 22 years at Punjab National Bank and later collaborated under various capacities in the agrochemicals industry. He is an excellent analyst known for his problem-solving and decision-making skills. A good orator, he is a strong influencer and a persuasive communicator. A people person, he is good at system implementation and team-building.</p> <p>Mr. Satpathy is majorly involved in the administration, and banking operations of the company. This includes overlooking the company's finance portfolio, CMA data, projections, finalizing the balance sheet, stock audits, and liaising with banking and other officials.</p> <p>He was responsibly acting as a member of the Audit Committee and ensured that the Audit Committee effectively performing its functions as per the charter entrusted to it. Being member of the Stakeholders' Relationship Committee and Corporate Social Responsibility Committee, he ensured that Shareholder's grievances, requests etc. are addressed in a proper and timely manner and that minority shareholders' interests are protected.</p> |

Expertise/ Skills of Directors

| Sr. No. | Name of Director | Expertise/Skills |
|---------|-----------------------------|---|
| 1 | Mr. Braj Kishore Prasad | Finance and allied fields, Leadership Experience, Functional and Managerial Experience, Human Resources, Education and Research and Social Reforms. |
| 2 | Mr. Vimal Alawadhi | Wide Management and Leadership Experience, Functional and Managerial Experience, Diversity and Personal Values, Education and Research, Social Reforms and betterment of the nation in areas of Trade and Industry and Decision Making. |
| 3 | Mrs. Chetna | Corporate Governance, Banking and Finance matter, Capital Market Activity and Investor Relation. |
| 4 | Mr. Raajan Kumar Ailawadhi | Strategic Marketing, Brand transformation, Business development and spearheading new projects, Human Resources and Decision Making. |
| 5 | Mrs. Isha Luthra | IT reforms, Administrative reforms and strategy, Standardization of systems and processes across the organization. |
| 6 | Mr. Shuvendu Kumar Satpathy | Strategic private equity investment and Business Management, Investment Banking, Corporate Advisory and Project Appraisal, Banking and Finance matter. |

Confirmation and Certification

The Company obtain confirmation from the board, that the independent directors fulfil the conditions specified in regulations mentioned in the Schedule V of Listing Regulations and are independent of the management. The Company annually obtains from each Director, details of the Board and Board Committee positions he/ she occupies in other Companies, and changes if any regarding their Directorships.

Annual affirmation regarding compliance with the Code of Conduct

The Board of Directors has adopted the Code of Conduct for the Directors and Senior Management personnel and same also been posted on the Company's website at www.bestagrolife.com. In terms of Regulation 26(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 all members of the Board and senior management personnel affirmed the compliance with the Code of Conduct as on March 31, 2022. A declaration signed by the CEO / Managing Director of the Company is given below:

This is to certify that, all Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management for the financial year ended March 31, 2022.

3. Audit Committee

The constitution of Audit Committee is in conformation with the requirements of Section 177 of the Companies Act, 2013 and also as per the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference:

The terms of reference of the Audit Committee are as per guidelines set out in the Regulation 18 read with Part-C

of Schedule-II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Section 177 of the Companies Act, 2013. The detailed terms of reference of the Audit Committee are available on the website of the Company at www.bestagrolife.com

The responsibilities of the Audit Committee include overseeing the financial reporting process, to ensure fairness, sufficiency and credibility of financial statements, review findings of internal auditors relating to various functions, recommendation of appointment and removal of statutory auditors, internal auditors and cost auditors and fixation of their remuneration; review of the quarterly and annual financial statements before submission to the Board with particular reference to matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013; review of adequacy and compliance of internal control systems and the internal audit function; review of compliance with applicable laws; inspection of records and reports of statutory auditors; review of findings of internal investigations; review of statement of significant related party transactions, review of management letters/letter of internal control, weaknesses issued by statutory auditors, discussion on the scope of audit with external auditors and examination of reasons for substantial defaults, if any in the payment to shareholders; review the functioning of the Whistle Blower mechanism, approval of appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience and background, etc.

The Audit Committee is also responsible for giving guidance and directions under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to review the report of the Compliance Officer with the provisions of these regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

Composition

The Committee is comprised of 3(Three) Directors, out of which 2 (Two) are Independent Directors. The Chairman of the Committee is an Independent Director. The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed at the subsequent Meeting of the Board.

The composition, name of the members, chairperson, particulars of the Meetings, and attendance of the members during the year are as follows:

| Sr. No. | Name of Members | Category | Designation | No. of Meetings attended during the year 2021-22 |
|---------|-----------------------------|--------------------------------|-------------|--|
| 1. | Mrs. Chetna* | Independent/ Non-Executive | Chairperson | 6 |
| 2. | Mr. Braj Kishore Prasad | Independent /Non-Executive | Member | 8 |
| 3. | Mr. Shuvendu Kumar Satpathy | Non-Independent /Non-Executive | Member | 8 |
| 4. | Mrs. Shweta Grover** | Independent /Non-Executive | Member | 2 |

Company Secretary being secretary to the Committee, attended all the Meetings.

*Mrs. Chetna was appointed as a member of the Committee w.e.f. July 01, 2021.

** Mrs. Shweta Grover ceased to be a member of the Committee w.e.f. June 30, 2021.

Eight (8) Audit Committee Meetings were held during the year 2021-22. The dates on which the Audit Committee Meetings held were April 10, 2021, June 30, 2021, August 12, 2021, September 02, 2021, October 08, 2021, October 26, 2021, November 10, 2021, January 25, 2022. The quorum as required under Regulation 18(2) of the Listing Regulations was maintained at all the meetings.

All the Members of the Audit Committee are financially literate.

Nomination & Remuneration Committee

The constitution of Nomination & Remuneration Committee is in conformation with the requirements of Section 178 of the Companies Act, 2013 and also as per the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said Committee has been entrusted to formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy relating to remuneration for the Directors, key managerial personnel and other employees, formulation of criteria for evaluation of Independent Directors and the Board as a whole, devising a policy on the Board diversity, identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal etc.

The Committee is comprised of 3(Three) Directors, out of which 2 (Two) are Independent Directors. The Chairman of the Committee is an Independent Director. The minutes of each Nomination & Remuneration Committee meeting are placed at the subsequent Meeting of the Board.

The composition, name of the members, chairperson, particulars of the Meetings, and attendance of the members during the year are as follows:

| Sr. No. | Name of Members | Category | Designation | No. of Meetings attended during the year 2021-22 |
|---------|-----------------------------|--------------------------------|-------------|--|
| 1. | Mrs. Chetna* | Independent/ Non-Executive | Chairperson | 1 |
| 2. | Mr. Braj Kishore Prasad | Independent /Non-Executive | Member | 3 |
| 3. | Mr. Shuvendu Kumar Satpathy | Non-Independent /Non-Executive | Member | 3 |
| 4. | Mrs. Shweta Grover** | Independent /Non-Executive | Member | 2 |

Company Secretary of the Company, being Secretary to the Committee, attended the Meeting.

*Mrs. Chetna was appointed as a member of the Committee w.e.f. July 01, 2021.

** Mrs. Shweta Grover ceased to be a member of the Committee w.e.f. June 30, 2021.

Three (3) Nomination & Remuneration Committee Meetings were held during the year 2021-22. The dates on which the Nomination & Remuneration Committee Meetings held were April 10, 2021, June 30, 2021 and September 02, 2021. The quorum as required under Regulation 19(2A) of the Listing Regulations was maintained at all the meetings.

Nomination and Remuneration Policy

The Board on the recommendation of the Nomination & Remuneration Committee adopted the Remuneration policy for Directors, Key Managerial Personnel (KMP) and other employees of the company. The Board has also adopted a policy on Board diversity.

The said policy of the Company is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging

and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders. The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under the Companies Act, 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc. Both the Policies are available at website of the Company at www.bestagrolife.com

Details of Directors' Remuneration for the year ended March 31, 2022

The compensation payable to the Non-Executive Directors is limited to a fixed amount per year as determined and approved by the Board, the sum of which does not exceed 1% of net profit for the year, calculated as per the provisions of the Companies Act, 2013 for each of the meeting of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholder Relationship Committee, Corporate Social Responsibility Committee attended by them.

a. Non-Executive Directors

| Sr. No. | Name of the Directors | (Amount in ₹) | |
|---------|------------------------------|---------------|-----------|
| | | Sitting Fees | other |
| 1. | Mrs. Shweta Grover | 31,250 | - |
| 2. | Mr. Shuvendu Kumar Satpathy* | - | 10,87,000 |
| 3. | Mr. Braj Kishore Prasad | 4,00,000 | - |
| 4. | Mrs. Chetna | 93,750 | - |

*Mr. Shuvendu Kumar Satpathy received remuneration within the limits as approved by the resolution passed in the 30th AGM of the company held on September 28, 2021.

Apart from receiving Directors' remuneration as above, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the year ended March 31, 2022.

b. Executive Directors

| Sr. No. | Name of the Directors | (Amount in ₹) | | |
|---------|----------------------------|---------------|------------------------------|-------------|
| | | Salary | Perquisites & other benefits | Total |
| 1. | Mr. Vimal Alawadhi | 1,14,00,000 | 10,02,200 | 1,24,02,200 |
| 2. | Mr. Raajan Kumar Ailawadhi | 49,50,000 | 9,47,700 | 58,97,700 |
| 3. | Mrs. Isha Luthra | 7,81,089 | - | 7,81,089 |

The tenure of appointment of the Managing Director and Whole-Time Directors are for a period of 5 years from their respective dates of appointments.

Performance Evaluation Criteria for Independent Directors

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. An indicative list of factors on which evaluation was carried out includes participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality and independence of behaviour and judgement.

4. Stakeholders' Relationship Committee

The Board has constituted the Stakeholders' Relationship Committee in provisions of Section 178 of the Companies Act, 2013 and Regulation 20 read with Part-D of Schedule-II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Chairman of the Committee is a Non-Executive Director.

The Committee meets to approve inter-alia, transfer/transmission of shares, issue of duplicate share certificates, and reviews the status of investors' grievances and redressal mechanism and recommends measures to improve the level of Investor services. Details of shares transfers/transmissions approved by the Committee are placed at the Board Meetings from time to time.

One (1) Stakeholders' Relationship Committee (SRC) Meeting was held during the year 2021-22 on September 02, 2021. The composition, name of the members, chairman, particulars of the Meetings and attendance of the members during the year are as follows:

| Sr. No. | Name of Members | Category | Designation | No. of Meetings attended during the year 2021-22 |
|---------|-----------------------------|--------------------------------|-------------|--|
| 1. | Mr. Shuvendu Kumar Satpathy | Non-Independent /Non-Executive | Chairperson | 1 |
| 2. | Mr. Braj Kishore Prasad | Independent /Non-Executive | Member | 1 |
| 3. | Mrs. Chetna* | Independent/ Non-Executive | Member | 1 |

Company Secretary of the Company, being Secretary to the Committee, attended the Meeting.

**Mrs. Chetna was appointed as a member of the Committee w.e.f. July 01, 2021.

Name & designation of the Compliance Officer:

| Name of the Compliance Officer | Designation | Address & Contact Detail |
|--------------------------------|---|--|
| Mrs. Astha Wahi | Head Company Secretary & Compliance Officer | Address: B-4, Bhagwan Dass Nagar, East Punjabi Bagh, New Delhi-110026 M.N. +91-9650507235 Phone- +91-11-45803300 Email: info@bestagrolife.com |

Details of Complaint received and redressed during the year 2021-22

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| Nil | Nil | Nil | Nil |

5. Risk Management Committee

Keeping in view of the provision of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has constituted a Risk Management Committee, in its meeting held on June 30, 2021 wherein the majority of members consist of members of the Board of Directors. This Committee shall meet at least twice a year. The Board shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the Risk Management Plan to the Committee.

Composition of the members of Risk Management Committee during the financial year 2021-22

Two (2) Risk Management Committee (RMC) Meeting was held during the year 2021-22 on January 25, 2022 and March 31, 2022. All the members were present in the Meeting. The composition, name of the members, chairman, particulars of the Meetings and attendance of the members during the year are as follows:

| Sr. No. | Name of Members | Category | Designation | No. of Meetings attended during the year 2021-22 |
|---------|-----------------------------|--------------------------------|-------------|--|
| 1. | Mr. Braj Kishore Prasad | Independent /Non-Executive | Chairperson | 2 |
| 2. | Mr. Shuvendu Kumar Satpathy | Non-Independent /Non-Executive | Member | 2 |
| 3. | Mrs. Chetna | Independent/ Non-Executive | Member | 2 |

Company Secretary of the Company, being Secretary to the Committee, attended the Meeting.

6. Corporate Social Responsibility Committee

The Board has constituted a Corporate Social Responsibility (CSR) Committee in line with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 with maximum members being Independent Directors, to recommend to the Board, the CSR initiatives of the Company and also to monitor the implementation of the CSR initiatives.

Two (2) Corporate Social Responsibility (CSR) Committee Meetings were held during the year 2021-22. The dates on which the Corporate Social Responsibility (CSR) Meetings held was April 10, 2021 and June 30, 2021. All the members were present in the Meeting

The composition, name of the members, chairperson, particulars of the meeting and attendance of the members during the year are as follows:

| Sr. No. | Name of Members | Category | Designation | No. of Meetings attended during the year 2021-22 |
|---------|-----------------------------|--------------------------------|-------------|--|
| 1. | Mr. Braj Kishore Prasad | Independent /Non-Executive | Chairperson | 2 |
| 2. | Mr. Shuvendu Kumar Satpathy | Non-Independent /Non-Executive | Member | 2 |
| 3. | Mrs. Chetna* | Independent/ Non-Executive | Member | 0 |
| 4. | Mrs. Shweta Grover** | Independent/ Non-Executive | Member | 2 |

*Mrs. Chetna was appointed as a member of the Committee w.e.f. July 01, 2021.

** Mrs. Shweta Grover ceased to be a member of the Committee w.e.f. June 30, 2021.

7. General Body Meetings

(i) Particulars about the last three Annual General Meetings (AGMs) of the Company are:

| Year | Date & Time | Venue | Special Resolution |
|-------------|----------------------------------|---|--------------------|
| March, 2021 | September 28, 2021 at 12:30 p.m. | Video Conference / Other Audio-Visual means | Yes |
| March, 2020 | September 28, 2020 at 12:30 p.m. | Video Conference / Other Audio-Visual means | Yes |
| March, 2019 | September 28, 2019 at 11:00 a.m. | 5/2, Agarwal Bhawan, Jaidev Park, East Punjabi Bagh, New Delhi-10026 | Yes |

(ii) Particulars about the last three Extra-Ordinary General Meetings (EGMs) of the Company are:

| Sr. No. | Year | Date | Venue | Time | Special Resolution (by postal ballot) |
|---------|---------|------------------|---|---------------|---------------------------------------|
| 1. | 2017-18 | August 19, 2017 | 5/2, Agarwal Bhawan, Jaidev Park, East Punjabi Bagh, New Delhi-10026 | 11.30 a.m. | Yes |
| 2. | 2019-20 | October 12, 2019 | 5/2, Agarwal Bhawan, Jaidev Park, East Punjabi Bagh, New Delhi-10026 | 12:00 noon | Yes |

(iii) The details of the voting pattern are as under:

| Date of EGM | Number of members voted /Total number of votes(shares) cast | No. of votes in favour | No. of votes against | No. of invalid votes |
|------------------|---|------------------------|----------------------|----------------------|
| October 12, 2019 | 60/1388576 | 1388576 | 0 | 0 |
| August 19, 2017 | 35/609448 | 609296 | 0 | 152 |

(iv) Procedure for Postal Ballot

The Company conducted the postal ballot in accordance with the provisions of Section 108, 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management & Administration) Rules, 2014 ("Rules")

In compliance with Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs ("MCA"), Company sent the Postal Ballot Notice along with the explanatory statement in electronic form on September 07, 2019 for EGM held on October 12, 2019 and on July 17 & 18, 2017 for EGM held on August 19, 2017, only to those Members whose e-mail addresses were registered with the Company/ Depositories, to enable them to cast their votes electronically. The Company also published a Notice in the newspaper and other requirements as mandated under the provisions of the Act and Rules framed thereunder. The voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Rules read with Regulation 44 of the SEBI Listing Regulations, the Company had offered the facility of e-voting to its members to enable them to cast their vote electronically.

For EGM held on August 19, 2017 - The voting under the postal ballot was kept open from Thursday, July 20, 2017 at 9.00 a.m. (IST) until Friday, August 18, 2017 at 5:00 p.m. (IST). Upon completion of scrutiny of the votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Mr. Vivek Goyal, submitted his report to the Company and the results of the postal ballot were announced by the Company on August 19, 2017.

For EGM held on October 12, 2019 - The voting under the postal ballot was kept open from Thursday, September 12, 2019 at 9.00 a.m. (IST) until Friday, October 11, 2019 at 5:00 p.m. (IST). Upon completion of scrutiny of the votes cast through e-voting in a fair and transparent manner, the scrutinizer i.e. Mr. Suresh Goyal, submitted his report to the Company and the results of the postal ballot were announced by the Company on October 22, 2019*.

Note: *As per the 1st Motion order of the NCLT, Principal bench New Delhi dated 21.08.2019, the chairperson shall be responsible

to report the result of the meeting to the tribunal within two weeks of the conclusion of the meeting. The chairperson has submitted the report to NCLT and simultaneously provide us the copy of chairperson report along-with scrutinizer report for disclosure purpose.

The voting results was sent to the Stock Exchange and also displayed on the Company's website www.bestagrolife.com and on the website of National Securities Depository Limited www.evoting.nsdl.com

(vi) Details of special resolution proposed to be conducted through postal ballot: The Company has not carried out postal ballot exercise during the financial year 2021-22.

8. Means of Communication

The Company publishes the quarterly, half yearly and annual results, in the format prescribed by the Listing Regulations, 2015 read with the Circular issued there under, in one National and one Regional Newspaper apart from displaying it on its website and filing the same on online portals of BSE.

Official news release/presentations made to Investor analysts are updated on Company's website www.bestagrolife.com and on BSE. No unpublished price sensitive information is discussed in these presentations.

The Annual Report containing, inter alia, Audited Financial Statement, Consolidated Financial Statements, Board Report, Auditors' Report is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website.

The investor complaints are processed in a centralised web-based complaints redressal system (SCORES) maintained by SEBI. The Company has also designated the following e-mail ID exclusively for Investors' grievance redressal - info@bestagrolife.com

The quarterly Shareholding Pattern and Corporate Governance Report of the Company are filed with BSE through BSE Online Portal and are also displayed on the Company's website under the "Investors" section.

9. General Shareholder information

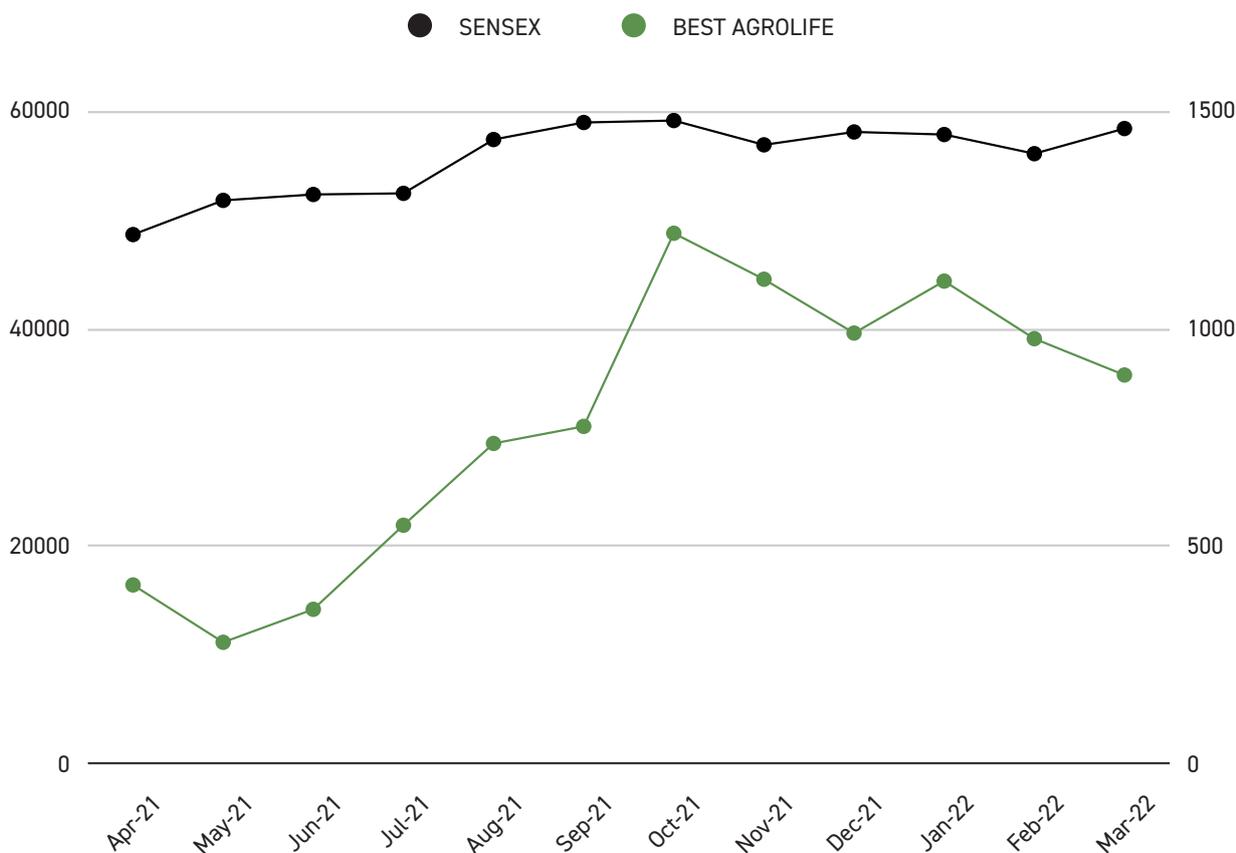
| Sl. No. | Salient item of Interest | Particulars |
|---------|---|--|
| i. | AGM Date, Time, and Venue | September 28, 12:30 p.m. through Video conferencing (VC) or other Audio-Visual means (OAVM) at New Dehi |
| ii. | Financial Calendar (Tentative) | |
| | - Financial reporting for the quarter ended June 30, 2022 | August, 2022 |
| | - Financial reporting for the quarter ending September 30, 2022 | October/November, 2022 |
| | - Financial reporting for the quarter ending December 31, 2022 | January/ February, 2023 |
| | - Financial reporting for the quarter/year ending March 31, 2023 | April/ May, 2023 |
| iii. | Date of Book Closure | September 22, 2022 to September 28, 2022 |
| iv. | Dividend Payment Date | On or after September 28, 2022 |
| v. | Listing on Stock Exchange | The Equity Shares of the Company is listed on BSE Limited. The Annual listing fee has been paid to BSE for the F.Y. 2022-23. |
| | | BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, India Tel. : +91-22-22721234 Fax : +91-22-22722041 ISIN for equity shares: INE052T01013 |
| vi. | Stock Code | BSE Limited: 539660 |
| vii. | Registrar & Share transfer Agent | Skyline Financial Services Private Limited D153/A, 1 st Floor, Okhla Industrial Area Phase-1, New Delhi-110020 Phone- +91-40450193-97 Email: info@skylinerta.com |
| viii. | Share Transfer System | In terms of Regulation 40(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has, vide its circular dated January 25, 2022, mandated companies to issue its securities in demat form only while processing various service requests such as issue of duplicate share certificates, sub-division, consolidation, transmission, etc. to enhance ease of dealing in securities markets by investors. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at https://www.bestagrolife.com/investorss/FORM-ISR-4.pdf In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialisation. Transfers of equity shares in electronic form are affected through the depositories with no involvement of the Company. |
| ix. | Dematerialisation of shares and liquidity | ₹ 2,36,42,640 (99.99%) of the Paid-up Equity Share Capital of the Company is in dematerialised form as on March 31, 2022. |
| x. | Outstanding GDRs /ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity | The Company has no outstanding GDRs/ADRs/Warrants or any other convertible instruments as on March 31, 2022. |
| xi. | Address for correspondence | B-4, Bhagwan Dass Nagar, East Punjabi Bagh, New Delhi-110026 |
| xii. | Commodity price risk or foreign exchange risk and hedging activities | During the year under review, the Company has managed foreign exchange risk. The details of foreign currency exposure are disclosed in Note No. 38 to the Standalone Financial Statements. |
| xiii. | Credit Ratings Obtained | Brickwork Ratings India Private Limited has assigned long term rating to BWR A-/ STABLE (ASSIGNED) and BWR A2+ for short term in respect of the various banking facilities availed by the Company. |
| xiv. | Plant Location | C-2, Industrial Area, UPSIDC, Gajraula-II, Amroha, Uttar Pradesh, 244235 B-8, site B UPSIDC Surajpur Industrial Area, Greater Noida, Gautam Buddha Nagar, UP-201306 C-6, 7 & 8, Industrial Area, UPSIDC, Gajraula-II, Amroha, Uttar Pradesh, 244235 |

xv. Stock Market Data

The monthly high and low quotations of shares traded on BSE is as under:

| Month | Best Agrolife BSE Price (in ₹) | | BSE Sensex | |
|-----------------|--------------------------------|----------|------------|-----------|
| | High | Low | High | Low |
| April, 2021 | 505.35 | 381.00 | 50,375.77 | 47,204.50 |
| May, 2021 | 430.00 | 203.00 | 52,013.22 | 48,028.07 |
| June, 2021 | 355.00 | 280.00 | 53,126.73 | 51,450.58 |
| July, 2021 | 565.40 | 363.95 | 53,290.81 | 51,802.73 |
| August, 2021 | 737.60 | 536.10 | 57,625.26 | 52,804.08 |
| September, 2021 | 845.00 | 711.90 | 60,412.32 | 57,263.90 |
| October, 2021 | 1,294.85 | 757.05 | 62,245.43 | 58,551.14 |
| November, 2021 | 1,399.70 | 1,031.00 | 61,036.56 | 56,382.93 |
| December, 2021 | 1,300.00 | 905.05 | 59,203.37 | 55,132.68 |
| January, 2022 | 1,221.80 | 975.80 | 61,475.15 | 56,409.63 |
| February, 2022 | 1,174.00 | 775.05 | 59,618.51 | 54,383.20 |
| March, 2022 | 1,031.25 | 841.90 | 58,890.92 | 52,260.82 |

xvi. Stock Performance Chart (comparison to broad-based indices BSE Sensex)

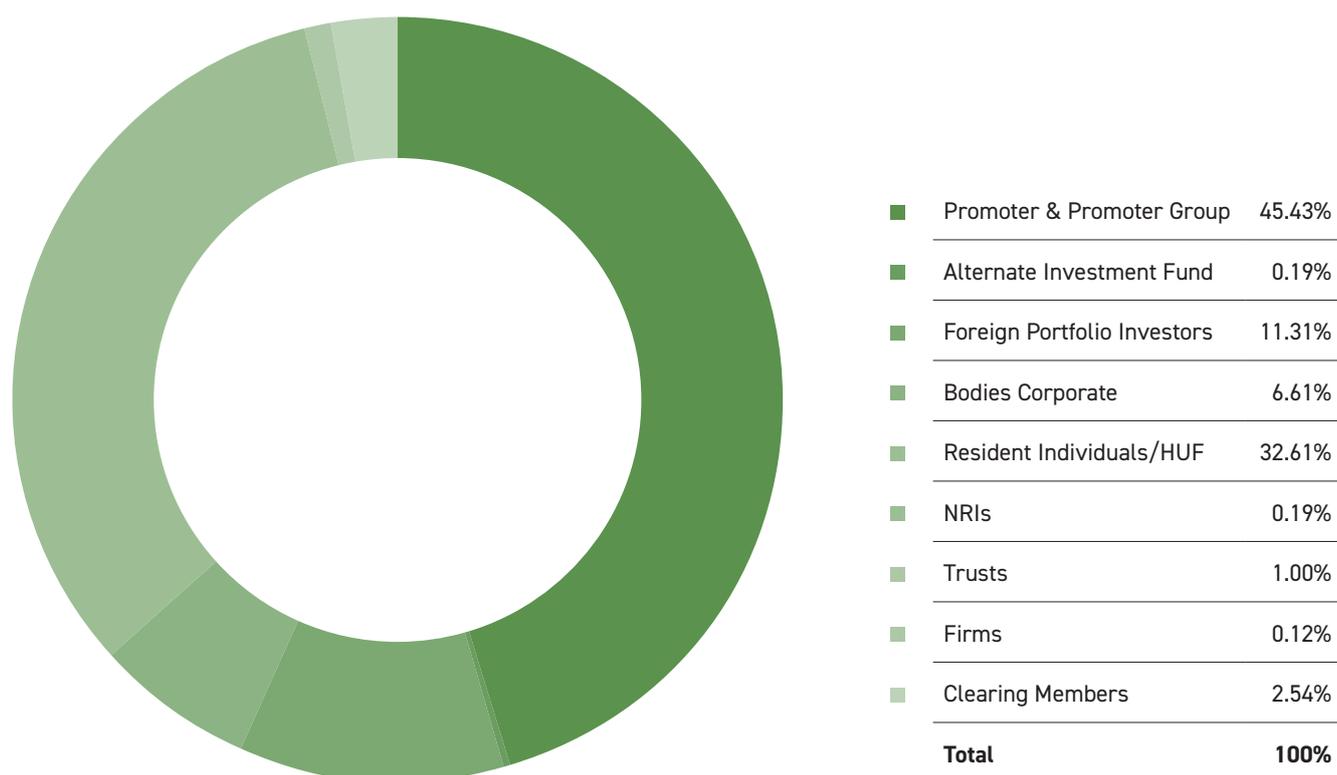


xvii. Distribution of Shareholding as on March 31, 2022

| Range of Shares | No. of Shareholders | % Shareholders | No. of Shares held | % Shareholding |
|--------------------|---------------------|----------------|---------------------|----------------|
| Up To 5,000 | 7864 | 95.61 | 2920410.00 | 1.24 |
| 5001 To 10,000 | 130 | 1.58 | 1045910.00 | 0.44 |
| 10001 To 20,000 | 64 | 0.78 | 943190.00 | 0.40 |
| 20001 To 30,000 | 36 | 0.44 | 919460.00 | 0.39 |
| 30001 To 40,000 | 17 | 0.21 | 595160.00 | 0.25 |
| 40001 To 50,000 | 13 | 0.16 | 592640.00 | 0.25 |
| 50001 To 1,00,000 | 22 | 0.27 | 1604790.00 | 0.68 |
| 1,00,000 and Above | 79 | 0.96 | 227825840.00 | 96.35 |
| Total | 8225 | 100.00 | 236447400.00 | 100.00 |

xviii. Shareholding Pattern as on March 31, 2022

| Category | No. of Shares held | % Shareholding |
|-----------------------------|--------------------|----------------|
| Promoter & Promoter Group | 10738792 | 45.43 |
| Alternate Investment Fund | 46000 | 0.19 |
| Foreign Portfolio Investors | 2674663 | 11.31 |
| Bodies Corporate | 1562076 | 6.61 |
| Resident Individuals/HUF | 7710664 | 32.61 |
| NRIs | 45072 | 0.19 |
| Trusts | 237010 | 1.00 |
| Firms | 601432 | 0.12 |
| Clearing Members | 29031 | 2.54 |
| Total | 23644740 | 100 |



10. Disclosures:

a. Related Party Transactions

There are no materially significant Related Party Transactions during the year that have potential conflict with the interests of the Company at large. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arm's length basis and were approved by the Audit Committee.

The Company has formulated a policy on Related Party Transactions and the same is available on the Company's website <https://www.bestagrolife.com/investorss/Policy-On-Materiality-And-Dealing-With-Related-Party-Transactions.pdf>

b. Material Subsidiaries Company

The Company does not have any material non-listed Indian subsidiary Company. The Company monitors performance of subsidiary Companies by the following means: -

- Financial statements and particular of investments made by subsidiary Companies are reviewed by the Audit Committee.
- Minutes of Board meetings of subsidiary Companies are placed before the Board meetings of the Company regularly.

The Company has adopted a Policy for determining Material Subsidiaries in line with the requirements of the Listing Regulations. The Objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of the Company.

The policy for determining material subsidiaries is available on the Company's website <https://www.bestagrolife.com/investorss/Policy-on-Material-Subsidiaries.pdf>

c. Details of non-compliance

There has been no non-compliance or penalties, or strictures imposed on your Company by any of the Stock Exchanges or SEBI, or any statutory authority on any matter related to capital markets during the last three years;

d. Vigil Mechanism/ Whistle Blower Policy

The Company has adopted a Whistle blower policy and has established the necessary vigil mechanism as required under Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct. No person has been denied access to the Chairman of the Audit Committee. The said policy has been disclosed on the Company's website under the web link <https://www.bestagrolife.com/investorss/VIGIL-MECHANISM-&-WHISTLE-BLOWER-POLICY.pdf>

e. Adoption of Mandatory and Non- mandatory requirements

The Company has complied with all the mandatory requirements of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

However, the Company has also complied with following non-mandatory requirements of Regulation 27(1) read with Part E of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- i) Audit Qualifications - The Statutory Financial Statements (Standalone & Consolidated) of the Company are unqualified.
- ii) Reporting of Internal Auditor- The Internal Auditors of the Company make presentations to the Audit Committee on their reports.
- iii) Separate posts of Chairman and CEO - The positions of Chairman and CEO/ Managing Director are separate.

f. Certificate of Non- Disqualification of Directors

None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority.

A certificate for the same has been issued by Ms. Rakhi Rani, Practicing Company Secretary, which forms part of this Annual Report.

g. Fees paid to Statutory Auditor

The Company has paid a consolidated amount of ₹ 42.34 Lakh as total fees for all services rendered by the statutory auditor and all entities in the network firm/network entity to which the statutory auditor is part.

h. Risk Management

The Company has detailed Risk Management Policy and the Board periodically reviews the procedures for its effective management. The company has also constituted the Risk Management Committee.

i. Disclosure under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Company adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints under the above Act.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

| Sr. No. | Particulars | Status |
|---------|--|--------|
| i. | Number of complaints filed during the financial year | Nil |
| ii. | Number of complaints disposed of during the financial year | Nil |
| iii. | Number of complaints pending as on end of the financial year | Nil |

j. Accounting Standards

The guidelines/accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) and prescribed under Section 133 of the Companies Act, 2013 have been followed in the preparation of the financial statements of the Company for the Financial year ended March 31, 2022.

k. CEO/CFO Certificate

Mr. Vimal Alawadhi, Managing Director and Mr. Atul Garg, Chief Financial Officer have furnished the required certificate to the Board of Directors pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

l. Disclosure of Non-Compliance - There was no such non-compliance made by the Company on corporate governance report as required under sub- paras (2) to (10) of Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Certificate on Corporate Governance Report

Compliance Certificate from the Statutory Auditors for Compliance of Conditions of Corporate Governance in terms of Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been annexed to the Annual Report of the Company.

CEO/CFO Certification

In respect of Financial Statements and Cash Flow Statement (pursuant to regulation 17(8) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the Financial year ended March 31, 2022

Pursuant to Regulation 17(8) we do hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of their knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year ended March 31, 2022 which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Vimal Alawadhi
Managing Director

Atul Garg
Chief Financial Officer

Date: May 23, 2022

Place: New Delhi

Secretarial Audit Report

Form No. MR-3

For the Financial year ended March 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
BEST AGROLIFE LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BEST AGROLIFE 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, to the extent the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 pandemic, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2022 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 thereunder to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings (No Fresh FDI, ODI and ECB was taken by the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
 - (vi) Other laws specifically applicable to the Company namely:
 - The Insecticides Act, 1968 and Rules, 1971

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

Mr. Atul Garg has been appointed as Chief Financial Officer of the company w.e.f 10.04.2021

The Board of Directors of the Company is duly constituted with the optimum combination of Executive and Non-Executive Directors including women Director. During the period under review Mrs. Chetna was appointed as an Independent Director w.e.f 01.07.2021 and Mrs. Shweta Grover ceased to be an Independent Director w.e.f 30.06.2021. The appointment of Mr. Raajan Kumar Ailawadhi as a Whole-Time Director and Mrs. Chetna as an Independent Director was regularised in the Annual General Meeting held on September 28, 2021.

Adequate notice was given to all directors to schedule the Board Meetings at least seven days in advance other than those held at shorter notice, agenda and detailed notes on agenda were sent 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.

Decisions at the Board Meetings were taken unanimously.

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.

We further report that during the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Issue of shares by way of preferential issue

The Company had created, offered, issued and allotted 16,12,674 (Sixteen Lakh Twelve Thousand Six Hundred Seventy-Four) fully paid-up equity shares of ₹ 10.00/- each (Rupees Ten only) each on preferential basis at an issue price of ₹ 630.00/- (Rupees Six Hundred Thirty only) per equity share including a premium of ₹ 620.00/- (Rupees Six Hundred Twenty only) which is not less than the price determined in accordance with Chapter V of SEBI ICDR Regulations, for a consideration other than cash towards full discharge to the purchase consideration for the acquisition of 68,50,000 (Sixty Eight Lakh Fifty Thousand) fully paid-up equity shares (constituting 100.00% of the equity share capital ("Sale Shares") of Best Crop Science Private Limited ("BCSPL") from its shareholders ("Sellers" or "Proposed Allottees", as the context may require) for an aggregate amount up to ₹ 101.60 Crores/- (Rupees One Hundred One Crore Sixty Lakh only) in terms of the Definitive Agreements being executed.

Rakhi Rani

Practicing Company Secretary

ACS No. 31715

CP No. 21612

UDIN: A031715D000863733

PR No. 2398/2022

New Delhi, August 29, 2022

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 members
Best Agrolife Limited

Our report of even date is to be read along with this letter.

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 process 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 process 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. 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 procedure on test basis.
5. 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.

Rakhi Rani
Practicing Company Secretary
ACS No. 31715
CP No. 21612
UDIN: A031715D000863733
PR No. 2398/2022

New Delhi, August 29, 2022

Business Responsibility Report

Best Agrolife Limited presents its 'Business Responsibility Report' as mandated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in line with the National Guidelines on Responsible Business Conduct (NGRBC), as released by the Ministry of Corporate Affairs in March 2019. The report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Section A: General Information About The Company:

| | | |
|-----|---|---|
| 1. | Corporate Identity Number (CIN) of the Company | L 7 4 1 1 0 D L 1 9 9 2 P L C 1 1 6 7 7 3 |
| 2. | Name of the Company | Best Agrolife Limited |
| 3. | Registered Address | B-4, Bhagwan Dass Nagar, East Punjabi Bagh, New Delhi-110026 |
| 4. | Website | www.bestagrolife.com |
| 5. | Email Id | info@bestagrolife.com |
| 6. | Financial Year reported | April 01, 2021 to March 31, 2022 |
| 7. | Sector (s) that the Company is engaged in (industrial activity code wise) | Agrochemicals |
| 8. | List three key products/services that the Company manufactures/provides (as in balance sheet) | a. Insecticides b. Herbicides c. Fungicides |
| 9. | Total number of locations where business activity is undertaken by the Company: | A. Number of International Locations: - None B. Number of National Locations: - The Company's manufacturing operations are situated at three locations, viz Gajraula, Greater Noida and Jammu & Kashmir. |
| 10. | Markets served by the Company | Both National & International Market |

Section B: Financial Details Of The Company

| | | |
|----|---|---|
| 1. | Paid-Up Capital (INR) | ₹ 23,64,47,400 |
| 2. | Total Turnover (INR) | ₹ 1134 crore (on a standalone basis) |
| 3. | Total profit after taxes (INR) | ₹ 87crore (on a standalone basis) |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | 0.54% |
| 5. | List of activities in which expenditure in 4 above has been incurred: - | Refer to its specific Annexure annexed to the Boards' Report. |

Section C: Other Details

| | | |
|----|--|--|
| 1. | Does the Company have any Subsidiary Company/ Companies? | Yes Please refer to AOC 1 – Annexure to the Board's Report. |
| 2. | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) | No |
| 3. | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No |

SECTION D: BR INFORMATION**1. Details of Director/Directors responsible for BR****(a) Details of the Director/Director responsible for implementation of the BR policy/policies**

1. DIN Number: 01260082
2. Name: Mr. Vimal Alawadhi
3. Designation: Managing Director

(b) Details of the BR head

| Sr. No. | Particulars | Details |
|---------|----------------------------|-----------------------|
| 1 | DIN Number (if applicable) | 01260082 |
| 2 | Name | Mr. Vimal Alawadhi |
| 3 | Designation | Managing Director |
| 4 | Telephone number | 01145803300 |
| 5 | E-mail id | info@bestagrolife.com |

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**a) Details of compliance**

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|--|--|----|----|----|----|----|----|----|----|
| 1 | Do you have a policy/ policies for.... | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3 | Does the policy conform to any national / international standards? If yes, specify? (50 words) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | | The policies are based on the National Voluntary Guidelines on social, environment and economic responsibilities of business issued by the Ministry of Corporate Affairs, Government of India. We have ISO 9001:2015 for quality Management and ISO 14001:2015 for Environment Management System. | | | | | | | | |
| 4 | Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 6 | Indicate the link for the policy to be viewed online? | www.bestagrolife.com | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 8 | Does the company have in-house structure to implement the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | The Company is working to develop a process and system for evaluating the implementation of the policies. | | | | | | | | |

All the policies in Best Agrolife Limited are governed by its guiding principles and core values. These policies are mapped to each principle hereunder:

| Sl. No. | Principle | Applicable Policies |
|---------|---|--|
| 1 | Business should conduct and govern themselves with Ethics, Transparency and Accountability | Whistle Blower policy Code of Conduct |
| 2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle | Environment, Quality, Occupational Health and Safety measures are there in the Company |
| 3 | Businesses should promote the wellbeing of all employees | HR Policy Prevention of Sexual Harassment Policy |
| 4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized | CSR Policy |
| 5 | Businesses should respect and promote human rights | Whistle Blower policy Code of Conduct |
| 6 | Business should respect, protect, and make efforts to restore the environment | |
| 7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner | |
| 8 | Businesses should support inclusive growth and equitable development | CSR Policy |
| 9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner | |

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why. (Tick up to 2 options)

| No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|-----|---|----|----|----|----|----|----|----|----|----------------|
| 1 | The company has not understood the Principles | | | | | | | | | |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | | | | | | | | | |
| 3 | The company does not have financial or manpower resources available for the task | | | | | | | | | Not Applicable |
| 4 | It is planned to be done within next 6 months | | | | | | | | | |
| 5 | It is planned to be done within the next 1 year | | | | | | | | | |
| 6 | Any other reason (please specify) | | | | | | | | | |

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:
Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
The Company will publish BR report annually. The hyperlink for viewing the report is <https://www.bestagrolife.com/>

Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

Yes, Whistle Blower Policy and Code of Conduct of Ethics.

- The Company is committed to grow in a socially and environmentally responsible way, while meeting the interests of its major stakeholders.
- In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Whistle Blower Policy has been implemented as a mechanism for employees to report concerns about unethical behaviour or actual or suspected fraud of all kinds, including alleged fraud by or against the Company, abuse of authority, whether made by a named complainant or anonymously.
- The Policy is a step towards better Corporate Governance and is available on the Company's website.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

For investors Grievances please refer to Corporate Governance Report

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Best Agrolife understands impacts of its business on environment & society and takes responsibility to develop its products, favouring betterment of environment and society. We strive to optimize opportunities essential to each farmer in their support by offering cost-effective yield-enhancing products to make the most of every acre. We are committed to providing the most suitable crop solutions that transform agriculture and are safe to use.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Not applicable

Principle 3 Businesses should promote the wellbeing of all employees

Best Agrolife continues to emphasize employee training and capability building by placing employee well-being at the forefront, as a key enabler in the organizational strategy. As on March 31, 2022 there were 288 Permanent employees with 25 female employees.

The Company has a policy on prevention of sexual harassment (POSH) to ensure a harassment free workspace for the employees. Sexual harassment cases are dealt as per the Company policy on prevention of sexual harassment. All the employees are communicated on regular basis on the various aspects of prevention of sexual harassment at work. For 2021-22, there were no complaint received by the Company under the sexual harassment.

There have been no complaints in other areas.

| No. | Category | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|-----|---|--|--|
| 1 | Child labour/forced labour/involuntary labour | NIL | NIL |
| 2 | Sexual harassment | NIL | NIL |
| 3 | Discriminatory employment | NIL | NIL |

All permanent employees (including women employees) and the casual/contractual employees have undergone training in the areas of safety, health, behavioural and skill upgradation.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

“The fundamental principle of economic activity is that “There is one rule for the industrialist and that is: make the best quality goods possible at the lowest cost possible, paying the highest wages possible.”

Our Mission is “To brace agriculture by providing the ‘Best’ products & ‘Best’ business practices to stimulate and execute agriculture solutions and to create a farmer delight through regular innovations, optimism & inspiration with our strong commitment to the health & safety of the environment.

Best Agrolife Limited strongly believes in inclusive growth. In line with the philosophy and mission, Best Agrolife has mapped all its stakeholders that include farmers/customers, employees, shareholders, Government, society, suppliers and business alliances, society. The Company understands the short term and long-term needs & expectations of its stakeholders through established communication mechanisms and delivers to achieve sustainable relationships. Company’s primary stakeholder is the farmer, who is economically disadvantaged, followed by economically backward communities in the vicinity of its manufacturing plants. As a responsible corporate, the Company believes that it can help make a difference to the environment and change lives for the better. Best Agrolife makes conscious

efforts for community development and to enable the prosperity of farmers.

Principle 5 Businesses should respect and promote human rights

Respect and human dignity are one of the core values of the Company. Best Agrolife Limited ensures compliance with all applicable laws of the land pertaining to human rights, in order to preserve the rights of all its internal and external stakeholders. Best Agrolife undertakes CSR initiatives/projects through other NGO, Trust or agencies and entities as it deems suitable.

Principle 6 Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

It covers Company and its surroundings.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

It applies to Company only.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

No, the company does not have strategies/ initiatives to address global environmental issues

3. Does the company identify and assess potential environmental risks? Y/N

Yes, we have been identifying risks and majority of our facilities are certified with Quality Management Systems (QMS) – ISO 9001- 2015 and (EMS) – ISO 14001-2015. On yearly basis, we conduct Environment Team meeting with top management of plants to understand their concern on EMS issues in operation.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No, currently the company does not have any project related to Clean Development Mechanism.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

No, currently the company does not undertake any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

7. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (i) Federation of Indian Chambers of Commerce & Industry (FICCI)
- (ii) Confederation of Indian Industry (CII)
- (iii) Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/

No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company engage with Government, regulatory and other relevant authorities for development of public policies in keeping with the Company's work in society, sustainability and compliance commitment.

8 Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has a well-defined CSR policy which is in line with the Companies Act, 2013. The Company, have taken various CSR initiatives for support and development of society. The report on the CSR projects carried by the Company is annexed with the Board's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Company, through various NGOs, supports various CSR initiatives in a project/ program mode.

3. Have you done any impact assessment of your initiative?

No

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year 2021-22, the Company spent Rupees 47,25,000 as part of CSR activities. For details, please refer to CSR Report forming part of this Annual Report

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Initiatives undertaken under CSR are tracked to determine the outcomes achieved and the benefits to the community.

Any project that comes up for CSR is first internally reviewed and assessed by the Management. If the Management is convinced of the project, it is put up to the CSR Committee for its consideration and approval.

Principle 9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Except some minor consumer complaints which were generally on account of mishandling of the product were dealt with, there was no major complaint.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Our product labels display all the necessary information that is essential to ensure safety and efficacious product labels under the preview of CIB regulations and legal metrology guidelines issued by respective countries regulatory authorities.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes

Practicing Company Secretaries'

Certificate on Corporate Governance

To
The Members
BEST AGROLIFE LIMITED

We have examined the compliance of the conditions of Corporate Governance by Best Agrolife Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with 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, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

Rakhi Rani
Practicing Company Secretary
ACS No. 31715
CP No. 21612
UDIN: A031715D000863799
PR No. 2398/2022

New Delhi, August 29, 2022

Practicing Company Secretaries' Certificate on non-disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
BEST AGROLIFE LIMITED

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of BEST AGROLIFE LIMITED having CIN L74110DL1992PLC116773 and having registered office at S-1A, Ground Floor, Bhagwan Dass Nagar, East Punjabi Bagh, West Delhi-110026 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sr. No. | Name of the Director | DIN | Date of appointment in Company |
|---------|-------------------------|----------|--------------------------------|
| 1. | Vimal Alawadhi | 01260082 | 16/08/2019 |
| 2. | Braj Kishore Prasad | 01603310 | 16/08/2019 |
| 3. | Isha Luthra | 07283137 | 11/11/2019 |
| 4. | Shuvendu Kumar Satpathy | 07552741 | 27/05/2020 |
| 5. | Raajan Kumar Ailawadhi | 08821964 | 10/02/2021 |
| 6. | Chetna | 08981045 | 01/07/2021 |

*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Rakhi Rani
Practicing Company Secretary
ACS No. 31715
CP No. 21612
UDIN: A031715D000863832
PR No. 2398/2022

New Delhi, August 29, 2022

Independent Auditor's Report

To the Members of Best Agrolife Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Best Agrolife Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Independent Auditor's Report of even date to the members of Best Agrolife Limited, on the standalone financial statements for the year ended 31 March 2022 (Cont'd)

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

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>Revenue Recognition:</p> <p>Estimation of provision for sales returns, discounts and schemes on sales impacting revenue from sale of products.</p> <p>Refer to the Company's significant accounting policies in note 2.14 and the revenue related disclosures in note 26 of the standalone financial statements. Revenue from sale of products is presented net of returns, discounts and schemes in the financial statement.</p> <p>The estimates associated with sales returns, discounts and schemes on sale of products have been identified as a key audit matter as it is having a significant impact on the recognized revenue and the management is required to make certain judgements in respect of revenue recognition and level of expected discounts, schemes and returns which are deducted in arriving at revenue.</p> <p>Estimation of sales returns involves significant judgement and estimates. The estimation is dependent on various internal and external factors. These factors include, for example, climatic conditions, the length of time when a sale is made and when the sales return takes place, some of which are beyond the control of the Company.</p> <p>The recognition and measurement of discounts and schemes involves significant judgement and estimates, particularly the expected level of claims of each of the customers. Assumption of level of customer wise claims for discounts and schemes relates to estimating which of the Company's customers will ultimately be subject to a related discount and/ or scheme.</p> <p>Considering the materiality of the amount involved, complexities, management judgement involved and the significant auditor attention required to test such management's judgement, we have identified this as a key audit matter for current year audit.</p> | <p>Our audit procedure included, but were not limited to, the following procedures:</p> <p>a) Obtained an understanding of the process followed by the Company to determine the amount of accrual of sales returns, discounts and schemes.</p> <p>b) Assessed the accounting policies of the Company regarding accounting for sales returns, discounts and schemes as against the criteria given in the accounting standards;</p> <p>c) Tested the Company's process and key internal controls over the accrual of sales returns, discounts and schemes. Selecting samples of revenue transactions and marketing circulars. Rechecking accrual for discounts and schemes calculated in accordance with the eligibility criteria mentioned in the schemes;</p> <p>d) Ensured completeness and accuracy of the data used by the Company for accrual of sales returns, discounts and schemes and also checking the accrual for a selected sample of sales;</p> <p>e) Obtained the historical trends for revenue and corresponding sales returns based on the accounting records maintained by the Company;</p> <p>f) Verified if any credit notes were issued and / or their adjustment after the balance sheet date and their impact on standalone financial statements;</p> <p>g) Evaluated the appropriateness of disclosures made in the financial statements in accordance with the applicable accounting standards.</p> |

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and

Independent Auditor's Report of even date to the members of Best Agrolife Limited, on the standalone financial statements for the year ended 31 March 2022 (Cont'd)

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.

8. In preparing the financial statements, the 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

Independent Auditor's Report of even date to the members of Best Agrolife Limited, on the standalone financial statements for the year ended 31 March 2022 (Cont'd)

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022.;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022.;
 - iv. a. the management has represented that, to the best of its knowledge and belief, as disclosed in note 52(e) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. the management has represented that, to the best of its knowledge and belief, as disclosed in note 52(f) to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The final dividend paid by the Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 54 to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Tarun Gupta
Partner

Place: New Delhi
Date: 23 May 2022

Membership No.: 507892
UDIN: 22507892AJKRZA6831

Annexure A

Referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Best Agrolife Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular program of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee) disclosed in the financial statements are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:

| Description of property | Gross carrying value (amount in ₹ lacs) | Held in name of | Whether promoter, director or their relative or employee | Period held | Reason for not being held in name of company |
|-------------------------|---|-------------------------------|--|-----------------------------------|---|
| Building | 135.06 | Best Agrochem Private Limited | No | With effect from 1 April 2018 | The title deeds are held in the name of Best Agrochem Private Limited which had been merged with the Company during the earlier year. |
| Building | 199.57 | Agrico Chemicals | | With effect from 16 February 2022 | The title deeds are held in the name of Agrico Chemicals which has been merged with the Company during the current year. |

For properties where the Company is a lessee, the lease arrangements have been duly executed in favour of the Company except in following cases:

| Description of property | Right of Use Asset Value (amount in ₹ lacs) | Location | Details of Lessor | Period held | Reason for non-execution of lease agreement |
|-------------------------|---|----------|--|-----------------------------------|---|
| Land | 263.22 | Gajraula | UP State Industrial Development Corporation Limited | With effect from 1 April 2018 | The title deeds are held in the name of Best Agrochem Private Limited which had been merged with the Company during the earlier year. |
| Land | 174.63 | Noida | New Okhla Industrial Development Authority | | |
| Building | 178.23 | Noida | | | |
| Land | 70.87 | Jammu | J&K State Industrial Development Corporation Limited | With effect from 16 February 2022 | The title deeds are held in the name of Agrico Chemicals which has been merged with the Company during the current year. |

(d) During the year, the Company has revalued land and building, classified under Property, Plant and Equipment and Right of Use assets. Such revaluation is based on the valuation by a Registered Valuer. The amount of change is 10% or more in the aggregate of the net carrying value of each such class of Property, Plant and Equipment and Right of Use assets, as below:

Amount in ₹ lacs

| Class of Property, Plant or Equipment or Intangible Assets | Carrying value as on 31 March 2022 (pre-revaluation) | Amount of Change | Carrying value as on 31 March 2022 (post-revaluation) | Percentage change |
|--|--|------------------|---|-------------------|
| Land (ROU) | 688.27 | (179.55) | 508.72 | (26.09%) |
| Building (PPE) | 286.09 | 102.31 | 388.39 | 35.76% |

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Best Agrolife Limited on the standalone financial statements for the year ended 31 March 2022 (Cont'd)

The Company has not revalued any other class of its Property, Plant and Equipment or Right of Use assets during the year.

- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has a working capital limit in excess of ₹ 500.00 lacs sanctioned by banks and financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods which were subject to audit/review, except for the following:

| Name of the Bank | Working capital limit sanctioned | Nature of current assets offered as security | Quarter | Amount disclosed as per return | Amount as per books of accounts | Difference | Remarks/ reason, if any |
|-------------------------|----------------------------------|--|---------------------------------|--------------------------------|---------------------------------|------------|--|
| Yes Bank | ₹ 4,000.00 lacs | Inventories | Quarter ended 30 June 2021 | 20,210.19 | 20,530.92 | (320.73) | Differences are mainly on account of provisions and period end adjustment entries. |
| | | Trade receivables | | 23,212.85 | 22,394.92 | 817.93 | |
| | | Trade payables | | 24,122.45 | 25,232.18 | (1,109.72) | |
| ICICI Bank | ₹ 950.00 lacs | Inventories | Quarter ended 30 September 2021 | 15,327.70 | 14,988.14 | 339.56 | |
| | | Trade receivables | | 31,470.89 | 30,645.22 | 825.67 | |
| | | Trade payables | | 22,500.76 | 23,008.51 | (507.75) | |
| Standard Chartered Bank | ₹ 700.00 lacs | Inventories | Quarter ended 31 December 2021 | 14,080.10 | 14,123.84 | (43.74) | |
| | | Trade receivables | | 14,777.11 | 18,893.33 | (4,116.22) | |
| | | Trade payables | | 14,819.33 | 14,816.75 | 2.58 | |
| Punjab National Bank | ₹ 3,700.00 lacs | Inventories | Quarter ended 31 March 2022 | 19,909.31 | 20,243.29 | (333.98) | |
| | | Trade receivables | | 23,241.24 | 23,376.19 | (134.95) | |
| | | Trade payables | | 20,951.97 | 21,675.12 | (723.15) | |
| Axis Bank | ₹ 3,500.00 lacs | Inventories | Quarter ended 30 June 2021 | 20,210.19 | 20,530.92 | (320.73) | |
| | | Trade receivables | | 23,212.85 | 22,394.92 | 817.93 | |
| | | Trade payables | | 24,122.45 | 25,232.18 | (1,109.72) | |
| State Bank of India | ₹ 500.00 lacs | Inventories | Quarter ended 30 September 2021 | 15,327.70 | 14,988.14 | 339.56 | |
| | | Trade receivables | | 31,470.89 | 30,645.22 | 825.67 | |
| | | Trade payables | | 22,500.76 | 23,008.51 | (507.75) | |
| Bajaj Finance Limited | ₹ 300.00 lacs | Inventories | Quarter ended 31 December 2021 | 14,080.10 | 14,123.84 | (43.74) | |
| | | Trade receivables | | 14,777.11 | 18,893.33 | (4,116.22) | |
| | | Trade payables | | 14,819.33 | 14,816.75 | 2.58 | |
| State Bank of India | ₹ 500.00 lacs | Inventories | Quarter ended 31 March 2022 | 19,909.31 | 20,243.29 | (333.98) | |
| | | Trade receivables | | 23,241.24 | 23,376.19 | (134.95) | |
| | | Trade payables | | 20,951.97 | 21,675.12 | (723.15) | |
| Bajaj Finance Limited | ₹ 300.00 lacs | Inventories | Quarter ended 31 March 2022 | 19,909.31 | 20,243.29 | (333.98) | |
| | | Trade receivables | | 23,241.24 | 23,376.19 | (134.95) | |
| | | Trade payables | | 20,951.97 | 21,675.12 | (723.15) | |

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Best Agrolife Limited on the standalone financial statements for the year ended 31 March 2022 (Cont'd)

(iii) (a) The Company has provided loans and guarantee to Subsidiaries during the year as per details given below:

| Particulars | Amount in ₹ lacs | |
|---|------------------|-----------|
| | Guarantees | Loans |
| Aggregate amount provided/granted during the year: | | |
| -Subsidiaries | 17,353.00 | 12,082.82 |
| Balance outstanding as at balance sheet date in respect of above cases: | | |
| -Subsidiaries | 17,353.00 | 8,853.17 |

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and terms and conditions of the grant of all loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company. The Company has not given any security and advances in the nature of loan during the year.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and principal and interest amount is not due for repayment currently.

(d) There is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.

(e) The Company has not granted any loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans.

(f) The Company has granted loans which are repayable on demand as per details below:

| Particulars | Amount in ₹ lacs | | |
|---|------------------|-----------|-----------------|
| | All Parties | Promoters | Related Parties |
| Aggregate of loans | | | |
| - Repayable on demand (A) | | | |
| - Agreement does not specify any terms or period of repayment (B) | 8,853.17 | - | 8,853.17 |
| Total (A+B) | 8,853.17 | - | 8,853.17 |
| Percentage of loans to the total loans | 100% | - | 100% |

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments, loans and guarantees as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of security.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

| Name of the statute | Nature of dues | Gross Amount (₹) | Amount paid under Protest (₹) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|----------------|------------------|-------------------------------|------------------------------------|--------------------------------|
| Income Tax Act, 1961 | Income Tax | 14.42 | - | AY 2012-13 | ITAT, Delhi |
| | | 35.47 | 7.09 | AY 2017-18 | CIT (A), Delhi |

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Best Agrolife Limited on the standalone financial statements for the year ended 31 March 2022 (Cont'd)

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the Rules framed thereunder with respect to the same. Further, no amounts have been raised from the preferential allotment of shares during the year as the allotment was the consideration towards business acquisition by the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistleblower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- (xv) The Company has entered into non-cash transactions with 1 of its directors and persons connected with its directors during the year involving the acquisition of subsidiary, which is covered under the provisions of section 192 of the Act, and in our opinion and according to the information and explanations given to us, the Company has complied with the provisions of aforesaid section of the Act, by way of obtaining prior approval of shareholders in the general meeting of the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.
- (b) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.

Annexure A referred to in Paragraph 16 of the Independent Auditor's Report of even date to the members of Best Agrolife Limited on the standalone financial statements for the year ended 31 March 2022 (Cont'd)

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Place: New Delhi
Date: 23 May 2022

Tarun Gupta
Partner

Membership No.: 507892
UDIN: 22507892AJKRZA6831

Annexure B

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

1. In conjunction with our audit of the standalone financial statements of Best Agrolife Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes 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 financial statements, whether due to fraud or error.

5. 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Annexure B to the Independent Auditor's Report of even date to the members of Best Agrolife Limited on the standalone financial statements for the year ended 31 March 2022 (cont'd)

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Place: New Delhi
Date: 23 May 2022

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 22507892AJKRZA6831

Standalone Balance Sheet

as at 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

| | Notes | As at 31 March 2022 | As at 31 March 2021 |
|--|-----------|---------------------|---------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 991.61 | 590.60 |
| Right-of-use assets | 4 | 1,137.98 | 1,320.70 |
| Capital work-in-progress | 5 | - | 5.36 |
| Intangible assets | 6 | 16.92 | 13.23 |
| Intangible assets under development | 7 | - | 1.28 |
| Financial assets | | | |
| (i) Investments | 8a | 10,160.85 | 1.00 |
| (ii) Other financial assets | 11 | 27.13 | 21.22 |
| Deferred tax assets (net) | 25 | 167.41 | 110.78 |
| Other non-current assets | 12 | 0.40 | 43.06 |
| Total non-current assets | | 12,502.30 | 2,107.23 |
| Current assets | | | |
| Inventories | 13 | 20,243.29 | 15,366.12 |
| Financial assets | | | |
| (i) Trade receivables | 9 | 23,376.19 | 13,113.27 |
| (ii) Cash and cash equivalents | 14 | 1,275.81 | 2,048.33 |
| (iii) Bank balances other than (ii) above | 15 | 2,703.31 | 1,226.34 |
| (iv) Loans | 10 | 8,853.17 | 433.83 |
| (v) Other financial assets | 11 | 4.67 | 8.22 |
| Other current assets | 12 | 1,933.21 | 2,651.96 |
| Total current assets | | 58,389.65 | 34,848.07 |
| Asset classified as held for sale | 8b | - | 130.15 |
| Total assets | | 70,891.95 | 37,085.45 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 16 | 2,364.47 | 2,203.21 |
| Other equity | 17 | 28,865.84 | 10,763.44 |
| Total equity | | 31,230.31 | 12,966.65 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18a | 164.02 | 287.89 |
| (ii) Lease liabilities | 19 | 358.72 | 425.75 |
| (iii) Other financial liabilities | 21 | 296.13 | 139.82 |
| Provisions | 22 | 85.54 | 73.36 |
| Total non-current liabilities | | 904.41 | 926.82 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18b | 12,957.30 | 2,375.44 |
| (ii) Lease liabilities | 19 | 173.91 | 138.38 |
| (iii) Trade payables | 20 | | |
| Micro enterprises and small enterprises | | 3.64 | 1.72 |
| Other than micro enterprises and small enterprises | | 21,671.48 | 16,501.69 |
| (iv) Other financial liabilities | 21 | 2,122.60 | 201.23 |
| Other current liabilities | 23 | 1,115.25 | 3,494.73 |
| Provisions | 22 | 33.01 | 16.11 |
| Current tax liabilities (net) | 24 | 680.04 | 462.68 |
| Total current liabilities | | 38,757.23 | 23,191.98 |
| Total equity and liabilities | | 70,891.95 | 37,085.45 |

Summary of significant accounting policies

2

The accompanying notes are an integral part of the standalone financial statements.
As per our report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 23 May 2022

For and on behalf of the Board of Directors of
Best Agrolife Limited

Vimal Alawadhi
Managing Director
DIN: 01260082

Atul Garg
Chief Financial Officer

Place: New Delhi
Date: 23 May 2022

Raajan Kumar Ailawadhi
Director
DIN: 08821964

Astha Wahi
Company Secretary

Place: New Delhi
Date: 23 May 2022

Standalone Statement of Profit and Loss

for the year ended 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

| | Notes | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-----------|-------------------------------------|-------------------------------------|
| I Revenue from operations | 26 | 1,13,427.44 | 90,544.50 |
| II Other income | 27 | 535.37 | 729.56 |
| III Total income | | 1,13,962.81 | 91,274.06 |
| IV Expenses: | | | |
| Purchase of stock in trade | 28 | 1,01,432.49 | 91,146.65 |
| Change in inventories of stock-in-trade | 29 | (4,877.16) | (7,892.76) |
| Employee benefits expense | 30 | 1,864.90 | 1,011.19 |
| Finance costs | 31 | 1,055.06 | 473.65 |
| Depreciation and amortisation expense | 32 | 384.34 | 295.24 |
| Other expenses | 33 | 2,496.80 | 1,161.52 |
| Total expenses | | 1,02,356.43 | 86,195.49 |
| V Profit before tax | | 11,606.38 | 5,078.57 |
| VI Tax expense: | | | |
| Current tax | 34 | 3,070.82 | 1,550.66 |
| Deferred tax | 34 | (150.67) | (197.55) |
| Tax relating to earlier years | 34 | (20.79) | 18.84 |
| VII Profit for the year | | 8,707.02 | 3,706.62 |
| VIII Other comprehensive income (OCI) | | | |
| Items that will not be classified to profit or loss | | | |
| (a) Remeasurement gain/ (loss) of defined benefit obligations | | 10.71 | (16.35) |
| Tax impact on remeasurement of defined benefit obligations | | (2.69) | 4.11 |
| (b) Fair valuation of equity instruments through OCI | | - | 1,039.57 |
| Tax impact on fair valuation of equity instruments through OCI | | - | (124.33) |
| IX Total comprehensive income for the year | | 8,715.04 | 4,609.62 |
| X Earnings per share (of ₹ 10 each): | 35 | | |
| Basic | | 38.22 | 16.82 |
| Diluted | | 38.22 | 16.82 |

Summary of significant accounting policies

2

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

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 23 May 2022

For and on behalf of the Board of Directors of
Best Agrolife Limited

Vimal Alawadhi
Managing Director
DIN: 01260082

Atul Garg
Chief Financial Officer

Place: New Delhi
Date: 23 May 2022

Raajan Kumar Ailawadhi
Director
DIN: 08821964

Astha Wahi
Company Secretary

Place: New Delhi
Date: 23 May 2022

Standalone Cash Flow Statement

for the year ended 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| A. Cash flow from operating activities : | | |
| Net profit before tax | 11,606.38 | 5,078.57 |
| Adjustments for : | | |
| Depreciation and amortisation | 384.34 | 295.24 |
| (Profit)/ loss on sale of property, plant and equipment | (1.02) | 0.05 |
| Unrealised foreign exchange gain | (45.99) | (101.45) |
| Provision for doubtful debts | 300.00 | 150.46 |
| Impairment on investment | - | 3.00 |
| Gain on sale of investments | (51.53) | - |
| Finance costs | 1,055.06 | 473.65 |
| Liabilities written back | 0.19 | (45.47) |
| Interest income | (404.91) | (56.67) |
| Operating profit before working capital changes | 12,842.52 | 5,797.38 |
| Adjustments for movement in: | | |
| Inventories | (4,877.16) | (7,892.76) |
| Trade receivables | (10,537.74) | 4,216.14 |
| Other financial assets | (298.67) | 1,060.26 |
| Other assets | 744.34 | 35.21 |
| Trade payables | 5,192.05 | (1,384.93) |
| Other financial liabilities | 305.33 | 83.10 |
| Other liabilities | (2,379.50) | 171.63 |
| Provisions | 39.79 | 18.81 |
| Cash generated from operations before tax | 1,030.96 | 2,104.84 |
| Income tax paid (net) | (2,832.68) | (1,106.82) |
| Net cash generated from operating activities [A] | (1,801.72) | 998.02 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment (including capital work-in-progress, capital advances) | 1,057.46 | (302.02) |
| Proceeds from sale of property, plant and equipment | 1.70 | 0.40 |
| Investment in subsidiary | - | (1.00) |
| Loan to subsidiary | (8,121.11) | - |
| Proceeds from sale of investments in equity instruments | 198.76 | 1,511.48 |
| Investments in deposits with banks | (3,235.55) | (1,448.33) |
| Investments redeemed from deposits | 1,758.58 | 1,387.67 |
| Interest received | 402.52 | 37.48 |
| Net cash generated from/ (used in) investing activities [B] | (7,937.64) | 1,185.68 |
| C. Cash flow from financing activities | | |
| Proceeds from non-current borrowings | 184.99 | 199.49 |
| Repayment of non-current borrowings | (308.85) | (287.67) |
| Proceeds from/(repayment of) current borrowings (net) | 10,581.86 | (516.17) |
| Payment of lease liabilities | (33.21) | (87.30) |
| Dividend paid | (440.64) | (22.03) |
| Finance costs | (1,017.31) | (439.11) |
| Net cash used in financing activities [C] | 8,966.84 | (1,152.79) |
| Net increase/(decrease) in cash and cash equivalents [A+B+C] | (772.51) | 1,030.91 |
| Cash and cash equivalents at the beginning of the year | 2,048.33 | 1,017.42 |
| Cash and cash equivalents at the end of the year | 1,275.81 | 2,048.33 |
| Components of cash and cash equivalents (refer note 14) | | |
| Cash on hand | 9.76 | 10.21 |
| Cheques on hand | - | 266.40 |
| Balances with banks | 1,266.05 | 1,771.72 |
| Cash and cash equivalents at the end of the year | 1,275.81 | 2,048.33 |

Standalone Cash Flow Statement (Contd..)

for the year ended 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

Notes:**1. Reconciliation of liabilities arising from financing activities**

| Particulars | As at 31 March 2021 | Cash flows | Non-cash changes | As at 31 March 2022 |
|-----------------------------------|---------------------|------------------|------------------|---------------------|
| Non-current borrowings | 287.89 | (123.87) | - | 164.02 |
| Current borrowings (net) | 2,375.44 | 10,581.86 | - | 12,957.30 |
| Lease liabilities (refer note 43) | 564.13 | (33.21) | 1.71 | 532.63 |
| | 3,227.46 | 10,424.78 | 1.71 | 13,653.95 |

| Particulars | As at 31 March 2020 | Cash flows | Non-cash changes | As at 31 March 2021 |
|-----------------------------------|---------------------|-----------------|------------------|---------------------|
| Non-current borrowings | 376.10 | (88.18) | (0.03) | 287.89 |
| Current borrowings (net) | 2,854.45 | (516.17) | 37.16 | 2,375.44 |
| Lease liabilities (refer note 43) | 238.42 | (87.30) | 413.02 | 564.13 |
| | 3,468.96 | (691.65) | 450.15 | 3,227.46 |

During the year, the Company has acquired 100% shares of Best Crop Science Private Limited, by issuing shares to the shareholders of Best Crop Science Private Limited (refer note 50). Considering the acquisition of Best Crop Science Private Limited by issuing equity shares is a non-cash transaction, the same have been excluded from investing and financing activities of the Cash Flow Statement.

Summary of significant accounting policies

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

As per our report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 23 May 2022

For and on behalf of the Board of Directors of
Best Agrolife Limited

Vimal Alawadhi
Managing Director
DIN: 01260082

Atul Garg
Chief Financial Officer

Place: New Delhi
Date: 23 May 2022

Raajan Kumar Ailawadhi
Director
DIN: 08821964

Astha Wahi
Company Secretary

Place: New Delhi
Date: 23 May 2022

Standalone Statement of Changes in Equity

for the year ended 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

A. Equity share capital

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---------------------------------------|---------------------|-----------------|---------------------|-----------------|
| | No. of shares | Amounts | No. of shares | Amounts |
| Balance at the beginning of the year | 2,20,32,066 | 2,203.21 | 2,20,32,066 | 2,203.21 |
| Issued during the year | 16,12,674 | 161.26 | - | - |
| Balance at the end of the year | 2,36,44,740 | 2,364.47 | 2,20,32,066 | 2,203.21 |

B. Other equity

Attributable to the equity holders

| | Reserves and surplus | | | Revaluation reserve | Total other equity |
|---|----------------------|--------------------|-------------------|---------------------|--------------------|
| | Capital reserve | Securities premium | Retained earnings | | |
| Balance as at 31 March 2020 | 3,201.72 | 1,028.23 | 1,503.72 | 442.18 | 6,175.85 |
| Profit for the year | - | - | 3,706.62 | - | 3,706.62 |
| Other comprehensive income for the year (net) | - | - | 903.00 | - | 903.00 |
| Dividend paid during the year | - | - | (22.03) | - | (22.03) |
| Balance as at 31 March 2021 | 3,201.72 | 1,028.23 | 6,091.31 | 442.18 | 10,763.44 |
| Profit for the year | - | - | 8,707.02 | - | 8,707.02 |
| Other comprehensive income for the year (net) | - | - | 8.02 | - | 8.02 |
| Transfer to revaluation reserve (net) | - | - | - | (170.58) | (170.58) |
| Share issued during the year | - | 9,998.58 | - | - | 9,998.58 |
| Dividend paid during the year | - | - | (440.64) | - | (440.64) |
| Balance as at 31 March 2022 | 3,201.72 | 11,026.81 | 14,365.71 | 271.60 | 28,865.84 |

Note: The Board of Directors of the Company have recommended a dividend of ₹ 2 (20%) per equity share of ₹ 10 each for the financial year ended 31 March 2022 subject to the approval of shareholders. The Board of Directors of the Company had recommended a dividend of ₹ 2 (20%) per equity share of ₹ 10 each for the financial year ended 31 March 2021 which was subsequently approved by the shareholders in the Annual General Meeting held on 28 September 2021 and paid thereof.

Summary of significant accounting policies

2

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

As per our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 23 May 2022

For and on behalf of the Board of Directors of
Best Agrolife Limited

Vimal Alawadhi
Managing Director
DIN: 01260082

Atul Garg
Chief Financial Officer

Place: New Delhi
Date: 23 May 2022

Raajan Kumar Ailawadhi
Director
DIN: 08821964

Astha Wahi
Company Secretary

Place: New Delhi
Date: 23 May 2022

Notes to Standalone Financial Statements

as at 31 March 2022

1. Corporate information

Best Agrolife Limited (formerly known as Sahyog Multibase Limited) ('the Company') is a public limited company domiciled in India and incorporated on 10 January 1992 under the provisions of the Companies Act applicable in India having corporate identification number L74110DL1992PLC116773. These are standalone financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the Company only.

Honorable National Company Law Tribunal ("NCLT") via its order dated 5 May 2020 approved the scheme of amalgamation of Best Agrochem Private Limited with the Company with effect from 1 April 2018 and Best Agrochem Private Limited was amalgamated into the Company accordingly.

The Company is engaged in the business of trading of agro based products. Registered office of the Company is situated at S-1A, Bhagwan Dass Nagar, East Punjabi Bagh, New Delhi, India. The Company has its primary listings on the Bombay Stock Exchange of India Limited.

2. Significant accounting policies

2.1 Basis of preparation and presentation

The financial statements (standalone financial statement) 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), presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III) and the guidelines issued by Securities and Exchange Board of India, as applicable to the financial statements.

The standalone financial statements have been prepared on a historical cost convention, except for the following assets and liabilities.

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- ii) Land and building measured at fair value
- iii) Defined benefit liabilities are measured at present value of defined benefit obligation
- iv) Certain financial assets and liabilities at amortised cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The financial statements are presented in INR "(Indian Rupees)" or "₹". All values are rounded to the nearest lakh, and two decimals thereof, except when otherwise indicated.

2.2 Significant judgements, accounting estimates and assumptions

The preparation of the Company's financial statements in conformity with the Indian Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures (including contingent liabilities). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. In the process of applying the Company's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

i) Estimation of defined benefit obligation

Employee benefit obligations are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Notes to Standalone Financial Statements

as at 31 March 2022

iii) Useful lives of depreciable/amortisable assets

Management reviews the estimated useful lives and residual value of property, plant and equipment and intangibles at the end of each reporting period. Factors such as changes in the expected level of usage could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

iv) Provision for expected credit losses of trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management believes that there is uncertainty of collections. Provision is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

v) Estimation of provision for sales returns and discounts

Certain contracts for the sale of stock-in-trade includes a right of return and discounts that give rise to variable consideration. In estimating the variable consideration, the Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Company estimates variable considerations to be included in the transaction price for the sale returns and discounts.

vi) Leases - estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2.3 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Current assets include current portion of non-current of financial assets.

All other assets are classified as non-current.

A liability is current when it is:

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

Current liabilities includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

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

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

2.4 Dividend

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

2.5 Property, plant and equipment

Recognition and measurement

An item of property, plant and equipment recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes and duties, to the location and condition necessary for it to be capable of operating in the manner intended by management. When parts of an item of property, plant and equipment have different useful life, they are recognized separately. Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Property, plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as 'capital work-in-progress'.

Notes to Standalone Financial Statements

as at 31 March 2022

Land and building are valued at fair value. Surplus from revaluation is transferred to revaluation reserve.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Depreciation

Depreciation is recognized in the statement of profit or loss on a written down value over the estimated useful life of each item of property, plant and equipment. Depreciation on additions to/ deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Depreciation on property, plant and equipment is provided on their estimated useful life as prescribed by Schedule II of Companies Act, 2013 as follows:

| Category of assets | Useful life |
|------------------------|-------------|
| Buildings | 30 years |
| Plant and equipments | 15 years |
| Furniture and fixtures | 10 years |
| Vehicles | 8 years |
| Office equipments | 5 years |

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.6 Intangible assets

Recognition and measurement

Intangible assets include software and trademarks, that are acquired by the Company, that are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal

proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software and trademarks that are amortised over the useful economic life of 6 years and 10 years respectively. Amortisation is recognized in the statement of profit or loss on a written down value over the estimated useful life of each item of intangible asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

2.7 Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes to Standalone Financial Statements

as at 31 March 2022

2.8 Inventories

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

Stock-in-trade:

Cost: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First In First Out (FIFO) basis.

Net realisable value (NRV): NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.9 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Company's cash management.

2.10 Investment in subsidiary

Investments in subsidiary is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the statement of profit and loss.

2.11 Financial instruments

Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial instrument is measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss (FVTPL) which are measured initially at fair value.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or at 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.

For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (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.

Notes to Standalone Financial Statements

as at 31 March 2022

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. 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 is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. Financial assets at amortised cost are measured at amortised cost using the effective interest method. Interest income recognised in Statement of Profit and Loss.

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 Statement of Profit and Loss |
| Financial assets at FVOCI | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in OCI. |
| 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 Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss. |

Financial liabilities

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. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and 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 Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

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 Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

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as at 31 March 2022

2.12 Fair value measurement

The Company measures certain financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. in the principal market for the asset or liability, or
- ii. in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Company's management analyses the movements in the values of assets and liabilities which

are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the Company's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company's management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.13 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Company and requires interpretation of laws and past legal rulings.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

2.14 Revenue recognition

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

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as at 31 March 2022

made. Amount of sales are net of goods and service tax, sale returns, trade allowances and discounts.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Company considers the terms of the contract and its customary business practice to determine the transaction price. In all cases, the total transaction price is allocated amongst the various performance obligations based on their relative standalone selling price. The transaction price excludes amounts collected on behalf of third parties. The consideration promised include fixed amounts, variable amounts, or both. Revenue is recognised either at a point in time, when the Company satisfies performance obligations by transferring the promised goods to its customers.

A receivable is recognised where the Company's right to consideration is unconditional. When either party to a contract has performed, an entity shall present the contract in the balance sheet as contract asset or contract liability, depending on the relationship between the entity's performance and the customer's payment.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding at the effective interest rate.

Other income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

2.15 Assets held for sale

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the Standalone Balance Sheet.

2.16 Foreign currency conversions/transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Gains and losses arising out of subsequent fluctuations are accounted for on actual payments or realisations, as the case may be. Monetary assets and liabilities denominated in foreign currency as on balance sheet date are translated into functional currency at the exchange rates prevailing on that date and exchange differences arising out of such conversion are recognised in the statement of profit and loss.

2.17 Taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to any business combination or to an item which is recognised directly in equity or in other comprehensive income.

i) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity) are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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as at 31 March 2022

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.18 Employee benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii) Post-employment benefits

Employee benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

iii) Compensated absences

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Company determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

2.19 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed and disclosed after adjusting the effects of all dilutive potential equity shares, if any, except when the results will be anti-dilutive.

2.20 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying

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as at 31 March 2022

asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2.21 Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of Cash Flows'.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's Managing Director assesses the financial performance and position of the Company and makes strategic decision and has been identified as the chief operating decision

maker. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e., trading of agro based products. The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. The Company primarily sells its products in India.

2.23 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Revenue grants are recognized over periods to which they relate.

2.24 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard. Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the Capital Reserve.

2.25 Amended Accounting Standards (Ind AS) and interpretations effective during the year

1. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;

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as at 31 March 2022

- the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Company.

2. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Company.

3. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

- Ind AS 102 Share Based Payments - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- Ind AS 103 Business Combinations - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- Ind AS 114 Regulatory Deferral Accounts - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- Ind AS 38 Intangible Assets - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.

- Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Company.

2.26 Recent accounting pronouncements which are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact on its financial statements.

Ind AS 37 – Onerous Contracts - costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact on its financial statements.

Notes to Standalone Financial Statements

as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

3. Property, plant and equipment

| | Buildings (refer note b) | Plant and equipments | Furniture and fixtures | Vehicles (refer note a) | Office equipments | Total |
|---|-----------------------------|-------------------------|---------------------------|----------------------------|----------------------|-----------------|
| Gross block | | | | | | |
| Balance as at 31 March 2020 | 67.21 | 93.08 | 120.03 | 610.42 | 55.68 | 946.42 |
| Additions | 12.59 | 30.05 | 3.38 | 238.44 | 14.33 | 298.79 |
| Disposals | - | 10.09 | 0.12 | 31.19 | 1.08 | 42.49 |
| Balance as at 31 March 2021 | 79.80 | 113.04 | 123.30 | 817.66 | 68.93 | 1,202.72 |
| Additions | 6.72 | 1.51 | 49.77 | 231.88 | 16.01 | 305.89 |
| Acquisition through business combination (refer note 51) | 199.57 | 31.02 | 1.22 | 0.08 | 0.29 | 232.18 |
| Revaluation through revaluation reserve (refer note c) | 102.31 | - | - | - | - | 102.31 |
| Disposals | - | - | - | 13.60 | - | 13.60 |
| Balance as at 31 March 2022 | 388.40 | 145.57 | 174.29 | 1,036.02 | 85.23 | 1,829.50 |
| Accumulated depreciation | | | | | | |
| Balance as at 31 March 2020 | 11.97 | 40.29 | 9.31 | 339.97 | 43.50 | 445.04 |
| Charge for the year | 18.23 | 25.63 | 29.50 | 119.54 | 10.71 | 203.61 |
| Disposals | - | 13.52 | 0.20 | 21.74 | 1.08 | 36.54 |
| Balance as at 31 March 2021 | 30.20 | 52.41 | 38.60 | 437.76 | 53.13 | 612.11 |
| Charge for the year | 7.81 | 25.37 | 29.71 | 161.64 | 14.17 | 238.70 |
| Disposals | - | - | - | 12.92 | - | 12.92 |
| Balance as at 31 March 2022 | 38.01 | 77.78 | 68.31 | 586.48 | 67.30 | 837.89 |
| Net block | | | | | | |
| As at 31 March 2021 | 49.59 | 60.63 | 84.69 | 379.90 | 15.79 | 590.60 |
| As at 31 March 2022 | 350.39 | 67.79 | 105.97 | 449.54 | 17.93 | 991.61 |

Notes:

a. Vehicles under loan contracts as at 31 March 2022 are ₹ 359.23 lacs (31 March 2021: ₹ 365.74 lacs). Vehicles are hypothecated as security for the related loan.

b. Below table represents the Title deeds of immovable properties not held in the name of the Company:

| Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the Company |
|--|----------------------|---------------------------------|---|--------------------------------|--|
| Building situated at C-2, Industrial Area, UPSIDC, Gajraula II, Amroha, UP | 135.06 | Best Agrochem Private Limited | No | 1 April 2018 | The title deeds are held in the name of Best Agrochem Private Limited which were transferred as a result of amalgamation of companies. |
| Building situated at SIDCO, Industrial Growth Centre, Samba, Jammu & Kashmir | 199.57 | Agrico Chemicals | No | 16 February 2022 | The title deeds are held in the name of Agrico Chemicals which has been acquired as a result of business combination. Refer note 51. |

c. Fair value of the buildings was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific building. As at the date of revaluation of 31 March 2022, the buildings are measured at fair value which has been determined basis report from a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017

Notes to Standalone Financial Statements

as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

If buildings were measured using the cost model. The carrying amounts would be as follows:

| | As at 31 March 2022 | As at 31 March 2021 |
|----------------------------|---------------------|---------------------|
| Cost | 286.09 | 79.80 |
| Accumulated depreciation | 38.01 | 30.20 |
| Net carrying amount | 248.08 | 49.59 |

4. Right-of-use assets

| | Land | Building | Total |
|--|---------------|---------------|-----------------|
| A. Gross block | | | |
| Balance as at 31 March 2020 | 617.40 | 429.57 | 1,046.97 |
| Additions | - | 378.44 | 378.44 |
| Balance as at 31 March 2021 | 617.40 | 808.01 | 1,425.41 |
| Additions | - | 69.80 | 69.80 |
| Acquisition through business combination (refer note 51) | 70.87 | - | 70.87 |
| Revaluation through revaluation reserve (refer note b) | (179.55) | (2.00) | (181.55) |
| Balance as at 31 March 2022 | 508.72 | 875.81 | 1,384.53 |
| B. Accumulated amortisation | | | |
| Balance as at 31 March 2020 | - | 15.78 | 15.78 |
| Amortisation for the year | 7.98 | 80.94 | 88.92 |
| Balance as at 31 March 2021 | 7.98 | 96.72 | 104.71 |
| Amortisation for the year | 8.17 | 133.67 | 141.84 |
| Balance as at 31 March 2022 | 16.15 | 230.39 | 246.55 |
| Net block | | | |
| As at 31 March 2021 | 609.41 | 711.28 | 1,320.70 |
| As at 31 March 2022 | 492.57 | 645.41 | 1,137.98 |

Notes:

a. Below table represents the Title deeds of immovable properties not held in the name of the Company:

| Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since which date | Reason for not being held in the name of the Company |
|---|----------------------|---------------------------------|---|--------------------------------|--|
| Land situated at C-2, Industrial Area, UPSIDC, Gajraula II, Amroha, UP | 263.22 | Best Agrochem Private Limited | No | 1 April 2018 | The title deeds are held in the name of Best Agrochem Private Limited which were transferred as a result of amalgamation of companies. |
| Land situated at Manhattan Street, Mahagun Moderne, Sector 78, Noida UP | 174.63 | | | | |
| Building situated at Manhattan Street, Mahagun Moderne, Sector 78, Noida UP | 178.23 | | | | |
| Land situated at SIDCO, Industrial Growth Centre, Samba, Jammu & Kashmir | 70.87 | Agrico Chemicals | No | 16 February 2022 | The title deeds are held in the name of Agrico Chemicals which has been acquired as a result of business combination. Refer note 51. |

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as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

b. Fair value of the land and building was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific land and building. As at the date of revaluation of 31 March 2022, the land and building are measured at fair value which has been determined basis report from a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017

If land and building were measured using the cost model. The carrying amounts would be as follows:

| | Land | | Building | | Total | |
|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Cost | 385.62 | 314.75 | 738.27 | 668.47 | 1,123.89 | 983.22 |
| Accumulated depreciation | 8.25 | 4.04 | 227.30 | 95.18 | 235.55 | 99.22 |
| Net carrying amount | 377.37 | 310.71 | 510.97 | 573.29 | 888.34 | 884.00 |

5. Capital work-in-progress

| | As at 31 March 2022 | As at 31 March 2021 |
|----------------------------|---------------------|---------------------|
| Capital work-in-progress * | - | 5.36 |
| | - | 5.36 |

*pertains to construction works undertaken in the leased office.

Notes:

(a) Capital work-in-progress ageing schedule as at 31 March 2022 and 31 March 2021

| Projects in progress | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 31 March 2022 | - | - | - | - | - |
| 31 March 2021 | 5.36 | - | - | - | 5.36 |

(b) There are no such project under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022 and 31 March 2021.

6. Intangible assets

| | Trademarks | Softwares | Total |
|------------------------------------|--------------|-------------|--------------|
| Gross block | | | |
| Balance as at 31 March 2020 | 11.43 | 2.41 | 13.84 |
| Additions | - | 2.13 | 2.13 |
| Disposals / adjustments | - | (0.18) | (0.18) |
| Balance as at 31 March 2021 | 11.43 | 4.36 | 15.79 |
| Additions | 3.35 | 4.14 | 7.49 |
| Balance as at 31 March 2022 | 14.78 | 8.50 | 23.28 |
| Accumulated amortisation | | | |
| Balance as at 31 March 2020 | - | - | - |
| Amortisation for the year | 1.14 | 1.56 | 2.70 |
| Disposals / adjustments | - | (0.14) | (0.14) |
| Balance as at 31 March 2021 | 1.14 | 1.42 | 2.56 |
| Amortisation for the year | 1.31 | 2.49 | 3.80 |
| Balance as at 31 March 2022 | 2.45 | 3.91 | 6.36 |
| Net block | | | |
| As at 31 March 2021 | 10.29 | 2.94 | 13.23 |
| As at 31 March 2022 | 12.33 | 4.59 | 16.92 |

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(All amounts in ₹ lacs, unless stated otherwise)

7. Intangibles under development

| | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------|---------------------|---------------------|
| Intangibles under development* | - | 1.28 |
| | - | 1.28 |

*pertains to product licenses applied to Central Insecticides Board but not yet allotted in the name of the Company.

Notes:

(a) Intangibles under development ageing schedule as at 31 March 2022 and 31 March 2021

| Particulars | Amount in intangibles under development for a period of | | | | Total |
|---------------|---|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 31 March 2022 | - | - | - | - | - |
| 31 March 2021 | 1.28 | - | - | - | 1.28 |

(b) There are no such project under intangibles under development, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022 and 31 March 2021.

8. Investments

8 (a) Non-current investments

| | Nominal Value per unit | Number of shares | | Amount | |
|---|------------------------|---------------------|---------------------|---------------------|---------------------|
| | | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| i) Investment in unquoted equity shares in subsidiary, valued at cost | | | | | |
| Seedlings India Private Limited (wholly owned subsidiary) | 10 | 10,000 | 10,000 | 1.00 | 1.00 |
| Best Crop Science Private Limited (wholly owned subsidiary) | 10 | 68,50,000 | - | 10,159.85 | - |
| Total investments in unquoted equity shares in subsidiary, valued at cost [A] | | | | 10,160.85 | 1.00 |
| ii) Investment in unquoted equity shares, valued at fair value through profit and loss (FVTPL) | | | | | |
| Tavares Tradelinks Private Limited | 10 | 9,239 | 9,239 | 3.00 | 3.00 |
| Less: | | | | | |
| Impairment on investments* | | | | (3.00) | (3.00) |
| Total investments in unquoted equity shares, valued at FVTPL [B] | | | | - | - |
| Total non-current investments [A+B] | | | | 10,160.85 | 1.00 |
| Aggregate value of unquoted investments | | | | 10,163.85 | 4.00 |
| Aggregate value of impairment in value of investments | | | | 3.00 | 3.00 |
| Category-wise investment | | | | | |
| Measured at cost | | | | 10,160.85 | 1.00 |
| Measured at FVTPL | | | | - | - |

*During the previous year, the Company had recognised impairment loss on the investments made in Tavares Tradelinks Private Limited.

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(All amounts in ₹ lacs, unless stated otherwise)

Notes:

- (i) The number of shares and the nominal value per share has been disclosed to the extent information available with the Company.
- (ii) Refer note 44 for disclosure of fair values in respect of financial assets measured at fair value and amortised cost.
- (iii) The Company has acquired 100% controlling interest in Best Crop Science Private Limited on 13 October 2021 through issue of equity shares (refer note 50).

8 (b) Assets classified as held for sale

| | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------|---------------------|---------------------|
| Value Industries Asia Pte Ltd.* | - | 130.15 |
| | - | 130.15 |

* The Company has sold the investment held in Value Industries Asia Pte Ltd at USD 2.70 lacs on 28 April 2021.

9. Trade receivables

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Trade receivables | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 23,376.19 | 13,113.27 |
| Receivable which have significant increase in credit risk | 506.92 | 206.92 |
| Receivable credit impaired | - | - |
| | 23,883.11 | 13,320.19 |
| Less: Allowance for expected credit loss | | |
| Secured, considered good | - | - |
| Unsecured, considered good | - | - |
| Receivable which have significant increase in credit risk | (506.92) | (206.92) |
| Receivable credit impaired | - | - |
| | 23,376.19 | 13,113.27 |
| Trade receivables from related parties (refer note 40) | 5,621.05 | 2,541.94 |

Trade receivables ageing schedule as at 31 March 2022 and 31 March 2021

| Particulars | Outstanding for following periods from date of transaction | | | | | Total |
|--|--|--------------------|---------------|-----------|-------------------|------------------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2022: | | | | | | |
| a) Undisputed trade receivables | | | | | | |
| - considered good | 21,311.78 | 1,704.28 | 342.64 | - | 17.49 | 23,376.19 |
| - which have significant increase in credit risk | - | - | - | - | - | - |
| - which are credit impaired | - | - | - | - | - | - |
| | 21,311.78 | 1,704.28 | 342.64 | - | 17.49 | 23,376.19 |
| b) Disputed trade receivables | | | | | | |
| - considered good | - | - | - | - | - | - |
| - which have significant increase in credit risk | - | - | 82.47 | 153.90 | 270.55 | 506.92 |
| - which are credit impaired | - | - | - | - | - | - |
| | - | - | 82.47 | 153.90 | 270.55 | 506.92 |
| Less: Allowance for expected credit loss | - | - | (82.47) | (153.90) | (270.55) | (506.92) |
| | 21,311.78 | 1,704.28 | 342.64 | - | 17.49 | 23,376.19 |

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(All amounts in ₹ lacs, unless stated otherwise)

| Particulars | Outstanding for following periods from date of transaction | | | | | Total |
|--|--|--------------------|---------------|---------------|-------------------|------------------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2021: | | | | | | |
| a) Undisputed trade receivables | | | | | | |
| - considered good | 11,066.45 | 1,242.50 | 234.88 | 220.84 | 348.60 | 13,113.27 |
| - which have significant increase in credit risk | - | - | - | - | - | - |
| - which are credit impaired | - | - | - | - | - | - |
| | 11,066.45 | 1,242.50 | 234.88 | 220.84 | 348.60 | 13,113.27 |
| b) Disputed trade receivables | | | | | | |
| - considered good | - | - | - | - | - | - |
| - which have significant increase in credit risk | - | - | - | 13.68 | 193.24 | 206.92 |
| - which are credit impaired | - | - | - | - | - | - |
| | - | - | - | 13.68 | 193.24 | 206.92 |
| Less: Allowance for expected credit loss | - | - | - | (13.68) | (193.24) | (206.92) |
| | 11,066.45 | 1,242.50 | 234.88 | 220.84 | 348.60 | 13,113.27 |

Notes:

- (i) Refer note 42 for the movement of allowance for expected credit loss.
- (ii) Refer note 44 for disclosure of fair values in respect of financial assets measured at amortised cost.
- (iii) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person.
- (iv) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

10. Loans

| | Current | |
|--|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Considered good, unsecured | | |
| Loan to related parties (refer note 40 and 49) | 8,853.17 | 433.83 |
| | 8,853.17 | 433.83 |

Below table represents the details of loans granted to promoters, directors, key managerial personnel and related parties which are repayable on demand:

| Name of the borrower | Relationship | Amount of loan or advance in the nature of loan outstanding | Percentage to the total loans and advances in the nature of loans | Terms |
|-----------------------------------|-------------------------|---|---|--|
| Best Crop Science Private Limited | Wholly owned subsidiary | 7,137.40 | 81% | Interest bearing and repayable on demand |
| Seedlings India Private Limited | Wholly owned subsidiary | 1,715.77 | 19% | |

Note:

- (i) Refer note 44 for disclosure of fair values in respect of financial assets measured at amortised cost.

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11. Other financial assets

| | Non-current | | Current | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Interest accrued but not due on fixed deposits | - | - | 3.84 | 0.56 |
| Security deposits | 27.13 | 21.22 | - | - |
| Others | - | - | 0.83 | 7.66 |
| | 27.13 | 21.22 | 4.67 | 8.22 |

Note:

(i) Refer note 44 for disclosure of fair values in respect of financial assets measured at amortised cost.

12. Other assets

| | Non-current | | Current | |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Capital advances | - | 43.06 | - | - |
| Advances to suppliers | - | - | 92.71 | 984.61 |
| Balance with government authorities | - | - | 1,680.45 | 1,583.73 |
| Prepaid expenses | 0.40 | - | 76.43 | 42.76 |
| Employee and other advances | - | - | 83.62 | 40.86 |
| | 0.40 | 43.06 | 1,933.21 | 2,651.96 |

13. Inventories (valued at lower of cost or net realisable value, unless otherwise stated)

| | As at 31 March 2022 | As at 31 March 2021 |
|----------------|---------------------|---------------------|
| Stock-in-trade | 20,243.29 | 15,366.12 |
| | 20,243.29 | 15,366.12 |

14. Cash and cash equivalents

| | As at 31 March 2022 | As at 31 March 2021 |
|---------------------|---------------------|---------------------|
| Balances with banks | | |
| On current accounts | 1,266.05 | 1,771.72 |
| Cheques on hand | - | 266.40 |
| Cash on hand | 9.76 | 10.21 |
| | 1,275.81 | 2,048.33 |

15. Bank balances other than cash and cash equivalents

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Deposit with original maturity of more than 3 months and less than 12 months* | 2,703.31 | 1,226.34 |
| | 2,703.31 | 1,226.34 |

* Margin money deposits are provided as margin for letter of credits. The same are restricted for use till settlement of corresponding liability.

Note:

(i) Refer note 44 for disclosure of fair values in respect of financial assets measured at amortised cost.

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(All amounts in ₹ lacs, unless stated otherwise)

16. Equity share capital

| | Number of shares | | Amount | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Authorised | | | | |
| Equity shares of ₹ 10/- each | 2,37,00,000 | 2,37,00,000 | 2,370.00 | 2,370.00 |
| | 2,37,00,000 | 2,37,00,000 | 2,370.00 | 2,370.00 |
| Issued, subscribed and fully paid up equity capital | | | | |
| Equity shares of ₹ 10/- each | 2,36,44,740 | 2,20,32,066 | 2,364.47 | 2,203.21 |
| Total share capital | 2,36,44,740 | 2,20,32,066 | 2,364.47 | 2,203.21 |

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

| | Number of shares | | Amount | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Authorised share capital | | | | |
| Balance as the beginning of reporting year | 2,37,00,000 | 2,37,00,000 | 2,370.00 | 2,370.00 |
| Balance as the end of reporting year | 2,37,00,000 | 2,37,00,000 | 2,370.00 | 2,370.00 |
| Issued equity capital | | | | |
| Equity share of ₹ 10/- each issued, subscribed and fully paid | | | | |
| Balance as the beginning of reporting year | 2,20,32,066 | 2,20,32,066 | 2,203.21 | 2,203.21 |
| Issued during the year * | 16,12,674 | - | 161.26 | - |
| Balance as the end of reporting year | 2,36,44,740 | 2,20,32,066 | 2,364.47 | 2,203.21 |

* refer note 50.

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. 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.

(c) Details of shareholders holding more than 5% shares in the Company

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------|--------------|---------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Equity shares with voting rights | | | | |
| Vandana Alawadhi | 63,92,717 | 27.04% | 63,10,318 | 28.64% |
| Raj Kumar | 42,94,166 | 18.16% | 41,52,825 | 18.85% |
| Vimal Alawadhi | 37,54,955 | 15.88% | 20,80,250 | 9.44% |
| Resonance Opportunities Fund | 21,34,406 | 9.03% | 14,60,450 | 6.63% |

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(d) Details of shares held by promoters in the Company

| | As at 31 March 2022 | | As at 31 March 2021 | | % change in shareholding |
|-------------------|---------------------|--------------|---------------------|--------------|--------------------------|
| | Number of shares | % of holding | Number of shares | % of holding | |
| Vandana Alawadhi | 63,92,717 | 27.04% | 63,10,318 | 28.64% | -1.60% |
| Vimal Alawadhi | 37,54,955 | 15.88% | 20,80,250 | 9.44% | 6.44% |
| Kamal Kumar | 3,67,745 | 1.56% | 3,67,745 | 1.67% | -0.11% |
| Kamal Kumar (HUF) | 2,20,500 | 0.93% | 2,20,500 | 1.00% | -0.07% |
| Geeta Garg | 2,640 | 0.01% | 2,640 | 0.01% | 0.00% |
| Vishesh Gupta | 235 | 0.00% | 4,235 | 0.02% | -0.02% |

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding 31 March 2022:

| | For the year ended | | | | |
|---|--------------------|---------------|---------------|----------------|---------------|
| | 31 March 2022 | 31 March 2021 | 31 March 2020 | 31 March 2019 | 31 March 2018 |
| Equity shares allotted as fully paid up | 16,12,674 # | - | - | 1,40,55,993 ## | - |

issued pursuant to approval of shareholders in the annual general meeting on acquisition of 100% controlling interest in Best Crop Science Private Limited on 13 October 2021. Refer note 50.

issued pursuant to order received from NCLT on 5 May 2020 for amalgamation of Best Agrochem Private Limited with the Company.

(f) The Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

17. Other equity

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Capital reserve | | |
| Balance as the beginning of reporting year | 3,201.72 | 3,201.72 |
| Balance as the end of reporting year | 3,201.72 | 3,201.72 |
| Securities premium | | |
| Balance as the beginning of reporting year | 1,028.23 | 1,028.23 |
| Share issued during the year | 9,998.58 | - |
| Balance as the end of reporting year | 11,026.81 | 1,028.23 |
| Retained earnings | | |
| Balance as the beginning of reporting year | 6,091.31 | 1,503.72 |
| Add: Profit for the year | 8,707.02 | 3,706.62 |
| Add: Other comprehensive income for the year (net) | 8.02 | 903.00 |
| Less: Payment of dividend on equity shares (refer note 54) | (440.64) | (22.03) |
| Balance as the end of reporting year | 14,365.71 | 6,091.31 |
| Revaluation reserve | | |
| Balance as the beginning of reporting year (net) | 442.18 | 442.18 |
| Less: Revaluation during the year (net) | (170.58) | - |
| Balance as the end of reporting year (net) | 271.60 | 442.18 |
| | 28,865.84 | 10,763.44 |

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Nature and purpose of reserve

Capital reserve

Capital reserve was created on account of loss on business combinations.

Securities premium

Securities premium comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Group for its core business activities. It also includes the gain/ loss on remeasurement of defined employee benefit obligations.

Revaluation reserve

This represents the cumulative gains and losses arising on the revaluation of land and building.

18. Borrowings

18 (a) Non-current borrowings

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Secured | | |
| Term loans | | |
| Indian rupee loan from financial institutions (refer note a) | - | 170.91 |
| Vehicle loans | | |
| Indian rupee loan from bank (refer note b) | 288.48 | 262.41 |
| | 288.48 | 433.32 |
| Less: Current maturities of non-current borrowings (refer note 18 (b)) | (124.46) | (145.43) |
| | 164.02 | 287.89 |
| Secured | 164.02 | 287.89 |
| Unsecured | - | - |

Note:

There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

| Nature of Security | Terms of repayment |
|--|---|
| a. Term loan from financial institutions | |
| Property loan from India Bulls Housing Finance Limited has been obtained against hypothecation of property (Flat No. 415, 4 th Floor, Manhattan Street, Mahagun Modere, Plot No. GH-02, Sector-78, Noida Uttar Pradesh -201301) of ₹ 180.00 lacs. | Repayable in 208 equal monthly installment of ₹ 1.81 lacs from 5 September 2018. The same has been repaid completely in the current year. Rate of interest at 9.90% per annum (previous year: 9.90% per annum) |
| b. Vehicle loans from banks | |
| Vehicle loans have been obtained from banks and the same are secured by hypothecation of respective vehicles. | Repayable in 36 to 60 equal monthly installment of ₹ 0.18 lacs to ₹ 3.87 lacs. Rate of interest at 8.20% to 12.75% per annum (previous year 8.25% to 12.75% per annum) |

Notes:

(i) Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

(ii) The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

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18 (b) Current borrowings

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Secured | | |
| Cash credit from banks (refer note a) | 8,382.84 | 849.90 |
| Working capital loan from banks and financial institution (refer note b) | 4,450.00 | 92.76 |
| Buyer's credits | | |
| Foreign currency loan from bank (refer note c) | - | 1,287.35 |
| | 12,832.84 | 2,230.01 |
| Add: Current maturities of non-current loans (refer note 18(a)) | 124.46 | 145.43 |
| | 12,957.30 | 2,375.44 |
| Secured | 12,957.30 | 2,375.44 |
| Unsecured | - | - |

Notes

a. Cash credit facilities have been obtained from banks which has been secured by first pari passu charge on present and future current assets and movable property, plant and equipment except vehicles. The facilities taken from five banks are secured by personal guarantee of promoter Mr. Vimal Alawadhi, Mrs Vandana Alawadhi and Mr Kamal Kumar and director Mr. Shuvendu Satpathy and one loan is secured by guarantee given by Pavas Chemicals Private Limited of ₹ Nil lacs (previous year ₹ 3,700.00 lacs) on behalf of the Company. These loans carry interest rate of 7.60% to 11.70% per annum (previous year: 8.54% to 11.65% per annum).

b. Working capital loan facility was obtained from banks and financial institution during the year which has been secured by first pari passu charge on present and future current assets and movable property, plant and equipment except vehicles. The facilities taken from three banks and one financial institution are secured by personal guarantee of promoter Mr. Vimal Alawadhi and Mrs Vandana Alawadhi and director Mr. Shuvendu Satpathy on behalf of the Company. These loan carry interest rate of 6.75% to 8.80% per annum (previous year: 8.05% per annum).

c. Facility of standby letter of credit at the rate of 1% commission had been obtained from banks has been secured by deposits with the banks and first pari passu charge on present and future current assets and movable property, plant and equipment except vehicles. The same has been repaid during the year.

d. Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

e. Below table represents the summary of reconciliation of the quarterly statements of current assets filed by the Company with banks:

| Particulars | Name of bank | As per statement filed | As per books of accounts | Difference | Remarks | |
|--|---|------------------------|--------------------------|------------|--|--|
| i) Quarter ended 30 June 2021 | | | | | | |
| Inventories | The statement has been filed with Yes Bank, ICICI Bank, Standard Chartered Bank and Punjab National Bank. | 20,210.19 | 20,530.92 | (320.73) | Differences are mainly on account of provisions and period end adjustment entries. | |
| Trade receivables | | 23,212.85 | 22,394.92 | 817.93 | | |
| Trade payables | | 24,122.45 | 25,232.18 | (1,109.73) | | |
| ii) Quarter ended 30 September 2021 | | | | | | |
| Inventories | The statement has been filed with Yes Bank, ICICI Bank, Standard Chartered Bank and Punjab National Bank. | 15,327.70 | 14,988.14 | 339.56 | | |
| Trade receivables | | 31,470.89 | 30,645.22 | 825.67 | | |
| Trade payables | | 22,500.76 | 23,008.51 | (507.75) | | |
| iii) Quarter ended 31 December 2021 | | | | | | |
| Inventories | The statement has been filed with Yes Bank, ICICI Bank, Standard Chartered Bank and Axis Bank. | 14,080.10 | 14,123.84 | (43.74) | | |
| Trade receivables | | 14,777.11 | 18,893.33 | (4,116.22) | | |
| Trade payables | | 14,819.33 | 14,816.75 | 2.58 | | |

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| Particulars | Name of bank | As per statement filed | As per books of accounts | Difference | Remarks |
|--|--|------------------------|--------------------------|------------|---------|
| iv) Quarter ended 31 March 2022 | | | | | |
| Inventories | The statement has been filed with Yes Bank, ICICI Bank, Standard Chartered Bank, Axis Bank, State Bank of India and Bajaj Finance Limited. | 19,909.31 | 20,243.29 | (333.98) | |
| Trade receivables | | 23,241.24 | 23,376.19 | (134.95) | |
| Trade payables | | 20,951.97 | 21,675.12 | (723.15) | |

Note: The above information has been determined to the extent information available with the Company, which has been relied upon by the auditors.

f. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.

g. The Company has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

19. Lease liabilities

| | Non-current | | Current | |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Lease liabilities (refer note 43) | 358.72 | 425.75 | 173.91 | 138.38 |
| | 358.72 | 425.75 | 173.91 | 138.38 |

Note: Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

20. Trade payables

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Trade payables of micro and small enterprises (refer note 47) | 3.64 | 1.72 |
| Trade payables other than micro enterprises and small enterprises | 21,671.48 | 16,501.69 |
| | 21,675.12 | 16,503.41 |
| Trade payables to related parties (refer note 40) | 130.99 | 68.98 |

Trade payables ageing schedule as at 31 March 2022 and 31 March 2021

| | Outstanding for following periods from date of transaction | | | | Total |
|---|--|-----------|---------------|-------------------|------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2022: | | | | | |
| a) Undisputed trade payables | | | | | |
| Micro enterprises and small enterprises | 3.64 | - | - | - | 3.64 |
| Others | 21,215.53 | - | 455.95 | - | 21,671.48 |
| | 21,219.17 | - | 455.95 | - | 21,675.12 |
| b) Disputed trade payables | | | | | |
| Micro enterprises and small enterprises | - | - | - | - | - |
| Others | - | - | - | - | - |
| | 21,219.17 | - | 455.95 | - | 21,675.12 |

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(All amounts in ₹ lacs, unless stated otherwise)

| | Outstanding for following periods from date of transaction | | | | Total |
|---|--|---------------|-------------|-------------------|------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2021: | | | | | |
| a) Undisputed trade payables | | | | | |
| Micro enterprises and small enterprises | 1.72 | - | - | - | 1.72 |
| Others | 15,986.91 | 507.55 | 2.15 | 5.08 | 16,501.69 |
| | 15,988.63 | 507.55 | 2.15 | 5.08 | 16,503.41 |
| b) Disputed trade payables | | | | | |
| Micro enterprises and small enterprises | - | - | - | - | - |
| Others | - | - | - | - | - |
| | 15,988.63 | 507.55 | 2.15 | 5.08 | 16,503.41 |

Notes:

(i) There are no unbilled trade payables, hence the same is not disclosed in the ageing schedule.

(ii) Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

21. Other financial liabilities

| | Non-current | | Current | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Unpaid dividend | - | - | 6.59 | 6.83 |
| Employee related liabilities | - | - | 259.86 | 136.46 |
| Security deposits | 296.13 | 139.82 | - | - |
| Payable for business acquisition (refer note 51) | - | - | 1,777.94 | - |
| Others | - | - | 78.21 | 57.94 |
| | 296.13 | 139.82 | 2,122.60 | 201.23 |

Note: Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

22. Provisions

| | Non-current | | Current | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Provision for gratuity (refer note 39) | 85.54 | 73.36 | 16.14 | 13.23 |
| Provision for compensated absence | - | - | 16.87 | 2.88 |
| | 85.54 | 73.36 | 33.01 | 16.11 |

23. Other current liabilities

| | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------|---------------------|---------------------|
| Revenue received in advance | 978.38 | 3,448.02 |
| Statutory dues payable | 85.13 | 46.71 |
| Others | 51.74 | - |
| | 1,115.25 | 3,494.73 |

Notes to Standalone Financial Statements

as at 31 March 2022

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24. Current tax liability (net)

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| (A) Current tax liabilities | | |
| Provision for income tax | 3,070.82 | 1,550.66 |
| Total (A) | 3,070.82 | 1,550.66 |
| (B) Income tax assets | | |
| Advance income tax | 2,390.78 | 1,087.98 |
| Total (B) | 2,390.78 | 1,087.98 |
| Current tax liabilities (net) (A-B) | 680.04 | 462.68 |

25. Deferred tax assets

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Deferred tax asset arising on account of : | | |
| Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortisation charged in the financial statements | 89.91 | 29.90 |
| Provision for doubtful debt and advances | 127.58 | 52.08 |
| Employee benefits obligations | 35.53 | 20.47 |
| Right of use assets and lease liabilities | 5.73 | 8.33 |
| | 258.75 | 110.78 |
| Deferred tax liability arising on account of : | | |
| Revaluation of land and building measured through other equity | (91.34) | - |
| | (91.34) | - |
| Total Deferred Tax Assets | 167.41 | 110.78 |

Changes in deferred tax assets (net)

| | As at 31 March 2020 | Recognised in | | As at 31 March 2021 | Recognised in | | | As at 31 March 2022 |
|---|---------------------|-----------------|-----------------|---------------------|---------------|----------------|-----------------|---------------------|
| | | OCI | Profit and loss | | OCI | Other equity | Profit and loss | |
| Items leading to creation of deferred tax assets/ deferred tax liabilities | | | | | | | | |
| Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortisation charged in the financial statements | 13.42 | - | 16.48 | 29.90 | - | - | 60.01 | 89.91 |
| Provision for doubtful debt and advances | 13.87 | - | 38.21 | 52.07 | - | - | 75.51 | 127.58 |
| Employee benefits obligations | 10.92 | 4.11 | 5.44 | 20.47 | (2.69) | - | 17.75 | 35.53 |
| Impact of fair valuation of financial instruments through OCI | (4.76) | (124.33) | 129.09 | - | - | - | - | - |
| Right of use assets and lease liabilities | - | - | 8.33 | 8.33 | - | - | (2.60) | 5.73 |
| Total deferred tax assets | 33.45 | (120.22) | 197.55 | 110.78 | (2.69) | - | 150.67 | 258.75 |
| Items leading to creation of deferred tax liabilities | | | | | | | | |
| Revaluation of land and building | - | - | - | - | - | (91.34) | - | (91.34) |
| Total deferred tax liabilities | - | - | - | - | - | (91.34) | - | (91.34) |
| Net deferred tax assets | 33.45 | (120.22) | 197.55 | 110.78 | (2.69) | 91.34 | 150.67 | 167.41 |

Note: Refer note 34 for effective tax reconciliation.

Notes to Standalone Financial Statements

as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

26. Revenue from operations

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|------------------|-------------------------------------|-------------------------------------|
| Sale of products | 1,13,427.44 | 90,544.50 |
| | 1,13,427.44 | 90,544.50 |

Contract balances

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Revenue received in advance (refer note 23) * | 978.38 | 3,448.02 |

Contract liabilities - Revenue received in advance

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Opening balance of Contract liabilities | 3,448.02 | 3,066.71 |
| Less: Amount of revenue recognised against opening contract liabilities | (1,003.07) | (3,064.87) |
| Add: Addition in balance of contract liabilities for current year (net of refunds) | (1,466.57) | 3,446.18 |
| Closing balance of Contract liabilities | 978.38 | 3,448.02 |

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Revenue from contract with customer as per the contract price | 1,21,530.39 | 98,626.72 |
| Adjustments made to contract price on account of :- | | |
| a) Discounts and rebates | (2,010.33) | (3,598.39) |
| b) Sales returns | (6,092.62) | (4,483.83) |
| Revenue from contract with customer | 1,13,427.44 | 90,544.50 |

Performance obligation

Information about the Company's performance obligations are summarised below:

Traded goods

The performance obligation is satisfied upon delivery of the goods to the customer.

* The significant decrease in contract balances in FY 2021-2022 is mainly due to increase in revenue from operations against which these balances were settled. The year-end balances are on account of advances received in the normal course of business.

27. Other income

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Interest income | | |
| - From banks | 38.20 | 56.67 |
| - From others | 366.71 | - |
| - Profit on sale of investment | 51.53 | - |
| - Liabilities written back | 0.19 | 45.47 |
| - Foreign exchange fluctuation gain (net) | - | 627.42 |
| - Others | 78.74 | - |
| | 535.37 | 729.56 |

Notes to Standalone Financial Statements

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(All amounts in ₹ lacs, unless stated otherwise)

28. Purchase of stock-in-trade

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-----------|-------------------------------------|-------------------------------------|
| Purchases | 1,01,432.49 | 91,146.65 |
| | 1,01,432.49 | 91,146.65 |

29. (Increase)/decrease in inventories of stock-in-trade

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Inventory at the end of the year | | |
| Stock-in-trade | (20,243.29) | (15,366.12) |
| Inventory at the beginning of the year | | |
| Stock-in-trade | 15,366.12 | 7,473.37 |
| | (4,877.16) | (7,892.76) |

30. Employee benefits expense

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Salaries and wages | 1,790.14 | 991.52 |
| Contribution to provident fund and other funds (refer note 39) | 36.46 | 17.50 |
| Staff welfare expenses | 38.30 | 2.17 |
| | 1,864.90 | 1,011.19 |

31. Finance costs

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|------------------------|-------------------------------------|-------------------------------------|
| Interest expense | | |
| - On borrowings | 684.21 | 247.63 |
| - On lease liabilities | 42.59 | 34.54 |
| Other borrowing cost* | 328.26 | 191.48 |
| | 1,055.06 | 473.65 |

* includes processing charges and other related costs

32. Depreciation and amortisation expense

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Depreciation on property, plant and equipment (refer note 3) | 238.70 | 203.61 |
| Amortisation on right-of-use assets (refer note 4) | 141.84 | 88.93 |
| Amortisation on intangible assets (refer note 6) | 3.80 | 2.70 |
| | 384.34 | 295.24 |

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33. Other expenses

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Rent expenses (refer note 43) | 90.55 | 40.50 |
| Repair and maintenance expenses | 55.89 | 30.08 |
| Travelling and conveyance expense | 536.81 | 251.55 |
| Outsourced service cost | 205.41 | 82.15 |
| Insurance | 91.69 | 66.88 |
| Advertisement and business promotions | 190.37 | 77.19 |
| Printing and stationery expenses | 60.28 | 34.20 |
| Water and electricity expenses | 27.87 | 28.93 |
| Freight outwards | 165.17 | 85.99 |
| Payment to auditors (refer note 37) | 42.34 | 19.23 |
| Foreign exchange difference | 67.45 | - |
| Legal and professional expenses | 270.82 | 65.67 |
| Provision for doubtful debts | 300.00 | 150.46 |
| Impairment on investment | - | 3.00 |
| Commission paid | 20.36 | 46.05 |
| Corporate social responsibility expenses (refer note 45) | 47.28 | 12.75 |
| Miscellaneous expenses | 324.51 | 166.89 |
| | 2,496.80 | 1,161.52 |

34. Tax expense

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Current tax | 3,070.82 | 1,550.66 |
| Deferred tax | (150.67) | (197.55) |
| Tax relating to earlier years | (20.79) | 18.84 |
| | 2,899.36 | 1,371.95 |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021:

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Accounting profit before tax | 11,606.38 | 5,078.57 |
| Tax at India's statutory income tax rate of 25.17% (31 March 2021: 25.17%) | 2,921.09 | 1,278.17 |
| Tax impact of non-deductible expenses | 34.58 | 25.78 |
| Tax relating to earlier years | (20.79) | 18.84 |
| Other adjustments | (35.52) | 49.16 |
| Income tax expense reported in the statement of profit and loss | 2,899.36 | 1,371.95 |
| At the effective income tax rate of 24.98% (31 March 2021: 27.01%) | 2,899.36 | 1,371.95 |

Notes to Standalone Financial Statements

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(All amounts in ₹ lacs, unless stated otherwise)

35. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Profit attributable to equity holders of the Company | 8,707.02 | 3,706.62 |
| Weighted average number of equity shares used for computing Earning per Share (shares in lacs) | 227.83 | 220.32 |
| Basic and diluted earnings per share (in ₹) | 38.22 | 16.82 |

36. Contingent liabilities and commitments

A. Contingent Liabilities

(i) Claims against the Company not acknowledged as debts

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Claims made by direct tax authorities: | | |
| Income tax (refer note a and b) | 49.89 | 49.89 |
| Total | 49.89 | 49.89 |

Notes:

a. In respect of Assessment Year 2012-2013, demand was raised due to disallowance of certain expenses under section 14A of the Income Tax Act and also certain other disallowances. The amount involved is ₹ 14.42 lacs (31 March 2021: ₹ 14.42 lacs).

b. In respect of Assessment Year 2017-2018, demand was raised due to addition of income under section 56(2)(viib) of the Income Tax Act and also certain other additions. The amount involved is ₹ 35.47 lacs (31 March 2021: ₹ 35.47 lacs).

c. Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling has not prescribed any clarification w.r.t. to its application, the Company is in the process of evaluating its impact. Management believes that this will not result in any material liability on the Company.

d. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Company. The Company does not expect any reimbursements in respect of the above contingent liabilities.

B. Commitments

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| (i) Capital commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹ Nil (31 March 2021: ₹ 43.06 lacs)] | - | - |
| (ii) Other commitments | | |
| Corporate guarantees given to subsidiaries (refer note a) | 8,260.00 | - |
| Total | 8,260.00 | - |

Notes:

a. Corporate guarantees includes guarantes given by the Company to banks and financial institutions against loan obtained by subsidiaries

Notes to Standalone Financial Statements

as at 31 March 2022

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37. Payment to auditors

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--------------------------|-------------------------------------|-------------------------------------|
| As auditor | | |
| - Audit fee | 26.00 | 12.00 |
| - Limited review | 11.00 | 6.25 |
| In other capacity | | |
| For other services | 2.75 | - |
| Out of pocket expenses | 2.59 | 0.98 |
| Total | 42.34 | 19.23 |

38. Unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31 March 2022 and 31 March 2021 are as under:

| Particulars | Foreign currency | Amount in foreign currency in lacs | | Amount in ₹ lacs | |
|------------------------|---------------------|------------------------------------|---------------|------------------|-----------------|
| | | 31 March 2022 | 31 March 2021 | 31 March 2022* | 31 March 2021** |
| Trade receivables | USD | 1.50 | - | 114.03 | - |
| Trade payables | USD | 189.80 | 203.29 | 14,388.19 | 14,941.57 |
| Advances to suppliers | USD | 0.35 | 5.97 | 26.91 | 438.57 |
| Current borrowings | USD | - | 17.12 | - | 1,258.32 |
| Advance from customers | USD | 0.94 | - | 71.13 | - |

*Exchange Rate for 31 March 2022, 1 USD = ₹ 75.81

**Exchange Rate for 31 March 2021, 1 USD = ₹ 73.50

Refer note 42 for sensitivity analysis.

39. Employee benefit obligations

a. Defined contribution plan

An amount of ₹ 35.18 lacs [31 March 2021 : ₹ 17.30 lacs] for the year has been recognised as an expense in respect of the Company's contributions towards Provident Fund and an amount of ₹ 1.28 lacs [31 March 2021 : ₹ 0.20 lacs] for the year has been recognised as an expense in respect of Company's contributions towards Employee State Insurance which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

A. Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service or part thereof in excess of six months subject to a maximum of ₹ 20.00 lacs. The scheme is unfunded.

Statement of profit & loss account

(i) Amount recognised in the statement of profit and loss is as under:

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Current service cost | 24.71 | 16.51 |
| Interest cost on defined obligation | 5.46 | 3.53 |
| Net impact on profit (before tax) | 30.17 | 20.04 |
| Actuarial (gain)/ loss recognised during the year | (10.71) | 16.35 |
| Amount recognised in total comprehensive income | 19.46 | 36.39 |

Notes to Standalone Financial Statements

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(ii) Change in the present value of obligation:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Opening defined benefit obligation | 86.59 | 54.31 |
| Current service cost | 24.71 | 16.51 |
| Interest cost | 5.46 | 3.53 |
| Benefits paid | (4.37) | (4.11) |
| Actuarial losses | (10.71) | 16.35 |
| Closing defined benefit obligation | 101.68 | 86.59 |
| Provision for gratuity | | |
| Current | 16.14 | 13.23 |
| Non-current | 85.54 | 73.36 |

(iii) Breakup of actuarial (gain)/loss:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Actuarial (gain)/loss from change in demographic assumption | - | - |
| Actuarial (gain)/loss from change in financial assumption | (2.02) | 0.81 |
| Actuarial (gain)/loss from experience adjustment | (8.69) | 15.54 |
| Total actuarial (gain)/loss | (10.71) | 16.35 |

(iv) Actuarial assumptions

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|----------------------------------|-----------------------------|-----------------------------|
| Discount rate | 6.70% | 6.30% |
| Expected rate of salary increase | 10.00% | 10.00% |
| Retirement age: | | |
| - Directors & Mr. TK Maini | 70 yrs. | 70 yrs. |
| - Head Office employees | 68 yrs. | 68 yrs. |
| - Field employees | 60 yrs. | 60 yrs. |
| Mortality rate | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate |

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

(v) The impact of sensitivity analysis due to changes in the significant actuarial assumptions on the defined benefit obligations is given in below table:

| | Change in assumptions | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|----------------------------------|--------------------------|-------------------------------------|-------------------------------------|
| Discount rate | +1% | 96.96 | 82.69 |
| | -1% | 106.89 | 90.87 |
| Expected rate of salary increase | +1% | 105.94 | 89.71 |
| | -1% | 97.68 | 83.61 |

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The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The above defined benefit plan exposes the Company to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(vi) The following payments are expected future cash flows to the defined benefit plan (undiscounted in future years):

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|------------------|-------------------------------------|-------------------------------------|
| Year 1 | 16.14 | 13.23 |
| Year 2 | 12.17 | 12.83 |
| Year 3 | 11.69 | 10.19 |
| Year 4 | 10.14 | 9.28 |
| Year 5 | 10.00 | 8.13 |
| Year 6 and above | 41.53 | 32.93 |

Note: The above information has been determined on the basis of information provided by the Company, which has been relied upon by the auditors.

40. Related party transactions

(A) List of key management personnel/directors

| | |
|--|--------------------------|
| Mr. Vimal Alawadhi (with effect from 14 August 2020) | Managing Director |
| Mr. Vishesh Gupta (with effect from 14 August 2020 and upto 9 February 2021) | Non Executive Director |
| Mr. Braj Kishor Prasad | Independent Director |
| Ms. Shweta Grover (with effect from 11 June 2020 and upto 30 June 2021) | Independent Director |
| Ms. Chetna (with effect from 01 July 2021) | Independent Director |
| Mr. Shuvendu Kumar Satpathy (with effect from 27 May 2020) | Non Executive Director |
| Mr. Raajan Kumar Ailawadhi (with effect from 10 February 2021) | Executive Director (WTD) |
| Ms. Isha Luthra | Executive Director (WTD) |
| Mr. D.K.Gulati (upto 8 June 2020) | Chief Financial Officer |
| Mr. Deepak Bhutani (with effect from 17 August 2020 and upto 23 March 2021) | Chief Financial Officer |
| Mr. Atul Garg (with effect from 10 April 2021) | Chief Financial Officer |
| Ms. Himanshi Negi (upto 26 December 2020) | Company Secretary |
| Mrs. Astha Wahi (with effect from 11 November 2020) | Company Secretary |
| Mrs. Aarti Arora (Company Secretary in Best Agrochem Private Limited) | Company Secretary |
| Mr. Subodh Kumar (Director in Best Agrochem Private Limited) | Director |

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(B) List of subsidiaries

| | |
|--|-------------------------|
| M/s Seedlings India Private Limited (with effect from 24 February 2021) | Wholly Owned Subsidiary |
| M/s Best Crop Science Private Limited (with effect from 13 October 2021) | Wholly Owned Subsidiary |

(C) List of relatives

| |
|--|
| Mrs. Vandana Alawadhi (wife of Mr. Vimal Alawadhi) |
| Mr. Pankaj Luthra (spouse of Mrs. Isha Luthra) |

(D) Entities in which a Director or his/her relative is a member or Director

| |
|--|
| M/s Best Crop Science LLP (upto 27 August 2021) |
| M/s Best Crop Science Private Limited (with effect from 28 August 2021 and upto 12 October 2021) |
| M/s Seedlings Solutions India Private Limited |
| M/s Pavas Chemicals Private Limited |
| M/s Best Fertilizers Private Limited |
| M/s Agfarm India Private Limited |

(E) Disclosure of transactions between the Company and its related parties

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence | | |
| Sale of products | | |
| Best Crop Science LLP | 10,812.21 | 21,853.83 |
| Best Crop Science Private Limited | 1,165.40 | - |
| Transfer of property, plant and equipment | | |
| Best Crop Science Private Limited | 2.05 | - |
| Purchases of goods | | |
| Best Crop Science LLP | 2,722.16 | 4,190.51 |
| Best Crop Science Private Limited | 235.32 | - |
| Seedlings Solutions India Private Limited | 101.89 | - |
| Pavas Chemicals Private Limited | 64.09 | - |
| Rent paid (including lease liabilities payment) | | |
| Pavas Chemicals Private Limited | 26.73 | 6.60 |
| Commission | | |
| Pavas Chemicals Private Limited | 7.50 | 10.00 |
| Loans given | | |
| Best Crop Science LLP | - | 31.81 |
| ii) Subsidiary company | | |
| Sale of products | | |
| Best Crop Science Private Limited | 4,700.99 | - |
| Seedlings India Private Limited | 1,294.80 | - |
| Purchases of goods | | |
| Best Crop Science Private Limited | 921.75 | - |
| Seedlings India Private Limited | 1,365.96 | - |

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(E) Disclosure of transactions between the Company and its related parties (contd..)

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Interest income | | |
| Seedlings India Private Limited | 211.93 | - |
| Best Crop Science Private Limited | 154.78 | - |
| Investments made | | |
| Seedlings India Private Limited | - | 1.00 |
| Best Crop Science Private Limited | 10,159.85 | - |
| Loans given | | |
| Seedlings India Private Limited | 1,123.01 | 402.02 |
| Best Crop Science Private Limited | 6,998.10 | - |
| iii) Key Managerial Personnel | | |
| Rent paid (including lease liabilities payment) | | |
| Vimal Alawadhi | 65.08 | 43.80 |
| Vandana Alawadhi | 52.08 | 32.80 |
| Travelling expenses | | |
| Raajan Kumar Ailawadhi | 9.48 | 2.01 |
| Vimal Alawadhi | 10.02 | - |
| Shuvendu Kumar Satpathy | 0.91 | - |
| Remuneration* | | |
| Vimal Alawadhi | 114.00 | 34.32 |
| Vishesh Gupta | - | 1.33 |
| Shuvendu Kumar Satpathy | 9.96 | 6.30 |
| Isha Luthra | 7.81 | 6.51 |
| Raajan Kumar Ailawadhi | 49.50 | 5.88 |
| Vandana Alawadhi | - | 3.50 |
| Subodh Kumar | - | 0.93 |
| Himanshi Negi | - | 2.98 |
| Astha Wahi | 8.44 | 3.59 |
| Atul Garg | 20.27 | - |
| Braj Kishore Prasad | 4.00 | - |
| Chetna | 0.94 | - |
| Aarti Arora | - | 0.84 |
| Deepak Bhutani | - | 14.85 |
| DK.Gulati | - | 3.40 |
| Pankaj Luthra | 7.47 | 6.29 |

Notes to Standalone Financial Statements

as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

(F) Disclosure of related parties year end balances

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence | | |
| Loans | | |
| Best Crop Science LLP | - | 31.81 |
| Other advances (staff advance) | | |
| Pankaj Luthra | 4.80 | - |
| Trade receivable | | |
| Best Crop Science LLP | - | 2,541.94 |
| Trade payables | | |
| Pavas Chemicals Private Limited | 36.63 | 6.56 |
| Seedlings Solutions India Pvt Ltd | 2.80 | - |
| Guarantees given to bank on behalf of the Company | | |
| Pavas Chemicals Private Limited | - | 3,700.00 |
| ii) Subsidiary Company | | |
| Investments | | |
| Seedling India Private Limited | 1.00 | 1.00 |
| Best Crop Science Private Limited | 10,159.85 | - |
| Loans | | |
| Seedling India Private Limited | 1,715.76 | 402.02 |
| Best Crop Science Private Limited | 7,137.40 | - |
| Trade receivable | | |
| Best Crop Science Private Limited | 5,621.05 | - |
| Trade payable | | |
| Seedling India Private Limited | 83.98 | - |
| iii) Key managerial personnel | | |
| Trade payables | | |
| Vimal Alawadhi (rent payable) | 6.63 | 32.73 |
| Vandana Alawadhi (rent payable) | 0.95 | 29.69 |
| Employee related liabilities | | |
| Directors/KMP remuneration payable* | | |
| Vimal Alawadhi | 10.02 | 8.00 |
| Astha Wahi | 0.70 | 0.67 |
| Atul Garg | 1.28 | - |
| Pankaj Luthra | 0.26 | 0.34 |
| Vishesh Gupta | 0.73 | 0.73 |
| Shuvendu Kumar Satpathy | 0.75 | 0.66 |
| Isha Luthra | 0.46 | 0.52 |
| Raajan Kumar Ailawadhi | 3.87 | 5.83 |

* Does not include gratuity, since the provision is based upon actuarial for the Company as a whole.

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(All amounts in ₹ lacs, unless stated otherwise)

41. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings, excluding any dues to subsidiaries or group companies less cash and cash equivalents. For the purpose of capital management, total capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Company, as applicable.

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Borrowings (note 18) (including current maturities) | 13,121.32 | 2,663.33 |
| Less: cash and cash equivalents (note 14) | (1,275.81) | (2,048.33) |
| Adjusted net debt (A) | 11,845.51 | 614.99 |
| Equity | 31,230.31 | 12,966.65 |
| Total equity (B) | 31,230.31 | 12,966.65 |
| Total equity and net debt [C = (A+B)] | 43,075.82 | 13,581.65 |
| Gearing ratio (A/C) | 27% | 5% |

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

42. Financial Instruments:- Financial risk management objectives and policies

The Company's principal financial liabilities, comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments in equity shares, loans to related party, trade and other receivables, security deposits, cash and short-term deposits that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Company. The board provides assurance to the shareholders that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is not exposed to any significant credit risk from its operating activities (except trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

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The carrying amounts of financial assets represent the maximum credit risk exposure.

The ageing analysis of trade receivables (net) before adjustment of expected credit loss provision of ₹ 506.92 lacs (31 March 2021: ₹ 206.92 lacs) as of the reporting date is as follows:

| Age bracket | 0-180 Days | 180-365 Days | More than 365 days | Total |
|--|------------------|----------------|--------------------|------------------|
| As at 31 March 2022 | | | | |
| Trade receivables (gross) | 21,311.78 | 1704.28 | 867.05 | 23,883.11 |
| Less: Allowance for expected credit loss | 0.00 | 0.00 | (506.92) | (506.92) |
| Trade receivables (net) | 21,311.78 | 1704.28 | 360.13 | 23,376.19 |
| Expected credit loss % | 0.00% | 0.00% | 58.47% | 2.12% |
| As at 31 March 2021 | | | | |
| Trade receivables (gross) | 11,066.45 | 1242.50 | 1011.24 | 13,320.19 |
| Less: Allowance for expected credit loss | 0.00 | 0.00 | (206.92) | (206.92) |
| Trade receivables (net) | 11,066.45 | 1242.50 | 804.32 | 13,113.27 |
| Expected credit loss % | 0.00% | 0.00% | 20.46% | 1.55% |

The movement in the allowance for expected credit loss in respect of trade receivables is as follows:

| | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------|---------------------|---------------------|
| Balance at the beginning of the year | 206.92 | 56.46 |
| Additions | 300.00 | 150.46 |
| Balance at the end of the year | 506.92 | 206.92 |

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and bank loans. The Company's approach to managing liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its liability when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company closely monitors its liquidity position and deploys a robust cash management system. The Company manages liquidity risk by maintaining adequate reserves, borrowing liabilities, by continuously monitoring forecast and actual cash flows, profile of financial assets and liabilities. It maintain adequate sources of financing including loans from banks at an optimised cost. The table below provides the details regarding contractual maturities of financial liabilities.

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| On demand | | |
| - Borrowings | 12,832.84 | 2,230.01 |
| | 12,832.84 | 2,230.01 |
| Less than 1 year | | |
| - Borrowings (current maturities of non-current borrowings) | 124.46 | 145.43 |
| - Lease liabilities | 173.91 | 138.38 |
| - Trade payables | 21,675.12 | 16,503.41 |
| - Other financial liabilities | 2,122.60 | 201.23 |
| | 24,096.09 | 16,988.45 |
| 1 to 5 year | | |
| - Borrowings | 164.02 | 151.99 |
| - Other financial liabilities | 296.13 | 139.82 |
| - Lease liabilities | 358.72 | 425.75 |
| | 818.87 | 717.56 |
| More than 5 year | | |
| - Borrowings | - | 135.90 |
| | - | 135.90 |

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(All amounts in ₹ lacs, unless stated otherwise)

Details of undrawn facilities of the Company from bank:

| | As at 31 March 2022 | As at 31 March 2021 |
|----------------------|---------------------|---------------------|
| Cash credit accounts | 9,367.66 | 3,708.96 |
| | 9,367.66 | 3,708.96 |

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency rate risk and other price risk

(a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with fixed interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

| | Increase/decrease in basis points | Effect on profit before tax |
|----------------------------|--------------------------------------|--------------------------------|
| As at 31 March 2022 | | |
| INR borrowings | +0.50% | 65.61 |
| | -0.50% | (65.61) |
| As at 31 March 2021 | | |
| INR borrowings | +0.50% | 13.32 |
| | -0.50% | (13.32) |

(b) Foreign currency rate risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency. The Company's exposure to the risks of changes in foreign exchange rates relates primarily to the Company's trade payables, borrowings and trade receivables in the foreign countries.

The Company does not hedge its foreign currency exposure, however the sensitivity analysis is given as below for the for the currencies, in which Company has foreign exposure:

| | Changes in foreign currency rates | Effect on profit before tax |
|---|--------------------------------------|--------------------------------|
| For the year ended 31 March 2022 | | |
| USD | 1% | (143.18) |
| | -1% | 143.18 |
| For the year ended 31 March 2021 | | |
| USD | 1% | (157.61) |
| | -1% | 157.61 |

Refer note 38 for unhedged foreign currency exposure.

(c) Other price risk

The Company's investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in unlisted equity securities (other than investment in subsidiaries) is not significant.

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43. Leases

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2022:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Balance at the beginning of reporting year | 1,320.70 | 1,031.19 |
| Additions (note 4) | 69.80 | 378.44 |
| Acquisition through business combination (note 4) | 70.87 | - |
| Revaluation through revaluation reserve (note 4) | (181.55) | - |
| Amortisation expense (note 32) | (141.84) | (88.93) |
| Balance at the end of reporting year | 1,137.98 | 1,320.70 |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Balance as at the beginning of reporting year | 564.13 | 238.42 |
| Additions (net) | 140.67 | 378.47 |
| Revaluation through revaluation reserve (note 4) | (181.55) | - |
| Accretion of interest | 42.59 | 34.54 |
| Payments | (33.21) | (87.30) |
| Balance as at the end of reporting year | 532.63 | 564.13 |
| Non-current | 358.72 | 425.75 |
| Current | 173.91 | 138.38 |

Contractual maturities of lease liabilities

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---------------------|-----------------------------|-----------------------------|
| - Within one year | 173.91 | 138.38 |
| - 1-5 years | 358.72 | 425.75 |
| - More than 5 years | - | - |
| | 532.63 | 564.14 |

Note: The weighted average incremental borrowing rate applied to lease liabilities is 8% with maturity between 2021-2026.

The following are the amounts recognised in Statement of Profit or Loss:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Depreciation expense of right-of-use assets | 141.84 | 88.93 |
| Interest expense on lease liabilities | 42.59 | 34.54 |
| Expense relating to other than long-term leases (included in other expenses) # | 90.55 | 40.50 |
| | 274.98 | 163.97 |

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

Total cash outflow for short term-leases and leases of low value for the year ended 31 March 2022 was ₹ 90.55 lacs (31 March 2021 : ₹ 40.50 lacs).

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The Company has leases for office premises, residential properties and storage facilities. With the exception of short-term leases and low value leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets to its property, plant and equipment.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

| | No of right-of-use assets leased | Range of remaining term (in years) | Average remaining lease term | No of leases with extension options | No of leases with termination options |
|-------------------|----------------------------------|------------------------------------|------------------------------|-------------------------------------|---------------------------------------|
| Buildings* | | | | | |
| - 31 March 2022 | 9 | 1.5 - 5 years | 2.72 | 9 | 9 |
| - 31 March 2021 | 6 | 3 - 5 years | 4.22 | 6 | 6 |

*excludes leasehold land and buildings against which no lease liability exist.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note:

Total cash outflow for leases for the year ended 31 March 2022 was ₹ 123.76 lacs (31 March 2021 : ₹ 127.80 lacs).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

44. Fair Values

The Carrying values of financial instruments by categories is as under:

| Particulars | 31 March 2022 | | | 31 March 2021 | | |
|--|----------------|--------|-------|----------------|--------|-------|
| | Amortized cost | FVTOCI | FVTPL | Amortized cost | FVTOCI | FVTPL |
| Assets | | | | | | |
| Non-current financial assets | | | | | | |
| - Investments* | - | - | - | - | - | - |
| - Other financial assets | 27.13 | - | - | 21.22 | - | - |
| Current financial assets | | | | | | |
| - Trade receivables | 23,376.19 | - | - | 13,113.27 | - | - |
| - Cash and cash equivalents | 1,275.81 | - | - | 2,048.33 | - | - |
| - Bank balances other than cash and cash equivalents | 2,703.31 | - | - | 1,226.34 | - | - |
| - Loans | 8,853.17 | - | - | 433.83 | - | - |
| - Other financial assets | 4.67 | - | - | 8.22 | - | - |
| Non-current financial liabilities | | | | | | |
| - Borrowings | 164.02 | - | - | 287.89 | - | - |
| - Lease liabilities | 358.72 | - | - | 425.75 | - | - |
| - Other financial liabilities | 296.13 | - | - | 139.82 | - | - |
| Current financial liabilities | | | | | | |
| - Borrowings | 12,957.30 | - | - | 2,375.44 | - | - |
| - Lease liabilities | 173.91 | - | - | 138.38 | - | - |
| - Trade payables | 21,675.12 | - | - | 16,503.41 | - | - |
| - Other financial liabilities | 2,122.60 | - | - | 201.23 | - | - |

*excludes investments in subsidiary, valued at cost

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

- The fair values of loan, trade receivables, cash and cash equivalents, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities are considered to be same as their carrying values due to their short term nature.
- The carrying amount of other items carried at amortized cost are reasonable approximation of their fair value.

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

Note: There are no financial assets/ liabilities which are measured at fair value and accordingly disclosure for fair value measurement hierarchy is not required.

45. Corporate social responsibility

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| (a) Gross amount required to be spent by the Company during the year | 45.36 | 12.75 |
| (b) Amount spent during the year: | | |
| (i) Construction/ acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 47.28 | 12.75 |
| (c) shortfall at the end of the year | - | - |
| (d) total of previous years shortfall | - | - |
| (e) reason for shortfall | Not applicable | Not applicable |
| (f) nature of CSR activities | Refer table below | Refer table below |
| (g) details of related party transactions | Not applicable | Not applicable |
| (h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | Not applicable | Not applicable |

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Promoting education and eradicating poverty and hunger | 11.50 | 11.00 |
| For animal welfare | 23.53 | - |
| Environment | 1.25 | 1.25 |
| Healthcare | 11.00 | 0.50 |
| | 47.28 | 12.75 |

46. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's Managing Director assesses the financial performance and position of the Company and makes strategic decision and has been identified as the chief operating decision maker. The Company's primary business segment is reflected based on principal business activities carried on by the Company. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Company operates in one reportable business segment i.e., trading of agro based products. The geographical information analyses the Company's revenue and trade receivables from such revenue in India and other countries. The Company primarily sells its products in India.

Information about major customers:

Below customers contributed more than 10% of the total revenue from operations:

| | For the year ended 31 March 2022 | | For the year ended 31 March 2021 | |
|-----------------------|----------------------------------|--------------------|----------------------------------|--------------------|
| | Amount | % of Total revenue | Amount | % of Total revenue |
| Best Crop Science LLP | 10,812.21 | 10% | 21,853.83 | 24% |
| Ravi Crop Science | 33,928.88 | 30% | 19,824.42 | 22% |

Note:

Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts are located in India.

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47. Dues to Micro, small and medium enterprises as defined under the MSMED Act, 2006

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | | |
| - Principal amount due to micro and small enterprises | 3.64 | 1.74 |
| - Interest due on above | - | - |
| The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| The amount of 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 MSMED Act. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| The amount of 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 the MSMED Act. | - | - |

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

48. Disclosure related to key financial ratios:

| Key financial ratios | Numerator | Denominator | Current period 31 March 2022 | Previous period 31 March 2021 | % Variance |
|-------------------------------------|---|------------------------------|---------------------------------|----------------------------------|------------|
| a. Current ratio | Current assets | Current liabilities | 1.51 | 1.50 | 0.26% |
| b. Debt-equity ratio | Total debt | Shareholder's equity | 0.42 | 0.21 | 104.55% |
| c. Debt service coverage ratio | Earnings available for debt service* | Debt service** | 11.21 | 14.93 | -24.90% |
| d. Return on equity | Net profits after taxes – Preference dividend | Average shareholder's equity | 0.39 | 0.35 | 13.45% |
| e. Inventory turnover Ratio | Cost of goods sold or sales | Average inventory | 5.42 | 7.29 | -25.61% |
| f. Trade receivables turnover ratio | Net credit sales | Average accounts receivable | 6.22 | 5.92 | 5.01% |
| g. Trade payables turnover ratio | Net credit purchases | Average trade payables | 5.31 | 5.28 | 0.66% |
| h. Net capital turnover ratio | Net sales | Working capital | 5.78 | 7.77 | -25.62% |
| i. Net profit ratio | Net profit | Net sales | 10.23% | 5.61% | 82.43% |
| j. Return on capital employed | Earning before interest and taxes | Capital employed*** | 28.67% | 35.81% | -19.95% |
| k. Return on investment # | Income received from investments | Average investments | - | - | - |

1 Higher ratio in the current year on account of increased utilisation of CC and working capital limits owing to increase in operations and related operational use. Increase in shareholders' funds is on account of increase in current year profit.

2 Lower ratio in the current year on account of increase in inventory owing to increase in business operations as compared to previous year.

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3 Lower ratio is the current year on account of higher reliance on current borrowings as compared to previous year owing to increase in business operations.

4 Higher ratio in the current year on account of increased margins and operations as compared to previous year.

Notes:

*Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of fixed assets etc.

**Debt service = Interest and lease payments + Principal repayments

***Capital employed = Tangible net worth + Total debt + Deferred tax liability (asset)

No income has been received on investment in the year ended 31 March 2022 and 31 March 2021 hence reported as nil.

49. Disclosure required under Section 186 (4) of the Companies Act, 2013

Included in loans, the particulars of which are disclosed in below as required by Sec. 186(4) of the Companies Act 2013

| Name of the borrower | Nature of relationship | Rate of interest | Secured/ unsecured | Tenure | Purpose | 31 March 2022 | 31 March 2021 |
|-----------------------------------|--------------------------|------------------|--------------------|---------------------|--------------------------|---------------|---------------|
| Seedlings India Private Limited | Wholly owned subsidiary | 12% | Unsecured | Repayable on demand | General business purpose | 1,715.76 | 402.02 |
| Best Crop Science Private Limited | Wholly owned subsidiary | 12% | Unsecured | Repayable on demand | General business purpose | 7,137.40 | - |
| Best Crop Science LLP | Entity controlled by KMP | 8% | Unsecured | Repayable on demand | General business purpose | - | 31.81 |

Note:

(i) Details of investments made are given in note 8.

(ii) Details of corporate guarantees issued for the loan taken by the subsidiary companies and outstanding in accordance with Section 186 of the Act read with rules issued thereunder are given in note 36.

50. In the current year, the Company has acquired 100% controlling interest in Best Crop Science Private Limited on 13 October 2021 through issue of equity shares. Pursuant to approval of shareholders in the annual general meeting held on 28 September 2021, the Company had allotted 16,12,674 fully paid-up equity shares of ₹ 10 each on a preferential allotment basis at an issue price of ₹ 630 per share which includes a premium of ₹ 620 per share for an aggregate consideration of ₹ 10,159.85 lacs.

The aforementioned transaction is a non-cash transactions which has been entered with 1 of its director and persons connected with its director during the year and hence is covered under the provisions of section 192 of the Act. The Company has complied with the provisions of aforesaid section of the Act, by way of obtaining prior approval of shareholders in the general meeting of the Company.

51. In the current year, the Company had acquired the business of Agrico Chemicals on 15 February 2022 pursuant to approval of board in the board meeting held on 25 January 2022. The purchase consideration amounted to ₹ 1,777.94 lacs and was required to be discharged in cash within six months of the acquisition date.

a) Business combination

The above transaction qualified as a business combination as per Ind AS 103 - "Business Combinations" and had been accounted by applying the acquisition method wherein identifiable assets acquired and liabilities assumed are fair valued against the fair value of the consideration transferred .

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b) Measurement of fair values

| | Amount |
|--|-----------------|
| Fair value of consideration transferred | |
| Purchase consideration | 1,777.94 |
| Total (A) | 1,777.94 |
| Assets acquired | |
| Property, plant and equipment | 303.05 |
| Inventories | 671.66 |
| Trade receivables | 963.84 |
| Total assets acquired (B) | 1,938.55 |
| Liabilities assumed | |
| Creditors and other liabilities | 160.61 |
| Total liabilities assumed (C) | 160.61 |
| Net assets acquired [D = (B-C)] | 1,777.94 |

52. Other statutory information

- (a) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (b) The Company do not have any transactions with struck off companies.
- (c) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.
- (d) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (e) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"
- (g) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (h) The Company is not declared wilful defaulter by any bank or financial institution or government or any government authority.

Notes to Standalone Financial Statements

as at 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

53. Pursuant to changes notified in Schedule-III, during the year ended 31 March 2022, the Company has reclassified/regrouped certain previous year's balances.

54. The Board of Directors of the Company have recommended a dividend of ₹ 2 (20%) per equity share of ₹ 10 each for the financial year ended 31 March 2022 subject to the approval of shareholders. The Board of Directors of the Company had recommended a dividend of ₹ 2 (20%) per equity share of ₹ 10 each for the financial year ended 31 March 2021 which was subsequently approved by the shareholders in the Annual General Meeting held on 28 September 2021 and paid thereof.

55. The standalone financial statements were approved for issue by the Board of Directors of the Company on 23 May 2022.

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

As per our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 23 May 2022

For and on behalf of the Board of Directors of
Best Agrolife Limited

Vimal Alawadhi
Managing Director
DIN: 01260082

Atul Garg
Chief Financial Officer

Place: New Delhi
Date: 23 May 2022

Raajan Kumar Ailawadhi
Director
DIN: 08821964

Astha Wahi
Company Secretary

Place: New Delhi
Date: 23 May 2022

Independent Auditor's Report

To the Members of Best Agrolife Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Best Agrolife Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report of even date to the members of Best Agrolife Limited, on the consolidated financial statements for the year ended 31 March 2022 (Cont'd)

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

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>a) Revenue Recognition:</p> <p>Estimation of provision for sales returns, discounts and schemes on sales impacting revenue from sale of products.</p> <p>Refer to the Holding Company's significant accounting policies in note 2.14 and the revenue related disclosures in note 26 of the consolidated financial statements. Revenue from sale of products is presented net of returns, discounts and schemes in the consolidated financial statement.</p> <p>The estimates associated with sales returns, discounts and schemes on sale of products have been identified as a key audit matter as it is having a significant impact on the recognized revenue and the management is required to make certain judgements in respect of revenue recognition and level of expected discount, schemes and returns which are deducted in arriving at revenue.</p> <p>Estimation of sales returns involves significant judgement and estimates. The estimation is dependent on various internal and external factors. These factors include, for example, climatic conditions, the length of time when a sale is made and when the sales return takes place, some of which are beyond the control of the Holding Company.</p> <p>The recognition and measurement of discounts and schemes involves significant judgement and estimates, particularly the expected level of claims of each of the customers. Assumption of level of customer wise claims for discounts and schemes relates to estimating which of the Holding Company's customers will ultimately be subject to a related discount and/ or scheme.</p> <p>Considering the materiality of the amount involved, complexities, management judgement involved and the significant auditor attention required to test such management's judgement, we have identified this as a key audit matter for current year audit.</p> | <p>Our audit procedure included, but were not limited to, the following procedures:</p> <p>a) Obtained an understanding of the process followed by the Holding Company to determine the amount of accrual of sales returns, discounts and schemes.</p> <p>b) Assessed the accounting policies of the Holding Company regarding accounting for sales returns, discounts and schemes as against the criteria given in the accounting standards;</p> <p>c) Tested the Holding Company's process and key internal controls over the accrual of sales returns, discounts and schemes. Selecting samples of revenue transactions and marketing circulars. Rechecking accrual for discounts and schemes calculated in accordance with the eligibility criteria mentioned in the schemes;</p> <p>d) Ensured completeness and accuracy of the data used by the Holding Company for accrual of sales returns, discounts and schemes and also checking the accrual for a selected sample of sales;</p> <p>e) Obtained the historical trends for revenue and corresponding sales returns based on the accounting records maintained by the Holding Company.</p> <p>f) Verified if any credit notes were issued and / or their adjustment after the balance sheet date and their impact on consolidated financial statements;</p> <p>g) Evaluated the appropriateness of disclosures made in the consolidated financial statements in accordance with the applicable accounting standards.</p> |

Independent Auditor's Report of even date to the members of Best Agrolife Limited, on the consolidated financial statements for the year ended 31 March 2022 (Cont'd)

b) Business combination

Pursuant to approval of shareholders in the annual general meeting held on 28 September 2021, the Holding Company acquired 100% controlling interest in Best Crop Science Private Limited on 13 October 2021. The Holding Company has accounted for the acquisition of Best Crop Science Private Limited in accordance with the provisions of Ind AS 103, "Business Combinations" ('Ind AS 36') in consolidated financial statements.

The fair value of the consideration amounted to ₹ 10,159.85 lacs in total. The allocation of the purchase price to identifiable assets and liabilities acquired was performed by the Holding Company with support from external valuers and led to the recognition of goodwill of ₹ 868.30 lacs and customer relationships of ₹ 521.06 lacs.

The valuation models used in the fair valuation of assets and liabilities acquired in the business combination included Discounting Cash Flow method and Multi Period Excess Earning Method. The assumptions underpinning aforesaid fair valuation includes estimates of future cash flows, contributory asset charges, discount rate applied, etc., which are subject to high estimation uncertainty.

Considering the materiality of the amount and management judgement involved and the significant auditor attention required to test such management's estimates, we have identified the accounting for aforesaid Business Combination as a key audit matter for current year audit.

Our audit included, but were not limited to, the following procedures:

- a) Obtained an understanding from the management with respect to process and controls followed by the Holding Company to determine the appropriate accounting treatment for the stated business combination transaction;
- b) Evaluated the design and tested the operating effectiveness of key controls around the above process;
- c) Obtained and read the agreements for acquisition of the Holding Company and evaluated the appropriateness of the accounting treatment in accordance with Ind AS 103;
- d) Evaluated the competence, capabilities and objectivity of the management's experts engaged by the Holding Company to perform the purchase price allocation;
- e) Involved valuation specialists as auditor's experts to assist in evaluating the appropriateness of the valuation model and the key valuation assumptions used for fair valuation of assets and liabilities including identification and measurement of intangible assets and goodwill;
- f) Ensured the intangible assets identified as above meet the recognition criteria applicable for such assets in accordance with the requirements of Ind AS 38, Intangible Assets;
- g) Tested the projections included in the valuation models used above basis our understanding of the business and market conditions, with specific attention to inputs with high estimation uncertainty as identified by performing sensitivity analysis;
- h) Tested the arithmetical accuracy of the management computation as above; and
- i) Assessed the adequacy of the disclosures made in the accompanying consolidated financial statements in respect of the acquisition in accordance with the requirements of applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent Auditor's Report of even date to the members of Best Agrolife Limited, on the consolidated financial statements for the year ended 31 March 2022 (Cont'd)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually

or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - 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) (i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of Board of Directors' 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of

Independent Auditor's Report of even date to the members of Best Agrolife Limited, on the consolidated financial statements for the year ended 31 March 2022 (Cont'd)

such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements/ financial information of 2 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 44,970.58 lacs and net assets of ₹ 5,691.92 lacs as at 31 March 2022, total revenues of ₹ 16,722.23 lacs and net cash inflows amounting to ₹ (1.89) lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company and 1 subsidiary company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 1 subsidiary company incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary company.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

Independent Auditor's Report of even date to the members of Best Agrolife Limited, on the consolidated financial statements for the year ended 31 March 2022 (Cont'd)

- e) on the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2022 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 financial statements of the Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:
- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as at 31 March 2022 as detailed in Note 36 to the consolidated financial statements;
 - ii. the Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022.;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies covered under the Act, during the year ended 31 March 2022;
 - iv. a. the respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in note 51(d) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies, to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - b. the respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in the note 51(e) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c. based on such audit procedures performed by us and that performed by the auditors of the subsidiaries as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
 - v. The final dividend paid by the Holding Company during the year ended 31 March 2022 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend and as stated in note 53 to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2022 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Place: New Delhi
Date: 23 May 2022

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 22507892AJKSWT4721

Annexure -1

List of entities included in the Statement

| S. No | Name of the Holding Company |
|--|--|
| 1. | Best Agrolife Limited |
| Name of wholly owned subsidiary | |
| 2. | Seedlings India Private Limited (incorporated on 24 February 2021) |
| 3. | Best Crop Science Private Limited (with effect from 13 October 2021) |

Annexure A

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Best Agrolife Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to 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 ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating

effectiveness. Our audit of internal financial controls with reference to financial statements includes 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to 2 subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 44,970.58 lacs and net assets of ₹ 5,691.93 lacs as at 31 March 2022, total revenues of ₹ 16,722.23 lacs and net cash inflows amounting to ₹ (1.89) lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Place: New Delhi
Date: 23 May 2022

Tarun Gupta
Partner
Membership No.: 507892
UDIN: 22507892AJKSWT4721

Consolidated Balance Sheet

as at 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

| | Notes | As at 31 March 2022 | As at 31 March 2021 |
|--|-----------|---------------------|---------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 10,784.86 | 590.60 |
| Right-of-use assets | 4 | 4,278.25 | 1,325.46 |
| Capital work-in-progress | 5 | 452.49 | 386.99 |
| Goodwill | 6 | 2,406.73 | - |
| Other intangible assets | 6 | 498.16 | 13.23 |
| Intangible assets under development | 7 | 1.58 | 1.28 |
| Financial assets | | | |
| (i) Investments | 8a | - | - |
| (ii) Other financial assets | 11 | 69.07 | 21.22 |
| Deferred tax assets (net) | 25.a | 41.99 | 111.74 |
| Other non-current assets | 12 | 215.67 | 133.52 |
| Total non-current assets | | 18,748.80 | 2,584.04 |
| Current assets | | | |
| Inventories | 13 | 45,457.34 | 15,366.12 |
| Financial assets | | | |
| (i) Trade receivables | 9 | 25,592.56 | 13,113.27 |
| (ii) Cash and cash equivalents | 14 | 1,286.42 | 2,052.61 |
| (iii) Bank balances other than (ii) above | 15 | 2,741.60 | 1,226.34 |
| (iv) Loans | 10 | - | 31.81 |
| (v) Other financial assets | 11 | 7.59 | 8.22 |
| Other current assets | 12 | 4,587.48 | 2,655.76 |
| Total current assets | | 79,672.99 | 34,454.13 |
| Asset classified as held for sale | 8b | - | 130.15 |
| Total assets | | 98,421.79 | 37,168.32 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity share capital | 16 | 2,364.47 | 2,203.21 |
| Other equity | 17 | 30,630.24 | 10,764.40 |
| Total equity | | 32,994.71 | 12,967.61 |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18a | 4,857.99 | 337.89 |
| (ii) Lease liabilities | 19 | 361.47 | 429.34 |
| (iii) Other financial liabilities | 21 | 296.13 | 166.39 |
| Deferred tax liabilities (net) | 25.b | 1,299.59 | - |
| Provisions | 22 | 121.25 | 73.36 |
| Total non-current liabilities | | 6,936.43 | 1,006.98 |
| Current liabilities | | | |
| Financial liabilities | | | |
| (i) Borrowings | 18b | 21,582.69 | 2,375.44 |
| (ii) Lease liabilities | 19 | 175.11 | 139.58 |
| (iii) Trade payables | 20 | | |
| Micro enterprises and small enterprises | | 3.64 | 1.72 |
| Other than micro enterprises and small enterprises | | 28,350.64 | 16,501.94 |
| (iv) Other financial liabilities | 21 | 2,187.88 | 201.23 |
| Other current liabilities | 23 | 5,251.59 | 3,495.03 |
| Provisions | 22 | 37.09 | 16.11 |
| Current tax liabilities (net) | 24 | 902.01 | 462.68 |
| Total current liabilities | | 58,490.65 | 23,193.73 |
| Total equity and liabilities | | 98,421.79 | 37,168.32 |

Summary of significant accounting policies

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

As per our report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 23 May 2022

For and on behalf of the Board of Directors of
Best Agrolife Limited

Vimal Alawadhi
Managing Director
DIN: 01260082

Atul Garg
Chief Financial Officer

Place: New Delhi
Date: 23 May 2022

Raajan Kumar Ailawadhi
Director
DIN: 08821964

Astha Wahi
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

| | Notes | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-----------|-------------------------------------|-------------------------------------|
| I Revenue from operations | 26 | 1,21,079.54 | 90,544.50 |
| II Other income | 27 | 177.58 | 729.56 |
| III Total income | | 1,21,257.12 | 91,274.06 |
| IV Expenses: | | | |
| Cost of material consumed | 28a | 15,058.72 | - |
| Purchase of stock in trade | 28b | 99,144.79 | 91,146.65 |
| Change in inventories of work in progress, stock-in-trade and finished goods | 29 | (15,696.59) | (7,892.76) |
| Employee benefits expense | 30 | 2,345.13 | 1,011.19 |
| Finance costs | 31 | 1,509.31 | 473.65 |
| Depreciation and amortisation expense | 32 | 1,183.69 | 295.24 |
| Other expenses | 33 | 3,646.08 | 1,161.52 |
| Total expenses | | 1,07,191.13 | 86,195.49 |
| V Profit before tax | | 14,065.99 | 5,078.57 |
| VI Tax expense: | | | |
| Current tax | 34 | 3,854.16 | 1,550.66 |
| Deferred tax | 34 | (243.57) | (198.51) |
| Tax relating to earlier years | 34 | (20.79) | 18.84 |
| VII Profit for the year | | 10,476.19 | 3,707.58 |
| VIII Other comprehensive income (OCI) | | | |
| Items that will not be classified to profit or loss | | | |
| (a) Remeasurement gain/ (loss) of defined benefit obligations | | 3.09 | (16.35) |
| Tax impact on remeasurement of defined benefit obligations | | (0.78) | 4.11 |
| (b) Fair valuation of equity instruments through OCI | | - | 1,039.57 |
| Tax impact on fair valuation of equity instruments through OCI | | - | (124.33) |
| IX Total comprehensive income for the year | | 10,478.50 | 4,610.58 |
| X Earnings per share (of ₹ 10 each): | 35 | | |
| Basic | | 45.98 | 16.83 |
| Diluted | | 45.98 | 16.83 |

Summary of significant accounting policies

2

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

As per our report of even date

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 23 May 2022

For and on behalf of the Board of Directors of
Best Agrolife Limited

Vimal Alawadhi
Managing Director
DIN: 01260082

Atul Garg
Chief Financial Officer

Place: New Delhi
Date: 23 May 2022

Raajan Kumar Ailawadhi
Director
DIN: 08821964

Astha Wahi
Company Secretary

Consolidated Cash Flow Statement

for the year ended 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| A. Cash flow from operating activities : | | |
| Net profit before tax | 14,065.99 | 5,078.57 |
| Adjustments for : | | |
| Depreciation and amortisation | 1,183.69 | 295.24 |
| (Profit)/ loss on sale of property, plant and equipment | (1.02) | 0.05 |
| Unrealised foreign exchange gain | (45.99) | (101.45) |
| Provision for doubtful debts | 300.00 | 150.46 |
| Impairment on investment | - | 3.00 |
| Gain on sale of investments | (51.53) | - |
| Finance costs | 1,915.95 | 473.65 |
| Liabilities written back | 12.62 | (45.47) |
| Interest income | (405.82) | (56.67) |
| Operating profit before working capital changes | 16,973.89 | 5,797.38 |
| Adjustments for movement in: | | |
| Inventories | (19,991.72) | (7,892.76) |
| Trade receivables | 309.98 | 4,216.14 |
| Other financial assets | 71.84 | 1,462.28 |
| Other assets | (1,298.16) | (59.21) |
| Trade payables | 468.01 | (1,384.68) |
| Other financial liabilities | 240.42 | 109.68 |
| Other liabilities | (792.46) | 171.92 |
| Provisions | 48.69 | 18.81 |
| Cash generated from operations before tax | (3,969.51) | 2,439.56 |
| Income tax paid (net) | (3,792.30) | (1,106.82) |
| Net cash generated from operating activities [A] | (7,761.81) | 1,332.74 |
| B. Cash flow from investing activities | | |
| Purchase of property, plant and equipment (including capital work-in-progress and capital advances) | 1,158.60 | (683.65) |
| Proceeds from sale of property, plant and equipment | 1.70 | 0.40 |
| Proceeds from sale of investments in equity instruments | 198.76 | 1,511.48 |
| Investments in deposits with banks | (3,232.58) | (1,448.33) |
| Investments redeemed from deposits | 1,758.58 | 1,387.67 |
| Acquisition of subsidiary (refer note 49) | 8.23 | - |
| Interest received | 403.42 | 37.48 |
| Net cash generated from/ (used in) investing activities [B] | 296.71 | 805.05 |
| C. Cash flow from financing activities | | |
| Proceeds from non-current borrowings | 2,689.49 | 249.49 |
| Repayment of non-current borrowings | (9,850.89) | (287.68) |
| Proceeds from/(repayment of) current borrowings (net) | 19,207.25 | (516.17) |
| Payment of lease liabilities | (3,028.08) | (87.10) |
| Dividend paid | (440.64) | (22.03) |
| Finance costs | (1,878.22) | (439.11) |
| Net cash used in financing activities [C] | 6,698.91 | (1,102.60) |
| Net increase/(decrease) in cash and cash equivalents [A+B+C] | (766.19) | 1,035.19 |
| Cash and cash equivalents at the beginning of the year | 2,052.61 | 1,017.42 |
| Cash and cash equivalents at the end of the year | 1,286.42 | 2,052.61 |
| Components of cash and cash equivalents (refer note 14) | | |
| Cash on hand | 14.69 | 10.21 |
| Cheques on hand | - | 266.40 |
| Balances with banks | 1,271.73 | 1,776.00 |
| Cash and cash equivalents at the end of the year | 1,286.42 | 2,052.61 |

Consolidated Cash Flow Statement (Contd..)

for the year ended 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

Notes:**1. Reconciliation of liabilities arising from financing activities**

| Particulars | As at 31 March 2021 | Cash flows | Non-cash changes | As at 31 March 2022 |
|-----------------------------------|---------------------|-----------------|------------------|---------------------|
| Non-current borrowings | 337.89 | (7,161.40) | 11,681.50 | 4,857.99 |
| Current borrowings (net) | 2,375.44 | 19,207.25 | - | 21,582.69 |
| Lease liabilities (refer note 43) | 568.92 | (3,028.08) | 2,995.74 | 536.58 |
| | 3,282.25 | 9,017.77 | 14,677.24 | 26,977.26 |

| | As at 31 March 2020 | Cash flows | Non-cash changes | As at 31 March 2021 |
|-----------------------------------|---------------------|-----------------|------------------|---------------------|
| Non-current borrowings | 376.10 | (38.19) | (0.02) | 337.89 |
| Current borrowings (net) | 2,854.45 | (516.17) | 37.16 | 2,375.44 |
| Lease liabilities (refer note 43) | 238.42 | (87.10) | 417.60 | 568.92 |
| | 3,468.97 | (641.46) | 454.74 | 3,282.25 |

2. During the year, the Holding Company has acquired 100% shares of Best Crop Science Private Limited, by issuing shares to the shareholders of Best Crop Science Private Limited (refer note 49). Considering the acquisition of Best Crop Science Private Limited by issuing equity shares is a non-cash transaction, the same have been excluded from investing and financing activities of the Cash Flow Statement.

Summary of significant accounting policies

2

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

As per our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 23 May 2022

**For and on behalf of the Board of Directors of
Best Agrolife Limited**

Vimal Alawadhi
Managing Director
DIN: 01260082

Atul Garg
Chief Financial Officer

Place: New Delhi
Date: 23 May 2022

Raajan Kumar Ailawadhi
Director
DIN: 08821964

Astha Wahi
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

A. Equity share capital

| Particulars | As at 31 March 2022 | | As at 31 March 2021 | |
|--------------------------------------|---------------------|----------|---------------------|----------|
| | No. of shares | Amount | No. of shares | Amount |
| Balance at the beginning of the year | 2,20,32,066 | 2,203.21 | 2,20,32,066 | 2,203.21 |
| Issued during the year | 16,12,674 | 161.26 | - | - |
| Balance at the end of the year | 2,36,44,740 | 2,364.47 | 2,20,32,066 | 2,203.21 |

B. Other equity

Attributable to the equity holders

| Particulars | Reserves and surplus | | | Revaluation reserve | Total other equity |
|---|----------------------|--------------------|-------------------|---------------------|--------------------|
| | Capital reserve | Securities premium | Retained earnings | | |
| Balance as at 31 March 2020 | 3,201.72 | 1,028.23 | 1,503.72 | 442.18 | 6,175.85 |
| Profit for the year | - | - | 3,707.58 | - | 3,707.58 |
| Other comprehensive income for the year (net) | - | - | 903.00 | - | 903.00 |
| Dividend paid during the year | - | - | (22.03) | - | (22.03) |
| Balance as at 31 March 2021 | 3,201.72 | 1,028.23 | 6,092.27 | 442.18 | 10,764.40 |
| Profit for the year | - | - | 10,476.19 | - | 10,476.19 |
| Other comprehensive income for the year (net) | - | - | 2.31 | - | 2.31 |
| Transfer to revaluation reserve (net) | - | - | - | (170.58) | (170.58) |
| Share issued during the year | - | 9,998.58 | - | - | 9,998.58 |
| Dividend paid during the year | - | - | (440.66) | - | (440.66) |
| Balance as at 31 March 2022 | 3,201.72 | 11,026.81 | 16,130.11 | 271.60 | 30,630.24 |

Note: The Board of Directors of the Holding Company have recommended a dividend of ₹ 2 (20%) per equity share of ₹ 10 each for the financial year ended 31 March 2022 subject to the approval of shareholders. The Board of Directors of the Holding Company had recommended a dividend of ₹ 2 (20%) per equity share of ₹ 10 each for the financial year ended 31 March 2021 which was subsequently approved by the shareholders in the Annual General Meeting held on 28 September 2021 and paid thereof.

Summary of significant accounting policies

2

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

As per our report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 23 May 2022

For and on behalf of the Board of Directors of
Best Agrolife Limited

Vimal Alawadhi
Managing Director
DIN: 01260082

Atul Garg
Chief Financial Officer

Place: New Delhi
Date: 23 May 2022

Raajan Kumar Ailawadhi
Director
DIN: 08821964

Astha Wahi
Company Secretary

Notes to Consolidated Financial Statements

as at 31 March 2022

1. Corporate information

Best Agrolife Limited (formerly known as Sahyog Multibase Limited) ('the Company' or 'the Holding Company'), together with its subsidiaries (collectively referred to as 'the Group') is a public limited company domiciled in India and incorporated on 10 January 1992 under the provisions of the Companies Act applicable in India having corporate identification number L74110DL1992PLC116773. These are consolidated financial statements and, accordingly, these Indian Accounting Standard (Ind AS) financial statements incorporate amounts and disclosures related to the Group only.

Honorable National Company Law Tribunal ('NCLT') via its order dated 5 May 2020 approved the scheme of amalgamation of Best Agrochem Private Limited with the Holding Company with effect from 1 April 2018 and Best Agrochem Private Limited was amalgamated into the Holding Company accordingly.

The Group is engaged in the business of manufacturing and trading of agro based products. In the previous year, the Holding Company had incorporated its subsidiary company on 24 February 2021 for the purpose of manufacturing and trading of agro based products. In the current year, the Holding Company has acquired 100% controlling interest in Best Crop Science Private Limited on 13 October 2021 through issue of equity shares for manufacturing and trading of agro based products. Registered office of the Holding Company is situated at S-1A, Bhagwan Dass Nagar, East Punjabi Bagh, New Delhi, India. The Holding Company has its primary listings on the Bombay Stock Exchange of India Limited.

2. Significant accounting policies

2.1 Basis of preparation and presentation

The financial statements (consolidated financial statement) of the Group 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), presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), and the guidelines issued by Securities and Exchange Board of India as applicable to the financial statements.

The consolidated financial statements have been prepared on a historical cost convention, except for the following assets and liabilities.

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

- ii) Land and building measured at fair value
- iii) Defined benefit liabilities are measured at present value of defined benefit obligation
- iv) Certain financial assets and liabilities at amortised cost

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The consolidated financial statements are presented in INR "(Indian Rupees)" or "₹". All values are rounded to the nearest lakh, and two decimals thereof, except when otherwise indicated.

2.2 Basis of consolidation

Subsidiary is the entity over which the Holding Company has control. Control exists when the Holding Company has power over the entity, is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. The financial statements of subsidiary is included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the Holding Company and the subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Indian Accounting Standard (Ind AS) 110 - "Consolidated Financial Statements". Unrealized profit / losses resulting from intra-group transactions have also been eliminated except to the extent that recoverable value of related assets is lower than their cost to the Group.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Holding Company's separate financial statements.

The difference between the cost to the Group of investment in subsidiaries and the proportionate share in the equity of the investee company as at the date of acquisition of stake, if any, is recognized in the consolidated financial statements as Goodwill or Capital reserve, as the case may be. Goodwill arising on consolidation is tested for impairment at the Balance Sheet date.

Notes to Consolidated Financial Statements

as at 31 March 2022

Consolidated financial statements include consolidated balance sheet, consolidated statement of profit and loss, consolidated cash flow statement, consolidated statement of changes in equity and the summary of significant accounting policies and other explanatory information that form an integral part thereof.

Consolidated subsidiaries is having consistent reporting date of 31 March 2022. Below are the details of subsidiaries included in the consolidated financial statement:

| Name of the subsidiaries | Country of incorporation | Relationship as at 31 March 2022 | Percentage of effective ownership interest held |
|--|--------------------------|----------------------------------|---|
| Seedlings India Private Limited (incorporated on 24 February 2021) | India | Subsidiary | 100% |
| Best Crop Science Private Limited (with effect from 13 October 2021) | India | Subsidiary | 100% |

2.3 Significant judgements, accounting estimates and assumptions

The preparation of the Group's financial statements in conformity with the Indian Accounting Standards requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures (including contingent liabilities). The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. In the process of applying the Group's accounting policies, management has made the following judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

i) Estimation of defined benefit obligation

Employee benefit obligations are determined using actuarial

valuations. An actuarial valuation involves making various assumptions that may differ from actual developments. These include the estimation of the appropriate discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, the employee benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds with term that correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

iii) Useful lives of depreciable/amortisable assets

Management reviews the estimated useful lives and residual value of property, plant and equipment and intangibles at the end of each reporting period. Factors such as changes in the expected level of usage could significantly impact the economic useful lives and the residual values of these assets. Consequently, the future depreciation charge could be revised and may have an impact on the profit of the future years.

iv) Provision for expected credit losses of trade receivables

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management believes that there is uncertainty of collections. Provision is recognised based on the expected credit losses, which are the present value of the cash shortfall over the expected life of the financial assets.

v) Estimation of provision for sales returns and discounts

Certain contracts for the sale of stock-in-trade includes a right of return and discounts that give rise to variable consideration. In estimating the variable consideration, the Holding Company is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Holding Company estimates variable considerations to be

Notes to Consolidated Financial Statements

as at 31 March 2022

included in the transaction price for the sale returns and discounts.

vi) Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

2.4 Current and non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification. An asset is current when it is:

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

Current assets include current portion of non-current of financial assets.

All other assets are classified as non-current.

A liability is current when it is:

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

Current liabilities includes current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

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

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

2.5 Dividend

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Holding Company when the distribution is authorised and the distribution is no longer at the discretion of the Holding Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

2.6 Property, plant and equipment

Recognition and measurement

An item of property, plant and equipment recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes and duties, to the location and condition necessary for it to be capable of operating in the manner intended by management. When parts of an item of property, plant and equipment have different useful life, they are recognized separately. Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Property, plant and equipment which are not ready for intended use as on the date of consolidated balance sheet are disclosed as 'capital work-in-progress'.

Land and building are valued at fair value. Surplus from revaluation is transferred to revaluation reserve.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit and loss as incurred.

Depreciation

Depreciation is recognized in the consolidated statement of profit or loss on a written down value over the estimated useful life of each item of property, plant and equipment. Depreciation

Notes to Consolidated Financial Statements

as at 31 March 2022

on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Depreciation on property, plant and equipment is provided on their estimated useful life as prescribed by Schedule II of Companies Act, 2013 as follows:

| Category of assets | Useful life |
|------------------------|-------------|
| Buildings | 30 years |
| Plant and equipments | 15 years |
| Furniture and fixtures | 10 years |
| Vehicles | 8 years |
| Office equipments | 5 years |

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.7 Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Subsequent expenditure

Subsequent expenditure related to an item of intangible asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses are charged to the Consolidated Statement of Profit and Loss for the year during which such expenses are incurred.

Amortisation

Intangible assets include software and trademarks that are amortised over the useful economic life of 6 years and 10 years respectively. Customer relationships are amortised over the useful economic life of 5 years. Amortisation is recognized in the statement of profit or loss on a written down value over the estimated useful life of each item of intangible asset.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

2.8 Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.9 Inventories

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

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- Stock-in-trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on First In First Out (FIFO) basis.

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Net realisable value (NRV): NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.10 Cash and cash equivalents

Cash and cash equivalent in the consolidated balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, as they are considered an integral part of the Group's cash management.

2.11 Financial instruments

Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability of another entity. Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial instrument is measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss (FVTPL) which are measured initially at fair value.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or at FVTPL. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group 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.

For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). On initial recognition, the Group 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 Group 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 Group'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 Group'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.

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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 Group 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 Group 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 Group'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. 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 is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition. Financial assets at amortised cost are measured at amortised cost using the effective interest method. Interest income recognised in the Consolidated Statement of Profit and Loss.

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 the Consolidated Statement of Profit and Loss |
| Financial assets at FVOCI | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in OCI. |
| 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 the Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Consolidated Statement of Profit and Loss. |

Financial liabilities

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. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the Consolidated Statement of Profit and 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 Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in the Consolidated Statement of Profit and Loss.

Derecognition

Financial assets

The Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control

of the financial asset. If the Group enters into transactions whereby it transfers assets recognised on its consolidated 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 Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group 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 the Consolidated Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

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2.12 Fair value measurement

The Group measures certain financial instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. in the principal market for the asset or liability, or
- ii. in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Group's management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's

accounting policies. For this analysis, the Group's management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group's management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.13 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or reliable estimate of the amount cannot be made. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management. In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the Group and requires interpretation of laws and past legal rulings.

Possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets.

2.14 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Amount of sales are net of goods and service tax, sale returns, trade allowances and discounts.

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To determine whether to recognize revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group considers the terms of the contract and its customary business practice to determine the transaction price. In all cases, the total transaction price is allocated amongst the various performance obligations based on their relative standalone selling price. The transaction price excludes amounts collected on behalf of third parties. The consideration promised include fixed amounts, variable amounts, or both. Revenue is recognised either at a point in time, when the Group satisfies performance obligations by transferring the promised goods to its customers.

A receivable is recognised where the Group's right to consideration is unconditional. When either party to a contract has performed, an entity shall present the contract in the consolidated balance sheet as contract asset or contract liability, depending on the relationship between the entity's performance and the customer's payment.

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding at the effective interest rate.

Other income

All other income is recognized on accrual basis when no significant uncertainty exists on their receipt.

2.15 Assets held for sale

Non-current assets (including disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell.

Non-current assets classified as held for sale are presented separately from the other assets and liabilities in the consolidated balance sheet.

2.16 Foreign currency conversions/transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transactions. Gains and losses arising out of subsequent fluctuations are accounted for on actual payments or realisations, as the case may be.

Monetary assets and liabilities denominated in foreign currency as on consolidated balance sheet date are translated into functional currency at the exchange rates prevailing on that date and exchange differences arising out of such conversion are recognised in the consolidated statement of profit and loss.

2.17 Taxes

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the consolidated statement of profit and loss except to the extent it relates to any business combination or to an item which is recognised directly in equity or in other comprehensive income.

i) Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the entities in the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss (either in other comprehensive income or in equity) are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

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- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.18 Employee benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii) Post-employment benefits

Employee benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the consolidated balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for

services received before the consolidated balance sheet date, then excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability or the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of benefit payments.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

iii) Compensated absences

Entitlements to annual leave are recognised when they accrue to employees. Leave entitlements may be availed while in service or encashed at the time of retirement/termination of employment, subject to a restriction on the maximum number of accumulation. The Group determines the liability for such accumulated leave entitlements on the basis of actuarial valuation carried out by an independent actuary at the year end.

2.19 Earnings per share (EPS)

Basic earnings per share is calculated by dividing the profit or loss for the period attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share are computed and disclosed after adjusting the effects of all dilutive potential equity shares, if any, except when the results will be anti-dilutive.

2.20 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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Company as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

2.21 Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of Cash Flows'.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's Managing Director assesses the financial performance and position of the Group and makes strategic decision and has been identified as the chief operating decision maker. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Group operates in one reportable business segment i.e., trading of agro based products. The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. The Group primarily sells its products in India.

2.23 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Revenue grants are recognized over periods to which they relate.

2.24 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.25 Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. Acquisition related costs are recognised in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except certain assets and liabilities that are required to be measured as per the applicable standard. Purchase consideration in excess of the Group's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognised as goodwill. Excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognised, after reassessment of fair value of net assets acquired, in the Capital Reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. If the fair

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value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in Other Comprehensive Income ('OCI') and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

Any goodwill that arises is not amortised but is tested for impairment at least on an annual basis, based on a number of factors, including operating results, business plans and future cash flows.

2.26 Amended Accounting Standards (Ind AS) and interpretations effective during the year

1. Ind AS 109 Financial Instruments; Ind AS 107 Financial Instruments: Disclosures and Ind AS 116 Leases (amendments related to Interest Rate Benchmark Reform)

The amendment to Ind AS 109, provides a practical expedient for assessment of contractual cash flow test, which is one of the criteria for being eligible to measure a financial asset at amortized cost, for the changes in the financial assets that may arise as a result of Interest Rate Benchmark Reform. An additional temporary exception from applying hedge accounting is also added for Interest Rate Benchmark Reform.

The amendment to Ind AS 107, clarifies the certain additional disclosures to be made on account of Interest Rate Benchmark Reform:

- the nature and extent of risks to which the entity is exposed arising from financial instruments subject to interest rate benchmark reform;
- the entity's progress in completing the transition to alternative benchmark rates, and how the entity is managing the transition;
- the instruments exposed to benchmark reform disaggregated by significant interest rate benchmark along with qualitative information about the financial instruments that are yet to transition to alternative benchmark rate;
- changes to entity's risk management strategy.

The amendments introduced a similar practical expedient in Ind AS 116. Accordingly, while accounting for lease modification i.e. remeasuring the lease liability, in case this is required by interest rate benchmark reform, the lessee will use a revised discount rate that reflects the changes in the interest rate.

These amendments did not have any material impact on the financial statements of the Group.

2. Ind AS 116 Leases (amendment related to rent concessions arising due to COVID-19 pandemic)

The amendment to Ind AS 116 Leases extended the practical expedient introduced for financial year 2020-21 related to rent concessions arising due to Covid-19 pandemic, that provides an option to the lessee to choose that rent concessions for lease payments due on or before 30 June 2022 (from erstwhile notified date of 30 June 2021), arising due to COVID-19 pandemic ('COVID-19 rent related concessions') need not be treated as lease modification. The amendment did not have any material impact on financial statements of the Group.

3. Amendments consequent to issue of Conceptual Framework for Financial reporting under Ind AS (Conceptual Framework)

- Ind AS 102 Share Based Payments - Amended the definition of 'liabilities' to 'a present obligation of the entity to transfer an economic resource as a result of past events'.
- Ind AS 103 Business Combinations - The MCA clarified that for the purpose of this Ind AS, acquirers are required to apply the definitions of an asset and a liability given in the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards rather than the Conceptual Framework.
- Ind AS 114 Regulatory Deferral Accounts - The amendment added a footnote against the term 'reliable' used in the Ind AS 114. The footnote clarifies that term 'faithful representation' used in the Conceptual Framework encompasses the main characteristics that the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards called 'reliability'. However, for the purpose of this Ind AS, the term 'reliable' would be based on the requirements of Ind AS 8.
- Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets - The MCA clarified that the definition of term 'liability' in this Ind AS is not being revised following the revision of the definition of liability in the Conceptual Framework.
- Ind AS 38 Intangible Assets - The MCA clarified that the definition of an 'asset' in this Ind AS is not being revised following the revision of the definition of asset in the Conceptual Framework.
- Ind AS 106 Exploration for and Evaluation of Mineral Resources; Ind AS 1 Presentation of Financial Statements; Ind AS 8 Accounting policies, Changes in Accounting Estimates and Errors and Ind AS 34 Interim Financial Reporting - The reference to the Framework for Preparation and Presentation of Financial Statements with Indian Accounting Standards has been substituted with reference to the Conceptual Framework.

The above amendments did not have any material impact on the financial statements of the Group.

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2.27 Recent accounting pronouncements which are not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 01 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact on its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact on its financial statements.

Ind AS 37 – Onerous Contracts - costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact on its financial statements.

Ind AS 109 – Annual improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact on its financial statements.

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as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

3. Property, plant and equipment

| | Buildings (refer note b) | Plant and equipments | Furniture and fixtures | Vehicles (refer note a) | Office equipments | Total |
|--|-----------------------------|-------------------------|---------------------------|----------------------------|----------------------|------------------|
| Gross block | | | | | | |
| Balance as at 31 March 2020 | 67.21 | 93.08 | 120.03 | 610.42 | 55.68 | 946.42 |
| Additions | 12.59 | 30.05 | 3.38 | 238.44 | 14.33 | 298.79 |
| Disposals | - | 10.09 | 0.12 | 31.19 | 1.08 | 42.49 |
| Balance as at 31 March 2021 | 79.80 | 113.04 | 123.30 | 817.66 | 68.93 | 1,202.72 |
| Additions | 1,301.21 | 1,968.18 | 113.30 | 235.07 | 83.91 | 3,701.67 |
| Acquisition through business combination (refer note 49 and 50) | 674.59 | 3,327.07 | 65.14 | 106.80 | 5.56 | 4,179.16 |
| Revaluation through revaluation reserve (refer note b) | 2,387.51 | 1,190.18 | (5.20) | 30.13 | (0.02) | 3,602.60 |
| Disposals | - | - | - | 13.60 | - | 13.60 |
| Balance as at 31 March 2022 | 4,443.11 | 6,598.47 | 296.54 | 1,176.06 | 158.38 | 12,672.55 |
| Accumulated depreciation | | | | | | |
| Balance as at 31 March 2020 | 11.97 | 40.29 | 9.31 | 339.97 | 43.50 | 445.04 |
| Charge for the year | 18.23 | 25.63 | 29.50 | 119.54 | 10.71 | 203.61 |
| Disposals | - | 13.52 | 0.20 | 21.74 | 1.08 | 36.54 |
| Balance as at 31 March 2021 | 30.20 | 52.41 | 38.60 | 437.76 | 53.13 | 612.11 |
| Acquisition through business combination (refer note 49 and 50) | 19.07 | 283.89 | 5.68 | 12.10 | 1.82 | 322.56 |
| Charge for the year | 65.09 | 647.11 | 45.51 | 182.03 | 26.20 | 965.94 |
| Disposals | - | - | - | 12.92 | - | 12.92 |
| Balance as at 31 March 2022 | 114.36 | 983.41 | 89.79 | 618.97 | 81.15 | 1,887.69 |
| Net block | | | | | | |
| As at 31 March 2021 | 49.59 | 60.63 | 84.69 | 379.90 | 15.79 | 590.60 |
| As at 31 March 2022 | 4,328.75 | 5,615.06 | 206.75 | 557.09 | 77.23 | 10,784.86 |

Notes:

a. Vehicles under loan contracts as at 31 March 2022 are ₹ 416.15 lacs (31 March 2021: ₹ 365.74 lacs). Vehicles are hypothecated as security for the related loan.

b. Fair value of the buildings was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific building. As at the date of revaluation of 31 March 2022, the buildings are measured at fair value which has been determined basis report from a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017.

If building were measured using the cost model. The carrying amounts would be as follows:

| | As at 31 March 2022 | As at 31 March 2021 |
|----------------------------|---------------------|---------------------|
| Cost | 2,055.59 | 79.80 |
| Accumulated depreciation | 114.37 | 30.20 |
| Net carrying amount | 1,941.22 | 49.60 |

Notes to Consolidated Financial Statements

as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

4. Right-of-use assets

| | Land | Building | Total |
|---|----------|----------|----------|
| A. Gross block | | | |
| Balance as at 31 March 2020 | 617.40 | 429.57 | 1,046.97 |
| Additions | - | 383.20 | 383.20 |
| Balance as at 31 March 2021 | 617.40 | 812.77 | 1,430.17 |
| Additions | 9.19 | 69.80 | 78.99 |
| Acquisition through business combination (refer note 49 and 50) | 1,130.87 | - | 1,130.87 |
| Revaluation through revaluation reserve (refer note a) | 1,911.98 | (2.00) | 1,909.98 |
| Balance as at 31 March 2022 | 3,669.44 | 880.57 | 4,550.01 |
| B. Accumulated amortisation | | | |
| Balance as at 31 March 2020 | - | 15.78 | 15.78 |
| Amortisation for the year | 7.98 | 80.94 | 88.92 |
| Balance as at 31 March 2021 | 7.98 | 96.72 | 104.71 |
| Acquisition through business combination (refer note 49 and 50) | 2.01 | - | 2.01 |
| Amortisation for the year | 30.38 | 134.66 | 165.04 |
| Balance as at 31 March 2022 | 40.38 | 231.38 | 271.76 |
| Net block | | | |
| As at 31 March 2021 | 609.41 | 716.05 | 1,325.46 |
| As at 31 March 2022 | 3,629.06 | 649.19 | 4,278.25 |

Notes:

a. Fair value of the land and building was determined by using the market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific land and building. As at the date of revaluation of 31 March 2022, the land and building are measured at fair value which has been determined basis report from a registered valuer as defined under rule 2 of the Companies (Registered Valuers and Valuation) Rules, 2017

If land and building were measured using the cost model. The carrying amounts would be as follows:

| | Land | | Building | | Total | |
|--------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Cost | 1,454.81 | 314.75 | 743.20 | 673.40 | 2,198.01 | 988.15 |
| Accumulated depreciation | 17.85 | 4.04 | 228.45 | 95.34 | 246.30 | 99.38 |
| Net carrying amount | 1,436.96 | 310.71 | 514.75 | 578.06 | 1,951.71 | 888.77 |

5. Capital work-in-progress

| | As at 31 March 2022 | As at 31 March 2021 |
|----------------------------|---------------------|---------------------|
| Capital work-in-progress * | 452.49 | 386.99 |
| | 452.49 | 386.99 |

*pertains to plant and machinery under progress for Best Crop Science Private Limited amounting to ₹ 437.96 lacs and for setting up of manufacturing facility by Seedlings India Private Limited amounting to ₹ 14.54 lacs.

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(All amounts in ₹ lacs, unless stated otherwise)

Notes:

(a) Capital work-in-progress ageing schedule as at 31 March 2022 and 31 March 2021

| Projects in progress | Amount in CWIP for a period of | | | | Total |
|----------------------|--------------------------------|-----------|-----------|-------------------|--------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 31 March 2022 | 452.49 | - | - | - | 452.49 |
| 31 March 2021 | 386.99 | - | - | - | 386.99 |

(b) There are no such project under capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022 and 31 March 2021.

6. Goodwill and other intangible assets

| | Goodwill # | Other intangible assets | | | Total |
|--|------------|-------------------------|-----------|--------------------------|----------|
| | | Trademarks | Softwares | Customer relationships # | |
| Gross block | | | | | |
| Balance as at 31 March 2020 | - | 11.43 | 2.41 | - | 13.84 |
| Additions | - | - | 2.13 | - | 2.13 |
| Disposals | - | - | (0.18) | - | (0.18) |
| Balance as at 31 March 2021 | - | 11.43 | 4.36 | - | 15.79 |
| Acquisition through business combination (refer note 49) | 868.30 | 7.28 | - | 521.06 | 1,396.64 |
| Additions / adjustments | 1,538.43 | 6.96 | 4.15 | - | 1,549.53 |
| Disposals | - | (1.06) | - | - | (1.06) |
| Balance as at 31 March 2022 | 2,406.73 | 24.61 | 8.51 | 521.06 | 2,960.90 |
| Accumulated amortisation | | | | | |
| Balance as at 31 March 2020 | - | - | - | - | - |
| Amortisation for the year | - | 1.14 | 1.56 | - | 2.70 |
| Disposals | - | - | (0.14) | - | (0.14) |
| Balance as at 31 March 2021 | - | 1.14 | 1.42 | - | 2.56 |
| Acquisition through business combination (refer note 49) | - | 0.75 | - | - | 0.75 |
| Amortisation for the year | - | 1.68 | 2.49 | 48.54 | 52.71 |
| Balance as at 31 March 2022 | - | 3.57 | 3.91 | 48.54 | 56.02 |
| Net block | | | | | |
| As at 31 March 2021 | - | 10.29 | 2.94 | - | 13.23 |
| As at 31 March 2022 | 2,406.73 | 21.04 | 4.60 | 472.52 | 2,904.89 |

Refer note 49

(a) Impairment testing of goodwill

The Group performs test for goodwill impairment at least annually on 31 March or if indicators of impairment arise, such as the effects of obsolescence, demand, competition and other economic factors or on occurrence of an event or change in circumstances that would more likely than not reduce the fair value below its carrying amount. When determining the fair value, we utilize various assumptions, including operating results, business plans and projections of future cash flows.

During the year, the management has reviewed the carrying value of its goodwill against the recoverable amounts of these CGUs, using internal and external information available. Basis that, no impairment has been recorded.

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(All amounts in ₹ lacs, unless stated otherwise)

Changes in the net carrying amount of goodwill is summarized as below:

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Opening balance | - | - |
| Acquisition through business combination (refer note 49) | 868.30 | - |
| Adjustment on account of deferred tax liability (refer note 25) | 1,538.43 | - |
| Closing balance | 2,406.73 | - |

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level with the Group at which goodwill is monitored for internal management purposes and which is not higher than the Group's operating segment.

The carrying amount of goodwill was allocated to the cash generating units as follows:

| Particulars | As at 31 March 2022 |
|-----------------------------------|---------------------|
| Best Crop Science Private Limited | 2,406.73 |
| | 2,406.73 |

Impairment

An impairment test was carried out as on 31 March 2022, details of the test are as outlined below:

| Particulars | Goodwill |
|--|---------------|
| Discount rate | 16.19% |
| Growth rate | 5.00% |
| Number of years for which cash flows were considered | 5 years |
| Test result | No impairment |

Growth rates

The growth rates used are in line with the growth rate of the industry in which the entities operates and are consistent with internal / external sources of information.

Discount rates

The discount rates takes into consideration market risk and specific risk factors of the cash generating unit. The cash flow projections are based on the forecasts made by the management.

Sensitivity

The management believes that any reasonable possible changes in the key assumptions would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

7. Intangibles under development

| | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------|---------------------|---------------------|
| Intangibles under development* | 1.58 | 1.28 |
| | 1.58 | 1.28 |

*pertains to product licenses applied to Central Insecticides Board but not yet allotted in the name of the Holding Company.

Notes:

(a) Intangibles under development ageing schedule as at 31 March 2022 and 31 March 2021

| Particulars | Amount in intangibles under development for a period of | | | | Total |
|----------------------|---|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| 31 March 2022 | 1.58 | - | - | - | 1.58 |
| 31 March 2021 | 1.28 | - | - | - | 1.28 |

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(All amounts in ₹ lacs, unless stated otherwise)

(b) There are no such project under intangibles under development, whose completion is overdue or has exceeded its cost compared to its original plan as of 31 March 2022 and 31 March 2021.

8. Investments

8 (a) Non-current investments

| | Nominal Value per unit | Number of shares | | Amount | |
|--|------------------------|---------------------|---------------------|---------------------|---------------------|
| | | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| i) Investment in unquoted equity shares, valued at fair value through profit and loss (FVTPL) | | | | | |
| Tavares Tradelinks Private Limited | 10 | 9,239 | 9,239 | 3.00 | 3.00 |
| | | | | 3.00 | 3.00 |
| Less: | | | | | |
| Impairment on investments* | | | | (3.00) | (3.00) |
| Total investments in unquoted equity shares, valued at FVTPL [A] | | | | - | - |
| Aggregate value of unquoted investments | | | | 3.00 | 3.00 |
| Aggregate value of impairment in value of investments | | | | 3.00 | 3.00 |
| Category-wise investment | | | | | |
| Measured at FVTPL | | | | - | - |

*During the previous year, the Holding Company had recognised impairment loss on the investments made in Tavares Tradelinks Private Limited.

Notes:

- (i) The number of shares and the nominal value per share has been disclosed to the extent information available with the Group.
(ii) Refer note 44 for disclosure of fair values in respect of financial assets measured at fair value and amortised cost.

8 (b) Assets classified as held for sale

| | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------|---------------------|---------------------|
| Value Industries Asia Pte Ltd.* | - | 130.15 |
| | - | 130.15 |

* The Holding Company has sold the investment held in Value Industries Asia Pte Ltd at USD 2.70 lacs on 28 April 2021.

9. Trade receivables

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Trade receivables | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 25,592.56 | 13,113.27 |
| Receivable which have significant increase in credit risk | 506.92 | 206.92 |
| Receivable credit impaired | - | - |
| | 26,099.48 | 13,320.19 |
| Less: Allowance for expected credit loss | | |
| Secured, considered good | - | - |
| Unsecured, considered good | - | - |
| Receivable which have significant increase in credit risk | (506.92) | (206.92) |
| Receivable credit impaired | - | - |
| | 25,592.56 | 13,113.27 |
| Trade receivables from related parties (refer note 40) | - | 2,541.94 |

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Trade receivables ageing schedule as at 31 March 2022 and 31 March 2021

| | Outstanding for following periods from date of transaction | | | | | Total |
|--|--|--------------------|-----------|-----------|-------------------|-----------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2022: | | | | | | |
| a) Undisputed trade receivables | | | | | | |
| - considered good | 22,333.87 | 2,893.01 | 344.63 | - | 21.05 | 25,592.56 |
| - which have significant increase in credit risk | - | - | - | - | - | - |
| - which are credit impaired | - | - | - | - | - | - |
| | 22,333.87 | 2,893.01 | 344.63 | - | 21.05 | 25,592.56 |
| b) Disputed trade receivables | | | | | | |
| - considered good | - | - | - | - | - | - |
| - which have significant increase in credit risk | - | - | 82.47 | 153.90 | 270.55 | 506.92 |
| - which are credit impaired | - | - | - | - | - | - |
| | - | - | 82.47 | 153.90 | 270.55 | 506.92 |
| Less: Allowance for expected credit loss | - | - | (82.47) | (153.90) | (270.55) | (506.92) |
| | 22,333.87 | 2,893.01 | 344.63 | - | 21.05 | 25,592.56 |
| As at 31 March 2021: | | | | | | |
| a) Undisputed trade receivables | | | | | | |
| - considered good | 11,066.45 | 1,242.50 | 234.88 | 220.84 | 348.60 | 13,113.27 |
| - which have significant increase in credit risk | - | - | - | - | - | - |
| - which are credit impaired | - | - | - | - | - | - |
| | 11,066.45 | 1,242.50 | 234.88 | 220.84 | 348.60 | 13,113.27 |
| b) Disputed trade receivables | | | | | | |
| - considered good | - | - | - | - | - | - |
| - which have significant increase in credit risk | - | - | - | 13.68 | 193.24 | 206.92 |
| - which are credit impaired | - | - | - | - | - | - |
| | - | - | - | 13.68 | 193.24 | 206.92 |
| Less: Allowance for expected credit loss | - | - | - | (13.68) | (193.24) | (206.92) |
| | 11,066.45 | 1,242.50 | 234.88 | 220.84 | 348.60 | 13,113.27 |

Notes:

- (i) Refer note 42 for the movement of allowance for expected credit loss.
(ii) Refer note 44 for disclosure of fair values in respect of financial assets measured at amortised cost.
(iii) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person.

10. Loans

| | Current | |
|---|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 |
| Considered good, unsecured | | |
| Loan to related parties (refer note 40) | - | 31.81 |
| | - | 31.81 |

Note:

- (i) Refer note 44 for disclosure of fair values in respect of financial assets measured at amortised cost.

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(All amounts in ₹ lacs, unless stated otherwise)

11. Other financial assets

| | Non-current | | Current | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Interest accrued but not due on fixed deposits | - | - | 3.84 | 0.56 |
| Security deposits | 69.07 | 21.22 | - | - |
| Others | - | - | 3.75 | 7.66 |
| | 69.07 | 21.22 | 7.59 | 8.22 |

Note:

(i) Refer note 44 for disclosure of fair values in respect of financial assets measured at amortised cost.

12. Other assets

| | Non-current | | Current | |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Capital advances | 185.07 | 123.58 | - | - |
| Advances to suppliers | - | - | 298.09 | 984.61 |
| Balance with government authorities | - | 9.94 | 4,102.29 | 1,583.73 |
| Prepaid expenses | 2.52 | - | 112.69 | 42.76 |
| Employee and other advances | 28.08 | - | 74.41 | 44.66 |
| | 215.67 | 133.52 | 4,587.48 | 2,655.76 |

13. Inventories (valued at lower of cost or net realisable value, unless otherwise stated)

| | As at 31 March 2022 | As at 31 March 2021 |
|------------------|---------------------|---------------------|
| Raw material | 8,330.17 | - |
| Work-in-progress | 3,946.49 | - |
| Stock-in-trade | 19,864.13 | 15,366.12 |
| Finished goods | 13,316.55 | - |
| | 45,457.34 | 15,366.12 |

14. Cash and cash equivalents

| | As at 31 March 2022 | As at 31 March 2021 |
|---------------------|---------------------|---------------------|
| Balances with banks | | |
| On current accounts | 1,271.73 | 1,776.00 |
| Cheques on hand | - | 266.40 |
| Cash on hand | 14.69 | 10.21 |
| | 1,286.42 | 2,052.61 |

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15. Bank balances other than cash and cash equivalents

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Deposit with original maturity of more than 3 months and less than 12 months* | 2,741.60 | 1,226.34 |
| | 2,741.60 | 1,226.34 |

* Margin money deposits are provided as margin for letter of credits. The same are restricted for use till settlement of corresponding liability

Note:

(i) Refer note 44 for disclosure of fair values in respect of financial assets measured at amortised cost.

16. Equity share capital

| | Number of shares | | Amount | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Authorised | | | | |
| Equity shares of ₹ 10/- each | 2,37,00,000 | 2,37,00,000 | 2,370.00 | 2,370.00 |
| | 2,37,00,000 | 2,37,00,000 | 2,370.00 | 2,370.00 |
| Issued, subscribed and fully paid up equity capital | | | | |
| Equity shares of ₹ 10/- each | 2,36,44,740 | 2,20,32,066 | 2,364.47 | 2,203.21 |
| Total share capital | 2,36,44,740 | 2,20,32,066 | 2,364.47 | 2,203.21 |

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

| | Number of shares | | Amount | |
|--|------------------------|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Authorised share capital | | | | |
| Balance as the beginning of reporting year | 2,37,00,000 | 2,37,00,000 | 2,370.00 | 2,370.00 |
| Balance as the end of reporting year | 2,37,00,000 | 2,37,00,000 | 2,370.00 | 2,370.00 |
| Issued equity capital | | | | |
| Equity share of ₹ 10/- each issued, subscribed and fully paid | | | | |
| Balance as the beginning of reporting year | 2,20,32,066 | 2,20,32,066 | 2,203.21 | 2,203.21 |
| Issued during the year * | 16,12,674 | - | 161.26 | - |
| Balance as the end of reporting year | 2,36,44,740 | 2,20,32,066 | 2,364.47 | 2,203.21 |

* refer note 49.

(b) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividends in Indian rupees. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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(c) Details of shareholders holding more than 5% shares in the Company

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---------------------|--------------|---------------------|--------------|
| | Number of shares | % of holding | Number of shares | % of holding |
| Equity shares with voting rights | | | | |
| Vandana Alawadhi | 63,92,717 | 27.04% | 63,10,318 | 28.64% |
| Raj Kumar | 42,94,166 | 18.16% | 41,52,825 | 18.85% |
| Vimal Alawadhi | 37,54,955 | 15.88% | 20,80,250 | 9.44% |
| Resonance Opportunities Fund | 21,34,406 | 9.03% | 14,60,450 | 6.63% |

(d) Details of shares held by promoters in the holding Company

| | As at 31 March 2022 | | As at 31 March 2021 | | % change in shareholding |
|-------------------|---------------------|--------------|---------------------|--------------|--------------------------|
| | Number of shares | % of holding | Number of shares | % of holding | |
| Vandana Alawadhi | 63,92,717 | 27.04% | 63,10,318 | 28.64% | -1.60% |
| Vimal Alawadhi | 37,54,955 | 15.88% | 20,80,250 | 9.44% | 6.44% |
| Kamal Kumar | 3,67,745 | 1.56% | 3,67,745 | 1.67% | -0.11% |
| Kamal Kumar (HUF) | 2,20,500 | 0.93% | 2,20,500 | 1.00% | -0.07% |
| Geeta Garg | 2,640 | 0.01% | 2,640 | 0.01% | 0.00% |
| Vishesh Gupta | 235 | 0.00% | 4,235 | 0.02% | -0.02% |

(e) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding 31 March 2022:

| | For the year ended | | | | |
|---|--------------------|---------------|---------------|----------------|---------------|
| | 31 March 2022 | 31 March 2021 | 31 March 2020 | 31 March 2019 | 31 March 2018 |
| Equity shares allotted as fully paid up | 16,12,674 # | - | - | 1,40,55,993 ## | - |

issued pursuant to approval of shareholders in the annual general meeting on acquisition of 100% controlling interest in Best Crop Science Private Limited on 13 October 2021. Refer note 49.

issued pursuant to order received from NCLT on 5 May 2020 for amalgamation of Best Agrochem Private Limited with the Holding Company.

(f) The Holding Company has not issued any bonus shares nor has there been any buy-back of shares in the current year and preceding five years.

17. Other equity

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Capital reserve | | |
| Balance as the beginning of reporting year | 3,201.72 | 3,201.72 |
| Balance as the end of reporting year | 3,201.72 | 3,201.72 |
| Securities premium | | |
| Balance as the beginning of reporting year | 1,028.23 | 1,028.23 |
| Share issued during the year | 9,998.58 | - |
| Balance as the end of reporting year | 11,026.81 | 1,028.23 |

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| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Retained earnings | | |
| Balance as the beginning of reporting year | 6,092.27 | 1,503.72 |
| Add: Profit for the year | 10,476.19 | 3,707.58 |
| Add: Other comprehensive income for the year (net) | 2.31 | 903.00 |
| Less: Payment of dividend on equity shares (refer note 53) | (440.66) | (22.03) |
| Balance as the end of reporting year | 16,130.11 | 6,092.27 |
| Revaluation reserve | | |
| Balance as the beginning of reporting year (net) | 442.18 | 442.18 |
| Less: Revaluation during the year (net) | (170.58) | - |
| Balance as the end of reporting year (net) | 271.60 | 442.18 |
| | 30,630.24 | 10,764.40 |

Nature and purpose of reserve

Capital reserve

Capital reserve was created on account of loss on business combinations.

Securities premium

Securities premium comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

Retained earnings

Retained earnings refer to the net profit/(loss) retained by the Group for its core business activities. It also includes the gain/ loss on remeasurement of defined employee benefit obligations.

Revaluation reserve

This represents the cumulative gains and losses arising on the revaluation of land and building.

18. Borrowings

18 (a) Non-current borrowings

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Secured | | |
| Term loans | | |
| Indian rupee loan from financial institutions (refer note a) | - | 170.91 |
| Indian rupee loan from banks (refer note b) | 4,968.84 | - |
| Vehicle loans | | |
| Indian rupee loan from bank (refer note c) | 313.94 | 262.41 |
| Indian rupee loan from financial institution (refer note d) | 4.15 | - |
| | 5,286.93 | 433.32 |
| Less: Current maturities of non-current borrowings (refer note 18 (b)) | (971.34) | (145.43) |
| Total secured loans | 4,315.59 | 287.89 |
| Unsecured | | |
| From related parties (refer note e) | - | 50.00 |
| From others (refer note f) | 542.40 | - |
| Total unsecured loans (B) | 542.40 | 50.00 |
| | 4,857.99 | 337.89 |
| Secured | 4,315.59 | 287.89 |
| Unsecured | 542.40 | 50.00 |

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(All amounts in ₹ lacs, unless stated otherwise)

| Nature of Security | Terms of repayment |
|---|--|
| a. Term loan from financial institutions | |
| Property loan from India Bulls Housing Finance Limited has been obtained by the Holding Company against hypothecation of property (Flat No. 415, 4 th Floor, Manhattan Street, Mahagun Modere, Plot No. GH-02, Sector-78, Noida Uttar Pradesh -201301) of ₹ 180.00 lacs. | Repayable in 208 equal monthly installment of ₹ 1.81 lacs from 5 September 2018. The same has been repaid completely in the current year. Rate of interest at 9.90% per annum (previous year: 9.90% per annum) |
| b. Term loan from banks | |
| Term loans from Axis Bank has been obtained by Best Crop Science Private Limited against hypothecation of property situated C-6,7 and 8, Industrial Area, UPSIDC, Garaula II, Amroha, UP | Repayable in 10 to 48 equal monthly/ quarterly installment of ₹ 7.27 lacs to ₹ 80 lacs. Rate of interest at 7.95% to 9.25% per annum |
| Term loan from Yes Bank has been obtained by Best Crop Science Private Limited against hypothecation of property situated C-6,7 and 8, Industrial Area, UPSIDC, Garaula II, Amroha, UP | Repayable in 60 equal monthly installments of ₹ 18.50 lacs. Rate of interest at 9.50 % per annum |
| c. Vehicle loans from banks | |
| Vehicle loans have been obtained from banks and the same are secured by hypothecation of respective vehicles. | Repayable in 36 to 60 equal monthly installment of ₹ 0.18 lacs to ₹ 3.87 lacs. Rate of interest at 8.20% to 12.75% per annum (previous year 8.25% to 12.75% per annum) |
| d. Vehicle loans from financial institution | |
| Vehicle loan has been obtained from financial institution by Best Crop Science Private Limited and the same is secured by hypothecation of respective vehicle. | Repayable in 60 equal monthly installments of ₹ 0.70 lacs. Rate of interest at 8.00% |
| e. Unsecured loan from related party | |
| Unsecured loan had been obtained from Mr. Vimal Alawadhi, Managing Director | Repayable after 12 months in equal monthly installments to be agreed between the parties. The same has been repaid completely in the current year. Rate of interest at 8.00% per annum |
| f. Unsecured loan from others | |
| Unsecured loan has been obtained by Best Crop Science Private Limited from Transworld Finvest Private Limited | Repayable after 3 years in equal installments to be agreed between the parties. Rate of interest at 11.00% per annum chargeable from 1 April 2022. |

Notes:

- (i) The nature of security and terms of repayment has been stated to the extent information available with the Group.
- (ii) Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.
- (iii) The Group has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the loan covenants of any interest-bearing loans and borrowing in the current year.

Notes to Consolidated Financial Statements

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(All amounts in ₹ lacs, unless stated otherwise)

18 (b) Current borrowings

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Secured | | |
| Cash credit from banks (refer note a) | 16,161.35 | 849.90 |
| Working capital loan from banks and financial institution (refer note b) | 4,450.00 | 92.76 |
| Buyer's credits | | |
| Foreign currency loan from bank (refer note c) | - | 1,287.35 |
| | 20,611.35 | 2,230.01 |
| Add: Current maturities of non-current loans (refer note 18(a)) | 971.34 | 145.43 |
| | 21,582.69 | 2,375.44 |
| Secured | 21,582.69 | 2,375.44 |
| Unsecured | - | - |

Notes

a. Cash credit facilities have been obtained from banks which has been secured by first pari passu charge on present and future current assets and movable property, plant and equipment except vehicles. The facilities of Holding Company have been taken from five banks which are secured by personal guarantee of promoter Mr. Vimal Alawadhi, Mrs Vandana Alawadhi and Mr Kamal Kumar and director Mr. Shuvendu Satpathy and one loan is secured by guarantee given by Pavas Chemicals Private Limited of ₹ Nil lacs (previous year ₹ 3,700.00 lacs) on behalf of the Holding Company. These loans carry interest rate of 7.60% to 11.70% per annum (previous year: 8.54% to 11.65% per annum).

The facilities of Best Crop Science Private Limited have been taken from three banks which are secured by personal guarantee of promoter Mr. Vimal Alawadhi, Mr. Raj Kumar, Mr. Gaurav Sharma and Mrs Vandana Alawadhi and corporate guarantee of Holding Company. The loan carries an interest rate of 9.25% per annum.

The facilities of Seedlings India Private Limited have been taken from one bank which are secured by personal guarantee of promoter Mr. Vimal Alawadhi and Mrs Vandana Alawadhi and corporate guarantee of Holding Company and Pavas Chemicals Private Limited. The loan carries an interest rate of 7.15% per annum.

b. Working capital loan facility was obtained from banks during the year which has been secured by first pari passu charge on present and future current assets and movable property, plant and equipment except vehicles. The facilities taken from three banks and one financial institution are secured by personal guarantee of promoter Mr. Vimal Alawadhi and Mrs Vandana Alawadhi and director Mr. Shuvendu Satpathy on behalf of the Holding Company. These loan carry interest rate of 6.75% to 8.80% per annum (previous year: 8.05% per annum).

c. Facility of standby letter of credit at the rate of 1% commission had been obtained from banks by the Holding Company which has been secured by deposits with the banks and first pari passu charge on present and future current assets and movable property, plant and equipment except vehicles. The same has been repaid during the year.

d. Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

e. Below table represents the summary of reconciliation of the quarterly statements of current assets filed by the Holding Company with banks:

| Particulars | Name of bank | As per statement filed | As per books of accounts | Difference | Remarks |
|--|---|------------------------|--------------------------|------------|--|
| i) Quarter ended 30 June 2021 | | | | | |
| Inventories | The statement has been filed with Yes Bank, ICICI Bank, Standard Chartered Bank and Punjab National Bank. | 20,210.19 | 20,530.92 | (320.73) | Differences are mainly on account of provisions and period end adjustment entries. |
| Trade receivables | | 23,212.85 | 22,394.92 | 817.93 | |
| Trade payables | | 24,122.45 | 25,232.18 | (1,109.73) | |
| ii) Quarter ended 30 September 2021 | | | | | |
| Inventories | The statement has been filed with Yes Bank, ICICI Bank, Standard Chartered Bank and Punjab National Bank. | 15,327.70 | 14,988.14 | 339.56 | |
| Trade receivables | | 31,470.89 | 30,645.22 | 825.67 | |
| Trade payables | | 22,500.76 | 23,008.51 | (507.75) | |

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as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

| Particulars | Name of bank | As per statement filed | As per books of accounts | Difference | Remarks |
|--|--|------------------------|--------------------------|------------|---------|
| iii) Quarter ended 31 December 2021 | | | | | |
| Inventories | The statement has been filed with Yes Bank, ICICI Bank, Standard Chartered Bank and Axis Bank. | 14,080.10 | 14,123.84 | (43.74) | |
| Trade receivables | | 14,777.11 | 18,893.33 | (4,116.22) | |
| Trade payables | | 14,819.33 | 14,816.75 | 2.58 | |
| iv) Quarter ended 31 March 2022 | | | | | |
| Inventories | The statement has been filed with Yes Bank, ICICI Bank, Standard Chartered Bank, Axis Bank, State Bank of India and Bajaj Finance Limited. | 19,909.31 | 20,243.29 | (333.98) | |
| Trade receivables | | 23,241.24 | 23,376.19 | (134.95) | |
| Trade payables | | 20,951.97 | 21,675.12 | (723.14) | |

Note: (i) The aforementioned statements pertain to statements filed by the Holding Company. The management of subsidiary companies represent that the quarterly statements of current assets filed by the subsidiary companies with banks (Axis Bank, Standard Chartered Bank, Yes Bank and Punjab National Bank) were in agreement with the books of accounts.

(ii) The above information has been determined to the extent information available with the Company, which has been relied upon by the auditors.

f. The Group has not defaulted in repayment of interest during the current financial year. Further, there have been no default in repayment of loan and no breaches in the loan covenants of any interest-bearing loans and borrowing in the current year.

19. Lease liabilities

| | Non-current | | Current | |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Lease liabilities (refer note 43) | 361.47 | 429.34 | 175.11 | 139.58 |
| | 361.47 | 429.34 | 175.11 | 139.58 |

Note: Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

20. Trade payables

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Trade payables of micro and small enterprises (refer note 47) | 3.64 | 1.72 |
| Trade payables other than micro enterprises and small enterprises | 28,350.64 | 16,501.94 |
| | 28,354.28 | 16,503.66 |
| Trade payables to related parties (refer note 40) | 56.70 | 68.98 |

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(All amounts in ₹ lacs, unless stated otherwise)

Trade payables ageing schedule as at 31 March 2022 and 31 March 2021

| Particulars | Outstanding for following periods from date of transaction | | | | Total |
|---|--|---------------|---------------|-------------------|------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| As at 31 March 2022: | | | | | |
| a) Undisputed trade payables | | | | | |
| Micro enterprises and small enterprises | 3.64 | - | - | - | 3.64 |
| Others | 27,883.68 | 11.01 | 455.95 | - | 28,350.64 |
| | 27,887.32 | 11.01 | 455.95 | - | 28,354.28 |
| b) Disputed trade payables | | | | | |
| Micro enterprises and small enterprises | - | - | - | - | - |
| Others | - | - | - | - | - |
| | 27,887.32 | 11.01 | 455.95 | - | 28,354.28 |
| As at 31 March 2021: | | | | | |
| a) Undisputed trade payables | | | | | |
| Micro enterprises and small enterprises | 1.72 | - | - | - | 1.72 |
| Others | 15,987.15 | 507.56 | 2.15 | 5.08 | 16,501.94 |
| | 15,988.87 | 507.56 | 2.15 | 5.08 | 16,503.66 |
| b) Disputed trade payables | | | | | |
| Micro enterprises and small enterprises | - | - | - | - | - |
| Others | - | - | - | - | - |
| | 15,988.87 | 507.56 | 2.15 | 5.08 | 16,503.66 |

Note: Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

21. Other financial liabilities

| | Non-current | | Current | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Unpaid dividend | - | - | 6.59 | 6.83 |
| Employee related liabilities | - | - | 324.75 | 136.46 |
| Security deposits | 296.13 | 139.82 | - | - |
| Payable for business acquisition (refer note 50) | - | - | 1,777.94 | - |
| Others | - | 26.57 | 78.60 | 57.94 |
| | 296.13 | 166.39 | 2,187.88 | 201.23 |

Note: Refer note 44 for disclosure of fair values in respect of financial liabilities measured at fair value and amortised cost.

22. Provisions

| | Non-current | | Current | |
|--|---------------------|---------------------|---------------------|---------------------|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Provision for gratuity (refer note 39) | 121.25 | 73.36 | 20.22 | 13.23 |
| Provision for compensated absence | - | - | 16.87 | 2.88 |
| | 121.25 | 73.36 | 37.09 | 16.11 |

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23. Other current liabilities

| | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------|---------------------|---------------------|
| Revenue received in advance | 5,059.78 | 3,448.02 |
| Statutory dues payable | 140.07 | 47.01 |
| Others | 51.74 | - |
| | 5,251.59 | 3,495.03 |

24. Current tax liability (net)

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| (A) Current tax liabilities | | |
| Provision for income tax | 4,200.80 | 1,550.66 |
| Total (A) | 4,200.80 | 1,550.66 |
| (B) Income tax assets | | |
| Advance income tax | 3,298.79 | 1,087.98 |
| Total (B) | 3,298.79 | 1,087.98 |
| Current tax liabilities (net) (A-B) | 902.01 | 462.68 |

25. Deferred tax liabilities/ assets

25 a. Deferred tax assets

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Deferred tax asset arising on account of : | | |
| Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortisation charged in the financial statements | 28.46 | 29.90 |
| Provision for doubtful debt and advances | 3.52 | 52.08 |
| Employee benefits obligations | 10.01 | 20.47 |
| Right of use assets and lease liabilities | - | 9.29 |
| Total deferred tax assets | 41.99 | 111.74 |

25 b. Deferred tax liabilities

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Deferred tax asset arising on account of : | | |
| Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortisation charged in the financial statements | 148.84 | - |
| Provision for doubtful debt and advances | 127.58 | - |
| Employee benefits obligations | 35.53 | - |
| Right of use assets and lease liabilities | 18.23 | - |
| | 330.18 | - |
| Deferred tax liability arising on account of : | | |
| Revaluation of land and building measured through other equity/ goodwill | (1,629.77) | - |
| | (1,629.77) | - |
| Total deferred tax liabilities | (1,299.59) | - |

Notes to Consolidated Financial Statements

as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

25 c. Changes in deferred tax assets (net)

| | As at 31 March 2020 | Recognised in | | As at 31 March 2021 | Recognised in | | | As at 31 March 2022 |
|---|---------------------------|---------------|--------------------|---------------------------|---------------|-----------------|--------------------|---------------------------|
| | | OCI | Profit and loss | | OCI | Other equity | Profit and loss | |
| Items leading to creation of deferred tax assets/ deferred tax liabilities | | | | | | | | |
| Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortisation charged in the financial statements | - | - | - | - | - | - | 28.46 | 28.46 |
| Provision for doubtful debt and advances | - | - | - | - | - | - | 3.52 | 3.52 |
| Employee benefits obligations | - | - | - | - | 1.91 | - | 8.10 | 10.01 |
| Total deferred tax assets | - | - | - | - | 1.91 | - | 40.08 | 41.99 |

Changes in deferred tax liabilities (net)

| Particulars | As at 31 March 2020 | Recognised in | | As at 31 March 2021 | Recognised in | | | As at 31 March 2022 |
|---|---------------------------|-----------------|--------------------|---------------------------|---------------|--------------------------------|--------------------|---------------------------|
| | | OCI | Profit and loss | | OCI | Other equity / good will | Profit and loss | |
| Items leading to creation of deferred tax assets/ deferred tax liabilities | | | | | | | | |
| Property, plant and equipment: impact of differences between tax depreciation and depreciation/amortisation charged in the financial statements | 13.42 | - | 16.48 | 29.90 | - | - | 118.94 | 148.84 |
| Provision for doubtful debt and advances | 13.87 | - | 38.21 | 52.08 | - | - | 57.86 | 109.94 |
| Employee benefits obligations | 10.92 | 4.11 | 5.44 | 20.47 | (2.69) | - | 17.75 | 35.53 |
| Impact of fair valuation of financial instruments through OCI | (4.76) | (124.33) | 129.09 | - | | | | |
| Right of use assets and lease liabilities | - | - | 9.29 | 9.29 | - | - | 8.94 | 18.23 |
| Total deferred tax assets | 33.45 | (120.22) | 198.51 | 111.74 | (2.69) | - | 203.49 | 312.54 |
| Items leading to creation of deferred tax liabilities | | | | | | | | |
| Revaluation of land and building | - | - | - | - | - | (1,629.77) | - | (1,629.77) |
| Total deferred tax liabilities | - | - | - | - | - | (1,629.77) | - | (1,629.77) |
| Less: Deferred tax asset acquired on the date of acquisition (refer note 49) | - | - | - | - | - | - | - | 17.64 |
| Net deferred tax assets | 33.45 | (120.22) | 198.51 | 111.74 | (2.69) | (1,629.77) | 203.49 | (1,299.59) |

Note: Refer note 34 for effective tax reconciliation.

26. Revenue from operations

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|------------------|-------------------------------------|-------------------------------------|
| Sale of products | 1,21,079.54 | 90,544.50 |
| | 1,21,079.54 | 90,544.50 |

Contract balances

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Revenue received in advance (refer note 23) * | 5,059.78 | 3,448.02 |

Notes to Consolidated Financial Statements

as at 31 March 2022

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Contract liabilities - Revenue received in advance

| | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|---------------------|
| Opening balance of Contract liabilities | 3,448.02 | 3,066.71 |
| Less: Amount of revenue recognised against opening contract liabilities | (1,003.07) | (3,064.87) |
| Add: Addition in balance of contract liabilities for current year (net of refunds) | 2,614.83 | 3,446.18 |
| Closing balance of Contract liabilities | 5,059.78 | 3,448.02 |

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Revenue from contract with customer as per the contract price | 1,30,433.39 | 98,626.72 |
| Adjustments made to contract price on account of :- | | |
| a) Discounts and rebates | (2,289.97) | (3,598.39) |
| b) Sales returns | (7,063.88) | (4,483.83) |
| Revenue from contract with customer | 1,21,079.54 | 90,544.50 |

Performance obligation

Information about the Company's performance obligations are summarised below:

Traded goods

The performance obligation is satisfied upon delivery of the goods to the customer.

* The significant decrease in contract balances in FY 2021-2022 is mainly due to increase in revenue from operations against which these balances were settled. The year-end balances are on account of advances received in the normal course of business.

27. Other income

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Interest income | | |
| - From banks | 39.11 | 56.67 |
| - Profit on sale of investment | 51.53 | - |
| - Liabilities written back | 12.62 | 45.47 |
| - Foreign exchange fluctuation gain (net) | - | 627.42 |
| - Others | 74.32 | - |
| | 177.58 | 729.56 |

28 a. Cost of material consumed

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Inventories at the beginning of the year | - | - |
| Add : purchases during the year | 19,353.85 | - |
| Add: acquisition through business combination (refer note 49) | 4,035.04 | - |
| | 23,388.89 | - |
| Less : inventories at the end of the year | (8,330.17) | - |
| Cost of material consumed | 15,058.72 | - |

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28 b. Purchase of stock-in-trade

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-----------|-------------------------------------|-------------------------------------|
| Purchases | 99,144.79 | 91,146.65 |
| | 99,144.79 | 91,146.65 |

29. (Increase)/decrease in inventories of work in progress, stock-in-trade and finished goods

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Inventory at the end of the year | | |
| Work-in-progress | (3,946.49) | - |
| Stock-in-trade | (19,864.13) | (15,366.12) |
| Finished goods | (13,316.55) | - |
| | (37,127.17) | (15,366.12) |
| Inventory at the beginning of the year | | |
| Stock-in-trade | 15,366.12 | 7,473.37 |
| | 15,366.12 | 7,473.37 |
| Add: acquisition through business combination (refer note 49) | | |
| Work-in-progress | 1,945.92 | - |
| Finished goods | 4,118.54 | - |
| | (15,696.59) | (7,892.76) |

30. Employee benefits expense

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Salaries and wages | 2,239.40 | 991.52 |
| Contribution to provident fund and other funds (refer note 39) | 56.42 | 17.50 |
| Staff welfare expenses | 49.31 | 2.17 |
| | 2,345.13 | 1,011.19 |

31. Finance costs

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|------------------------|-------------------------------------|-------------------------------------|
| Interest expense | | |
| - On borrowings | 1,118.80 | 247.63 |
| - On lease liabilities | 42.94 | 34.54 |
| Other borrowing cost* | 347.57 | 191.48 |
| | 1,509.31 | 473.65 |

* includes processing charges and other related costs

Notes to Consolidated Financial Statements

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(All amounts in ₹ lacs, unless stated otherwise)

32. Depreciation and amortisation expense

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Depreciation on property, plant and equipment (refer note 3) | 965.94 | 203.61 |
| Amortisation on right-of-use assets (refer note 4) | 165.04 | 88.93 |
| Amortisation on other intangible assets (refer note 6) | 52.71 | 2.70 |
| | 1,183.69 | 295.24 |

33. Other expenses

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Rent expenses (refer note 43) | 104.35 | 40.50 |
| Power and fuel | 273.75 | - |
| Rates and taxes | 0.37 | - |
| Consumption of stores and spares | 169.27 | - |
| Repair and maintenance expenses | 158.84 | 30.08 |
| Travelling and conveyance expense | 558.07 | 259.87 |
| Outsourced service cost | 227.05 | 82.15 |
| Insurance | 101.36 | 66.88 |
| Advertisement and business promotions | 192.21 | 77.19 |
| Printing and stationery expenses | 62.33 | 34.20 |
| Water and electricity expenses | 27.88 | 28.93 |
| Freight outwards | 256.84 | 85.99 |
| Payment to auditors (refer note 37) | 45.34 | 19.23 |
| Foreign exchange difference | 67.45 | - |
| Legal and professional expenses | 269.14 | 65.67 |
| Provision for doubtful debts | 300.00 | 150.46 |
| Impairment on investment | - | 3.00 |
| Commission paid | 21.48 | 46.05 |
| Corporate social responsibility expenses (refer note 45) | 47.28 | 12.75 |
| Miscellaneous expenses | 763.07 | 158.57 |
| | 3,646.08 | 1,161.52 |

34. Tax expense

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Current tax | 3,854.16 | 1,550.66 |
| Deferred tax | (243.57) | (198.51) |
| Tax relating to earlier years | (20.79) | 18.84 |
| | 3,589.80 | 1,370.99 |

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Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2022 and 31 March 2021:

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Accounting profit before tax | 14,065.99 | 5,078.57 |
| Tax at India's statutory income tax rate of 25.17% (31 March 2021: 25.17%) | 3,540.13 | 1,278.17 |
| Tax impact of non-deductible expenses | 38.19 | 25.78 |
| Tax relating to earlier years | (20.79) | 18.84 |
| Other adjustments | 32.27 | 48.20 |
| Income tax expense reported in the statement of profit and loss | 3,589.80 | 1,370.99 |
| At the effective income tax rate of 25.52% (31 March 2021: 27.01%) | 3,589.80 | 1,370.99 |

35. Earnings per share (EPS)

The following reflects the income and share data used in the basic and diluted EPS computations:

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Profit attributable to equity holders of the Company | 10,476.19 | 3,707.58 |
| Weighted average number of equity shares used for computing Earning per Share (shares in lacs) | 227.83 | 220.32 |
| Basic and diluted earnings per share (in ₹) | 45.98 | 16.83 |

36. Contingent liabilities and commitments

A. Contingent Liabilities

(i) Claims against the Holding Company not acknowledged as debts

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Claims made by direct tax authorities: | | |
| Income tax (refer note a and b) | 49.89 | 49.89 |
| Total | 49.89 | 49.89 |

a. In respect of Assessment Year 2012-2013, demand was raised due to disallowance of certain expenses under section 14A of the Income Tax Act and also certain other disallowances. The amount involved is ₹ 14.42 lacs (31 March 2021: ₹ 14.42 lacs).

b. In respect of Assessment Year 2017-2018, demand was raised due to addition of income under section 56(2)(viib) of the Income Tax Act and also certain other additions. The amount involved is ₹ 35.47 lacs (31 March 2021: ₹ 35.47 lacs).

c. Hon'ble Supreme Court of India has pronounced a ruling dated 28 February 2019 in which it is held that 'allowance' paid to employees, will be included in the scope of 'basic wages' and thus, will be subject to provident fund contributions. Petitions have been filed with Hon'ble Supreme Court of India seeking additional clarification with respect to the application of this ruling. As this ruling has not prescribed any clarification w.r.t. to its application, the Group is in the process of evaluating its impact. Management believes that this will not result in any material liability on the Group.

d. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group also believes that the above issues, when finally settled, are not likely to have any significant impact on the financial position of the Group. The Group does not expect any reimbursements in respect of the above contingent liabilities.

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B. Commitments

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for [(net of advances of ₹ 185.07 lacs (31 March 2021: ₹ 123.58 lacs)] | 1,427.87 | - |
| | 1,427.87 | - |

37. Payment to auditors

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--------------------------|-------------------------------------|-------------------------------------|
| As auditor | | |
| - Audit fee | 29.00 | 12.00 |
| - Limited review | 11.00 | 6.25 |
| In other capacity | | |
| For other services | 2.75 | - |
| Out of pocket expenses | 2.59 | 0.98 |
| Total | 45.34 | 19.23 |

38. Unhedged foreign currency exposure

The amount of foreign currency exposure that are not hedged by derivative instrument or otherwise as on 31 March 2022 and 31 March 2021 are as under:

| | Foreign currency | Amount in foreign currency in lacs | | Amount in ₹ lacs | |
|------------------------|---------------------|------------------------------------|---------------|------------------|-----------------|
| | | 31 March 2022 | 31 March 2021 | 31 March 2022* | 31 March 2021** |
| Trade receivables | USD | 1.50 | - | 114.03 | - |
| Trade payables | USD | 189.80 | 203.29 | 14,388.19 | 14,941.57 |
| Advances to suppliers | USD | 0.35 | 5.97 | 26.91 | 438.57 |
| Current borrowings | USD | - | 17.12 | - | 1,258.32 |
| Advance from customers | USD | 0.94 | - | 71.13 | - |

*Exchange Rate for 31 March 2022, 1 USD = ₹ 75.81

**Exchange Rate for 31 March 2021, 1 USD = ₹ 73.50

Refer note 42 for sensitivity analysis.

39. Employee benefit obligations

a. Defined contribution plan

An amount of ₹ 52.43 lacs [31 March 2021 : ₹ 17.30 lacs] for the year has been recognised as an expense in respect of the Group's contributions towards Provident Fund and an amount of ₹ 3.99 lacs [31 March 2021 : ₹ 0.20 lacs] for the year has been recognised as an expense in respect of Group's contributions towards Employee State Insurance which are deposited with the government authorities and have been included under employee benefit expenses in the Statement of Profit and Loss.

A Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The Group has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service or part thereof in excess of six months subject to a maximum of ₹ 20.00 lacs. The scheme is unfunded.

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Statement of profit & loss account

(i) Amount recognised in the statement of profit and loss is as under:

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Current service cost | 32.17 | 16.51 |
| Interest cost on defined obligation | 5.99 | 3.53 |
| Net impact on profit (before tax) | 38.16 | 20.04 |
| Actuarial (gain)/ loss recognised during the year | (3.09) | 16.35 |
| Amount recognised in total comprehensive income | 35.07 | 36.39 |

(ii) Change in the present value of obligation:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Opening defined benefit obligation | 86.59 | 54.31 |
| Acquisition through business combination (refer note 49) | 23.26 | - |
| Current service cost | 32.17 | 16.51 |
| Interest cost | 5.99 | 3.53 |
| Benefits paid | (3.45) | (4.11) |
| Actuarial losses | (3.09) | 16.35 |
| Closing defined benefit obligation | 141.47 | 86.59 |
| Provision for gratuity | | |
| Current | 20.22 | 13.23 |
| Non-current | 121.25 | 73.36 |

(iii) Breakup of actuarial (gain)/loss:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Actuarial (gain)/loss from change in demographic assumption | - | - |
| Actuarial (gain)/loss from change in financial assumption | (3.50) | 0.81 |
| Actuarial (gain)/loss from experience adjustment | 0.41 | 15.54 |
| Total actuarial (gain)/loss | (3.09) | 16.35 |

(iv) Actuarial assumptions

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|----------------------------------|-----------------------------|-----------------------------|
| Discount rate | 6.70% to 6.90% | 6.30% |
| Expected rate of salary increase | 10.00% | 10.00% |
| Retirement age: | | |
| - Directors & Mr. TK Maini | 70 yrs. | 70 yrs. |
| - Head Office employees | 68 yrs. | 68 yrs. |
| - Field employees | 60 yrs. | 60 yrs. |
| Mortality rate | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate |

These assumptions were developed by management with the assistance of independent actuarial appraisers. Discount factors are determined close to each year end by reference to government bonds of relevant economic markets and that have terms to maturity approximating to the terms of the related obligation. Other assumptions are based on management's historical experience.

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(v) The impact of sensitivity analysis due to changes in the significant actuarial assumptions on the defined benefit obligations is given in below table:

| | Change in assumptions | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|----------------------------------|-----------------------|----------------------------------|----------------------------------|
| Discount rate | +1% | 134.59 | 82.69 |
| | -1% | 149.02 | 90.87 |
| Expected rate of salary increase | +1% | 147.98 | 89.71 |
| | -1% | 135.34 | 83.61 |

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The above defined benefit plan exposes the Group to following risks:

Interest rate risk:

The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary inflation risk:

Expected increases in salary will increase the defined benefit obligation.

Demographic risk:

This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

(vi) The following payments are expected future cash flows to the defined benefit plan (undiscounted in future years):

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|------------------|----------------------------------|----------------------------------|
| Year 1 | 20.20 | 13.23 |
| Year 2 | 16.05 | 12.83 |
| Year 3 | 16.12 | 10.19 |
| Year 4 | 14.75 | 9.28 |
| Year 5 | 14.15 | 8.13 |
| Year 6 and above | 60.17 | 32.93 |

Note: The above information has been determined on the basis of information provided by the Group, which has been relied upon by the auditors.

40. Related party transactions

(A) List of key management personnel/directors

| | |
|--|--------------------------|
| Mr. Vimal Alawadhi (with effect from 14 August 2020) | Managing Director |
| Mr. Vishesh Gupta (with effect from 14 August 2020 and upto 9 February 2021) | Non Executive Director |
| Mr. Braj Kishor Prasad | Independent Director |
| Ms. Shweta Grover (with effect from 11 June 2020 and upto 30 June 2021) | Independent Director |
| Ms. Chetna (with effect from 01 July 2021) | Independent Director |
| Mr. Shuvendu Kumar Satpathy (with effect from 27 May 2020) | Non Executive Director |
| Mr. Raajan Kumar Ailawadhi (with effect from 10 February 2021) | Executive Director (WTD) |
| Ms. Isha Luthra | Executive Director (WTD) |

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| | |
|---|-------------------------|
| Mr. D.K.Gulati (upto 8 June 2020) | Chief Financial Officer |
| Mr. Deepak Bhutani (with effect from 17 August 2020 and upto 23 March 2021) | Chief Financial Officer |
| Mr. Atul Garg (with effect from 10 April 2021) | Chief Financial Officer |
| Ms. Himanshi Negi (upto 26 December 2020) | Company Secretary |
| Mrs. Astha Wahi (with effect from 11 November 2020) | Company Secretary |
| Mrs. Aarti Arora (Company Secretary in Best Agrochem Private Limited) | Company Secretary |
| Mr. Subodh Kumar (Director in Best Agrochem Private Limited) | Director |
| Mr. Gaurav Sharma (Director in Best Crop Science Private Limited) | Director |
| Mr. Raj Kumar (Director in Best Crop Science Private Limited) | Director |

(B) List of relatives

| |
|--|
| Mrs. Vandana Alawadhi (wife of Mr. Vimal Alawadhi) |
| Mr. Pankaj Luthra (spouse of Mrs. Isha Luthra) |

(C) Entities in which a Director or his/her relative is a member or Director

| |
|--|
| M/s Best Crop Science LLP (upto 27 August 2021) |
| M/s Best Crop Science Private Limited (with effect from 28 August 2021 and upto 12 October 2021) |
| M/s Seedlings Solutions India Private Limited |
| M/s Pavas Chemicals Private Limited |
| M/s Best Fertilizers Private Limited |
| M/s Agfarm India Private Limited |

(E) Disclosure of transactions between the Group and its related parties

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|-------------------------------------|-------------------------------------|
| i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence | | |
| Sale of products | | |
| Best Crop Science LLP | 10,812.21 | 21,853.83 |
| Best Crop Science Private Limited | 1,165.40 | - |
| Transfer of property, plant and equipment | | |
| Best Crop Science Private Limited | 2.05 | - |
| Purchases of goods | | |
| Best Crop Science LLP | 2,722.16 | 4,190.51 |
| Best Crop Science Private Limited | 235.32 | - |
| Seedlings Solutions India Private Limited | 101.89 | - |
| Pavas Chemicals Private Limited | 64.09 | - |
| Rent paid (including lease liabilities payment) | | |
| Pavas Chemicals Private Limited | 62.73 | 9.60 |
| Capital advance | | |
| Pavas Chemicals Private Limited | 145.00 | 40.07 |
| Commission | | |
| Pavas Chemicals Private Limited | 7.50 | 10.00 |

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(E) Disclosure of transactions between the Group and its related parties (contd..)

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Loans given | | |
| Best Crop Science LLP | - | 31.81 |
| ii) Key Managerial Personnel | | |
| Borrowings in subsidiary | | |
| Vimal Alawadhi | - | 50.00 |
| Rent paid (including lease liabilities payment) | | |
| Vimal Alawadhi | 66.88 | 44.04 |
| Vandana Alawadhi | 52.08 | 32.80 |
| Travelling expenses | | |
| Raajan Kumar Ailawadhi | 9.48 | 2.01 |
| Vimal Alawadhi | 10.02 | - |
| Shuvendu Kumar Satpathy | 0.91 | - |
| Remuneration* | | |
| Vimal Alawadhi | 114.00 | 34.32 |
| Vishesh Gupta | - | 1.33 |
| Shuvendu Kumar Satpathy | 9.96 | 6.30 |
| Isha Luthra | 7.81 | 6.51 |
| Raajan Kumar Ailawadhi | 49.50 | 5.88 |
| Vandana Alawadhi | 27.74 | 3.50 |
| Subodh Kumar | - | 0.93 |
| Himanshi Negi | - | 2.98 |
| Astha Wahi | 8.44 | 3.59 |
| Atul Garg | 20.27 | - |
| Braj Kishore Prasad | 4.00 | - |
| Chetna | 0.94 | - |
| Aarti Arora | - | 0.84 |
| Deepak Bhutani | - | 14.85 |
| DK.Gulati | - | 3.40 |
| Gaurav Sharma | 15.51 | - |
| Raj Kumar | 9.54 | - |
| Pankaj Luthra | 7.47 | 6.29 |

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(F) Disclosure of related parties year end balances

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| i) Other group entities over which Key Management Personnel and their relatives are able to exercise significant influence | | |
| Loans | | |
| Best Crop Science LLP | - | 31.81 |
| Advances | | |
| Pavas Chemicals Private Limited | 185.07 | 40.07 |
| Other advances | | |
| Pankaj Luthra | 4.80 | - |
| Trade receivable | | |
| Best Crop Science LLP | - | 2,541.94 |
| Trade payables | | |
| Pavas Chemicals Private Limited | 46.09 | 6.56 |
| Seedlings Solutions India Pvt Ltd | 2.80 | - |
| Guarantees given to bank on behalf of the Company | | |
| Pavas Chemicals Private Limited | - | 3,700.00 |
| ii) Key managerial personnel | | |
| Borrowings in subsidiary | | |
| Vimal Alawadhi | - | 50.00 |
| Trade payables | | |
| Vimal Alawadhi (rent payable) | 6.87 | 32.73 |
| Vandana Alawadhi (rent payable) | 0.95 | 29.69 |
| Employee related liabilities | | |
| Directors/KMP remuneration payable* | | |
| Vimal Alawadhi | 10.02 | 8.00 |
| Astha Wahi | 0.70 | 0.67 |
| Atul Garg | 1.28 | - |
| Pankaj Luthra | 0.26 | 0.34 |
| Vishesh Gupta | 0.73 | 0.73 |
| Shuvendu Kumar Satpathy | 0.75 | 0.66 |
| Isha Luthra | 0.46 | 0.52 |
| Gaurav Sharma | (0.45) | - |
| Raj Kumar | 6.89 | - |
| Vandana Alawadhi | 3.69 | - |
| Raajan Kumar Ailawadhi | 3.87 | 5.83 |

* Does not include gratuity, since the provision is based upon actuarial for the Group as a whole.

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41. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group measures underlying net debt as total liabilities, comprising interest bearing loans and borrowings, excluding any dues to subsidiaries or group companies less cash and cash equivalents. For the purpose of capital management, total capital includes issued equity capital, share premium and all other reserves attributable to the equity holders of the Group, as applicable.

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| Borrowings (note 18) (including current maturities) | 25,898.28 | 2,713.33 |
| Less: cash and cash equivalents (note 14) | (1,286.42) | (2,052.61) |
| Adjusted net debt (A) | 24,611.86 | 660.72 |
| Equity | 32,994.71 | 12,967.61 |
| Total equity (B) | 32,994.71 | 12,967.61 |
| Total equity and net debt [C = (A+B)] | 57,606.57 | 13,628.33 |
| Gearing ratio (A/C) | 43% | 5% |

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

42. Financial Instruments:- Financial risk management objectives and policies

The Group's principal financial liabilities, comprises of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments in equity shares, loans to related party, trade and other receivables, security deposits, cash and short-term deposits that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and advises on financial risks and the appropriate financial risk governance framework for the Group. The board provides assurance to the shareholders that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(i) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is not exposed to any significant credit risk from its operating activities (except trade receivables), including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The carrying amounts of financial assets represent the maximum credit risk exposure.

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The ageing analysis of trade receivables (net) before adjustment of expected credit loss provision of ₹ 506.92 lacs (31 March 2021: ₹ 206.92 lacs) as of the reporting date is as follows:

| Age bracket | 0-180 Days | 180-365 Days | More than 365 days | Total |
|--|------------------|-----------------|--------------------|------------------|
| As at 31 March 2022 | | | | |
| Trade receivables (gross) | 22,333.87 | 2,893.01 | 872.60 | 26,099.48 |
| Less: Allowance for expected credit loss | - | - | (506.92) | (506.92) |
| Trade receivables (net) | 22,333.87 | 2,893.01 | 365.68 | 25,592.56 |
| Expected credit loss % | 0.00% | 0.00% | 58.09% | 1.94% |
| As at 31 March 2021 | | | | |
| Trade receivables (gross) | 11,066.45 | 1,242.50 | 1011.24 | 13,320.19 |
| Less: Allowance for expected credit loss | - | - | (206.92) | (206.92) |
| Trade receivables (net) | 11,066.45 | 1,242.50 | 804.32 | 13,113.27 |
| Expected credit loss % | 0.00% | 0.00% | 20.46% | 1.55% |

The movement in the allowance for expected credit loss in respect of trade receivables is as follows:

| | As at 31 March 2022 | As at 31 March 2021 |
|---------------------------------------|---------------------|---------------------|
| Balance at the beginning of the year | 206.92 | 56.46 |
| Additions | 300.00 | 150.46 |
| Balance at the end of the year | 506.92 | 206.92 |

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and bank loans. The Group's approach to managing liquidity to ensure, as far as possible, that it will have sufficient liquidity to meet its liability when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group closely monitors its liquidity position and deploys a robust cash management system. The Group manages liquidity risk by maintaining adequate reserves, borrowing liabilities, by continuously monitoring forecast and actual cash flows, profile of financial assets and liabilities. It maintain adequate sources of financing including loans from banks at an optimised cost. The table below provides the details regarding contractual maturities of financial liabilities.

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| On demand | | |
| - Borrowings | 20,611.35 | 2,230.01 |
| | 20,611.35 | 2,230.01 |
| Less than 1 year | | |
| - Borrowings (current maturities of non-current borrowings) | 971.34 | 145.43 |
| - Lease liabilities | 175.11 | 139.58 |
| - Trade payables | 28,354.28 | 16,503.66 |
| - Other financial liabilities | 2,187.88 | 201.23 |
| | 31,688.61 | 16,989.90 |
| 1 to 5 year | | |
| - Borrowings | 4,857.99 | 201.99 |
| - Other financial liabilities | 296.13 | 166.39 |
| - Lease liabilities | 361.47 | 429.34 |
| | 5,515.59 | 797.72 |
| More than 5 year | | |
| - Borrowings | - | 135.90 |
| | - | 135.90 |

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Details of undrawn facilities of the Company from bank (fund based as well as non fund based):

| | As at 31 March 2022 | As at 31 March 2021 |
|----------------------|---------------------|---------------------|
| Cash credit accounts | 13,399.14 | 3,708.96 |
| | 13,399.14 | 3,708.96 |

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency rate risk and other price risk.

(a) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with fixed interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

| | Increase/decrease in basis points | Effect on profit before tax |
|----------------------------|--------------------------------------|--------------------------------|
| As at 31 March 2022 | | |
| INR borrowings | +0.50% | 132.20 |
| | -0.50% | (132.20) |
| As at 31 March 2021 | | |
| INR borrowings | +0.50% | 13.57 |
| | -0.50% | (13.57) |

(b) Foreign currency rate risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in exchange rates of any currency. The Group's exposure to the risks of changes in foreign exchange rates relates primarily to the Group's trade payables, borrowings and trade receivables in the foreign countries.

The Group does not hedge its foreign currency exposure, however the sensitivity analysis is given as below for the for the currencies, in which Group has foreign exposure:

| | Changes in foreign currency rates | Effect on profit before tax |
|---|--------------------------------------|--------------------------------|
| For the year ended 31 March 2022 | | |
| USD | 1% | (143.18) |
| | -1% | 143.18 |
| For the year ended 31 March 2021 | | |
| USD | 1% | (157.61) |
| | -1% | 157.61 |

Refer note 38 for unhedged foreign currency exposure.

(c) Other price risk

The Group's investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The investment in unlisted equity securities is not significant.

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43. Leases

Following are the changes in the carrying value of right of use assets for the year ended 31 March 2022:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|-----------------------------|-----------------------------|
| Balance at the beginning of reporting year | 1,325.46 | 1,031.19 |
| Additions (note 4) | 78.99 | 383.20 |
| Acquisition through business combination (note 4) | 1,128.86 | - |
| Revaluation through revaluation reserve (note 4) | 1,909.98 | - |
| Amortisation expense (note 32) | (165.04) | (88.93) |
| Balance at the end of reporting year | 4,278.25 | 1,325.46 |

Set out below are the carrying amounts of lease liabilities and the movements during the period:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Balance as at the beginning of reporting year | 568.92 | 238.42 |
| Additions (net) | 2,952.80 | 383.20 |
| Accretion of interest | 42.94 | 34.54 |
| Payments | (3,028.08) | (87.10) |
| Pre-operative expenses | - | (0.14) |
| Balance as at the end of reporting year | 536.58 | 568.92 |
| Non-current | 361.47 | 429.34 |
| Current | 175.11 | 139.58 |

Contractual maturities of lease liabilities

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---------------------|-----------------------------|-----------------------------|
| - Within one year | 175.11 | 139.58 |
| - 1-5 years | 361.47 | 429.34 |
| - More than 5 years | - | - |
| | 536.58 | 568.92 |

Note: The weighted average incremental borrowing rate applied to lease liabilities is 8% with maturity between 2021-2026.

The following are the amounts recognised in Statement of Profit or Loss:

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|--|-----------------------------|-----------------------------|
| Depreciation expense of right-of-use assets | 165.04 | 88.93 |
| Interest expense on lease liabilities | 42.94 | 34.54 |
| Expense relating to other than long-term leases (included in other expenses) # | 104.35 | 40.50 |
| | 312.33 | 163.97 |

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

Total cash outflow for short term-leases and leases of low value for the year ended 31 March 2022 was ₹ 104.35 lacs (31 March 2021 : ₹ 40.50 lacs).

Notes to Consolidated Financial Statements

as at 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

The Group has leases for office premises, residential properties and storage facilities. With the exception of short-term leases and low value leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets to its property, plant and equipment.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on balance sheet:

| | No of right-of-use assets leased | Range of remaining term (in years) | Average remaining lease term | No of leases with extension options | No of leases with termination options |
|-------------------|----------------------------------|------------------------------------|------------------------------|-------------------------------------|---------------------------------------|
| Buildings* | | | | | |
| - 31 March 2022 | 10 | 1.5 - 5 years | 2.93 | 10 | 10 |
| - 31 March 2021 | 6 | 3 - 5 years | 4.22 | 6 | 6 |

*excludes leasehold land and buildings against which no lease liability exist.

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note:

Total cash outflow for leases for the year ended 31 March 2022 was ₹ 3,132.43 lacs (31 March 2021 : ₹ 127.60 lacs).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

44. Fair Values

The Carrying values of financial instruments by categories is as under:

| Particulars | 31 March 2022 | | | 31 March 2021 | | |
|--|----------------|--------|-------|----------------|--------|-------|
| | Amortized cost | FVTOCI | FVTPL | Amortized cost | FVTOCI | FVTPL |
| Assets | | | | | | |
| Non-current financial assets | | | | | | |
| - Other financial assets | 69.07 | - | - | 21.22 | - | - |
| Current financial assets | | | | | | |
| - Trade receivables | 25,592.56 | - | - | 13,113.27 | - | - |
| - Cash and cash equivalents | 1,286.42 | - | - | 2,052.61 | - | - |
| - Bank balances other than cash and cash equivalents | 2,741.60 | - | - | 1,226.34 | - | - |
| - Loans | - | - | - | 31.81 | - | - |
| - Other financial assets | 7.59 | - | - | 8.22 | - | - |
| Non-current financial liabilities | | | | | | |
| - Borrowings | 4,857.99 | - | - | 337.89 | - | - |
| - Lease liabilities | 361.47 | - | - | 429.34 | - | - |
| - Other financial liabilities | 296.13 | - | - | 166.39 | - | - |
| Current financial liabilities | | | | | | |
| - Borrowings | 21,582.69 | - | - | 2,375.44 | - | - |
| - Lease liabilities | 175.11 | - | - | 139.58 | - | - |
| - Trade payables | 28,354.28 | - | - | 16,503.66 | - | - |
| - Other financial liabilities | 2,187.88 | - | - | 201.23 | - | - |

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(All amounts in ₹ lacs, unless stated otherwise)

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

- i.) The fair values of loan, trade receivables, cash and cash equivalents, other financial assets, trade payables, borrowings, lease liabilities and other financial liabilities are considered to be same as their carrying values due to their short term nature.
- ii.) The carrying amount of other items carried at amortized cost are reasonable approximation of their fair value.
- iii.) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Note: There are no financial assets/ liabilities which are measured at fair value and accordingly disclosure for fair value measurement hierarchy is not required.

45. Corporate social responsibility

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| (a) Gross amount required to be spent by the Holding Company during the year | 45.36 | 12.75 |
| (b) Amount spent during the year: | | |
| (i) Construction/ acquisition of any asset | - | - |
| (ii) On purposes other than (i) above | 47.28 | 12.75 |
| (c) shortfall at the end of the year | - | - |
| (d) total of previous years shortfall | - | - |
| (e) reason for shortfall | Not applicable | Not applicable |
| (f) nature of CSR activities | Refer table below | Refer table below |
| (g) details of related party transactions | Not applicable | Not applicable |
| (h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | Not applicable | Not applicable |

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|-------------------------------------|-------------------------------------|
| Promoting education and eradicating poverty and hunger | 11.50 | 11.00 |
| For animal welfare | 23.53 | - |
| Environment | 1.25 | 1.25 |
| Covid relief | 11.00 | 0.50 |
| | 47.28 | 12.75 |

46. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's Managing Director assesses the financial performance and position of the Group and makes strategic decision and has been identified as the chief operating decision maker. The Group's primary business segment is reflected based on principal business activities carried on by the Group. As per Indian Accounting Standard 108, Operating Segments, as notified under the Companies (Indian Accounting Standards) Rules, 2015, the Group operates in one reportable business segment i.e., trading of agro based products. The geographical information analyses the Group's revenue and trade receivables from such revenue in India and other countries. The Group primarily sells its products in India.

Notes to Consolidated Financial Statements

as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

Information about major customers:

Below customers contributed more than 10% of the total revenue from operations:

| Particulars | For the year ended 31 March 2022 | | For the year ended 31 March 2021 | |
|-----------------------|----------------------------------|--------------------|----------------------------------|--------------------|
| | Amount | % of Total revenue | Amount | % of Total revenue |
| Best Crop Science LLP | 10,812.21 | 9% | 21,853.83 | 24% |
| Ravi Crop Science | 36,841.85 | 30% | 19,824.42 | 22% |

Note:

Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets, and rights arising under insurance contracts are located in India.

47. Dues to Micro, small and medium enterprises as defined under the MSMED Act, 2006

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------|---------------------|
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | | |
| - Principal amount due to micro and small enterprises | 3.64 | 1.72 |
| - Interest due on above | - | - |
| The amount of interest paid by the buyer in terms of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act) along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year. | - | - |
| The amount of 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 MSMED Act. | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| The amount of 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 the MSMED Act. | - | - |

Note: The above information has been determined to the extent such parties have been identified on the basis of information provided by the Holding Company, which has been relied upon by the auditors.

48. Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

| Name of the entity | As at 31 March 2022 | | | | | | | |
|-----------------------|--|----------------------------------|-------------------------|--------------------------------------|-------------------------------------|--|-------------------------------------|--|
| | Net assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | Amount (₹ lacs) | As % of consolidated net assets* | Amount (₹ lacs) | As % of consolidated profit or loss* | Amount (₹ lacs) | As % of consolidated other comprehensive income* | Amount (₹ lacs) | As % of consolidated total comprehensive income* |
| Parent | | | | | | | | |
| Best Agrolife Limited | 31,230.31 | 94.65% | 8,707.02 | 83.11% | 8.01 | 346.52% | 8,715.04 | 83.17% |

Notes to Consolidated Financial Statements

as at 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

| Name of the entity | As at 31 March 2022 | | | | | | | |
|---|--|----------------------------------|-------------------------|--------------------------------------|-------------------------------------|--|-------------------------------------|--|
| | Net assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | Amount (₹ lacs) | As % of consolidated net assets* | Amount (₹ lacs) | As % of consolidated profit or loss* | Amount (₹ lacs) | As % of consolidated other comprehensive income* | Amount (₹ lacs) | As % of consolidated total comprehensive income* |
| Subsidiary | | | | | | | | |
| Seedlings India Private Limited | 619.79 | 1.88% | 617.84 | 5.90% | - | 0.00% | 617.84 | 5.90% |
| Best Crop Science Private Limited | 5,072.13 | 15.37% | 1,886.21 | 18.00% | (5.70) | -246.60% | 1,880.51 | 17.95% |
| Inter-company eliminations/ adjustments | (3,927.52) | -11.90% | (734.88) | -7.01% | 0.00 | 0.08% | (734.89) | -7.01% |
| | 32,994.71 | 100.00% | 10,476.19 | 100.00% | 2.31 | 100.00% | 10,478.50 | 100.00% |

| Name of the entity | As at 31 March 2021 | | | | | | | |
|---|--|----------------------------------|-------------------------|--------------------------------------|-------------------------------------|--|-------------------------------------|--|
| | Net assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
| | Amount (₹ lacs) | As % of consolidated net assets* | Amount (₹ lacs) | As % of consolidated profit or loss* | Amount (₹ lacs) | As % of consolidated other comprehensive income* | Amount (₹ lacs) | As % of consolidated total comprehensive income* |
| Parent | | | | | | | | |
| Best Agrolife Limited | 12,966.65 | 100.00% | 3,706.62 | 100.00% | 903.01 | 100.00% | 4,609.62 | 100.00% |
| Subsidiary | | | | | | | | |
| Seedlings India Private Limited | 1.96 | 0.00% | 0.96 | 0.00% | - | 0.00% | 0.96 | 0.00% |
| Inter-company eliminations/ adjustments | (1.00) | 0.00% | 0.00 | 0.00% | (0.00) | 0.00% | 0.00 | 0.00% |
| | 12,967.61 | 100.00% | 3,707.58 | 100.00% | 903.01 | 100.00% | 4,610.58 | 100.00% |

* The above amounts/percentage of net assets and net loss in respect of Best Agrolife Limited and its subsidiaries are determined based on the amounts of the respective entities included in consolidated financial statements before inter-company eliminations/consolidation adjustments.

49. In the current year, the Holding Company has acquired 100% controlling interest in Best Crop Science Private Limited on 13 October 2021 through issue of equity shares. Pursuant to approval of shareholders in the annual general meeting held on 28 September 2021, the Holding Company had allotted 16,12,674 fully paid-up equity shares of ₹ 10 each on a preferential allotment basis at an issue price of ₹ 630 per share which includes a premium of ₹ 620 per share for an aggregate consideration of ₹ 10,159.85 lacs.

a) Business combination

The above transaction qualified as a business combination as per Ind AS 103 - "Business Combinations" and had been accounted by applying the acquisition method wherein identifiable assets acquired, liabilities assumed are fair valued against the fair value of the consideration transferred and the resultant goodwill recognised.

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as at 31 March 2022

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(All amounts in ₹ lacs, unless stated otherwise)

b) Measurement of fair values

| Particulars | Amount |
|--|------------------|
| Fair value of consideration transferred | |
| Equity shares* | 10,159.85 |
| Total (A) | 10,159.85 |
| Assets acquired | |
| Property, plant and equipment | 10,276.25 |
| Intangible asset | 528.93 |
| Inventories | 10,099.49 |
| Trade receivables | 13,076.52 |
| Cash and cash equivalents | 8.23 |
| Other assets | 1,536.65 |
| Total assets acquired (B) | 35,526.07 |
| Liabilities assumed | |
| Borrowings | 11,681.50 |
| Trade payables | 11,402.95 |
| Other liabilities | 3,150.07 |
| Total liabilities assumed (C) | 26,234.52 |
| Net assets acquired [D = (B-C)] | 9,291.55 |
| Goodwill (A-D) | 868.30 |

*The equity shares issued to the seller was pursuant to the preferential allotment of shares as per the relevant regulations.

The aforementioned transaction is a non-cash transactions which has been entered with 1 of its director and persons connected with director of the Holding Company during the year and hence is covered under the provisions of section 192 of the Act. The Holding Company has complied with the provisions of aforesaid section of the Act, by way of obtaining prior approval of shareholders in the general meeting of the Holding Company.

50. In the current year, the Holding Company had acquired the business of Agrico Chemicals on 15 February 2022 pursuant to approval of board in the board meeting held on 25 January 2022. The purchase consideration amounted to ₹ 1,777.94 lacs and was required to be discharged in cash within six months of the acquisition date.

a) Business combination

The above transaction qualified as a business combination as per Ind AS 103 - "Business Combinations" and had been accounted by applying the acquisition method wherein identifiable assets acquired and liabilities assumed are fair valued against the fair value of the consideration transferred .

b) Measurement of fair values

| Particulars | Amount |
|--|-----------------|
| Fair value of consideration transferred | |
| Purchase consideration | 1,777.94 |
| Total (A) | 1,777.94 |
| Assets acquired | |
| Property, plant and equipment | 303.05 |
| Inventories | 671.66 |
| Trade receivables | 963.84 |
| Total assets acquired (B) | 1,938.55 |
| Liabilities assumed | |
| Creditors and other liabilities | 160.61 |
| Total liabilities assumed (C) | 160.61 |
| Net assets acquired [D = (B-C)] | 1,777.94 |

Notes to Consolidated Financial Statements

as at 31 March 2022

CIN NO. L74110DL1992PLC116773

(All amounts in ₹ lacs, unless stated otherwise)

51. Other statutory information

- (a) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (b) The Group do not have any transactions with struck off companies.
- (c) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (d) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (e) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- (f) The Group has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (g) The Group is not declared wilful defaulter by any bank or financial institution or government or any government authority.

52. Pursuant to changes notified in Schedule-III, during the year ended 31 March 2022, the Group has reclassified/regrouped certain previous year's balances.

53. The Board of Directors of the Holding Company have recommended a dividend of ₹ 2 (20%) per equity share of ₹ 10 each for the financial year ended 31 March 2022 subject to the approval of shareholders. The Board of Directors of the Holding Company had recommended a dividend of ₹ 2 (20%) per equity share of ₹ 10 each for the financial year ended 31 March 2021 which was subsequently approved by the shareholders in the Annual General Meeting held on 28 September 2021 and paid thereof.

54. The consolidated financial statements were approved for issue by the Board of Directors of the Holding Company on 23 May 2022.

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

As per our report of even date

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

Tarun Gupta
Partner
Membership No. 507892

Place: New Delhi
Date: 23 May 2022

For and on behalf of the Board of Directors of
Best Agrolife Limited

Vimal Alawadhi
Managing Director
DIN: 01260082

Atul Garg
Chief Financial Officer

Place: New Delhi
Date: 23 May 2022

Raajan Kumar Ailawadhi
Director
DIN: 08821964

Astha Wahi
Company Secretary

Registered Office and Corporate Office

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