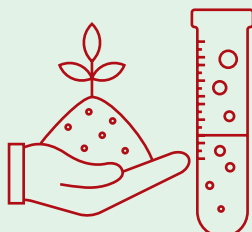
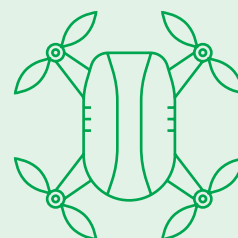


# SUSTAINABLE GROWTH. ENDURING VALUE.



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## FY 2023-24 KEY HIGHLIGHTS



**₹ 25,251 Lakhs**

REVENUE

(19.71% Y-O-Y) GROWTH)



**₹ 2,831 Lakhs**

PROFIT AFTER TAX

(38.16% Y-O-Y) GROWTH)



**22%**

RETURN ON EQUITY (ROE)





## SUSTAINABLE GROWTH. ENDURING VALUE.

In this, our maiden post-IPO annual report, we present the story of our strengths and strategies to growth in India.

Founded in 2007, Nova Agritech Limited (Nova Agritech) empowers farmers with a diverse range of crop-growth solutions. Our R&D efforts, innovation and commitment to educating farmers have allowed us to expand our operations and product range, earning us recognition in the agri-product industry. We are also focused on precision farming tools, such as Bhu Parikshak, a soil-testing after device and Directorate General of Civil Aviation (DGCA)-approved agricultural drones branded as “AGRIBOT,” which provide state-of-the-art method for foliar fertilizer and pesticide application.

We are committed to achieving sustainable growth and creating lasting value. Through innovation, robust distribution network, and a strong emphasis on research and development, we consistently meet the rising demands of the agricultural sector while maintaining profitability and exceeding industry standards. With a proven track record of operational excellence, strategic plans for capacity expansion, an unwavering focus on quality, and an experienced management team, we are confident in our ability to generate long-term value for our shareholders.



## ABOUT NOVA AGRITECH LIMITED

Nova Agritech Limited (Nova Agritech) is a leading agri-input manufacturer, specialising in soil health management, crop nutrition, and crop protection products. With a strong commitment to technology-driven solutions, we emphasize the development of ecologically sustainable and nutritionally balanced products through extensive research and development efforts.

As of March 31, 2024, we have a robust product portfolio with 723 registrations across various categories, including soil health management, crop nutrition, Integrated Pest Management (IPM) Products, bio pesticides, bio stimulants and new technologies. Our wholly-owned subsidiary, Nova Agri Sciences Private Limited (NASPL), handles the manufacturing, marketing and distribution of crop protection products and plant growth regulators, contributing significantly to the company's revenue.

We place a high priority on research and development endeavours, maintaining an in-house R&D facility, recognised by Directorate of Scientific and Industrial Research (DSIR) and fostering collaborations with universities. Through a dedicated R & D centre spanning 67.13 acres of leased land in Valaparla Village, Andhra Pradesh, we conduct rigorous testing of product efficacy trials across various crops, nurturing a culture of continuous innovation.







## VISION

To be a global leader in provision of comprehensive agriculture technology solutions while balancing the goals between food security and environment sustainability.



## MISSION

To provide a wide range of cutting-edge agri input solutions through continued and organised research and focus towards quality and excellence, ultimately leading to an ecologically sustainable, nutritionally balanced and financially profitable farming community.

## KEY FACTS



**720+**

TOTAL PRODUCTS



**18 Lakhs+**

SATISFIED FARMERS



**11,823**

DEALERS

## KEY STRENGTHS

### One-stop solution for soil health management

Nova Agritech empowers farmers with a comprehensive array of products covering soil health management, crop nutrition, and crop protection. Think of it as a toolbox stocked with everything necessary for a flourishing farm – including organic fertilizers, bio fertilizers, soil conditioners, water-soluble NPK fertilizers, micronutrient fertilizers, beneficial element fertilizers, straight nitrogen and potash fertilizers, bio stimulants, bio pesticides, new technologies, insecticides, fungicides, herbicides, and plant growth regulators. To simplify application and enhance yields, we have formulated unique combinations of two or more active ingredients in several products.

### Established distribution network

Nova Agritech efficiently reaches even the most remote areas of India. We have established a strong distribution network comprising over 11,823 dealers spread across 16 states. This ensures prompt delivery of essential products to farmers, which is crucial in the seasonal world of agriculture.

### Well-equipped research & development

We prioritise substantial investments in research and development. Our specialised in-house facility is dedicated to development of both new products and stringent quality control measures. Collaborations with esteemed universities and the presence of a research incubation centre in Andhra Pradesh drives the company's pursuit for innovative solutions. The in-house R&D facility is recognised by Directorate of Scientific and Industrial Research (DSIR).

### Strengthening farmer outreach

The company's Nova Kisan Seva Kendra (NKSK) plays a pivotal role in generating revenue by adding more satisfied, loyal customers by providing need-based solutions with products, technologies and usage skills in agriculture. It is facilitated by dedicated team of agricultural graduate coordinators. It collaborates closely with Kisan Mitras and Kisan Sevaks at the grassroots level, ensuring tailored guidance for every farmer. As of March 31, 2024, the NKSK team consists of 16 agri-graduate coordinators on the company's payroll. Additionally, Nova Agritech has partnered with 86 Kisan Mitras and 80 Kisan Sevaks at the grassroots level.

### Technology-driven growth

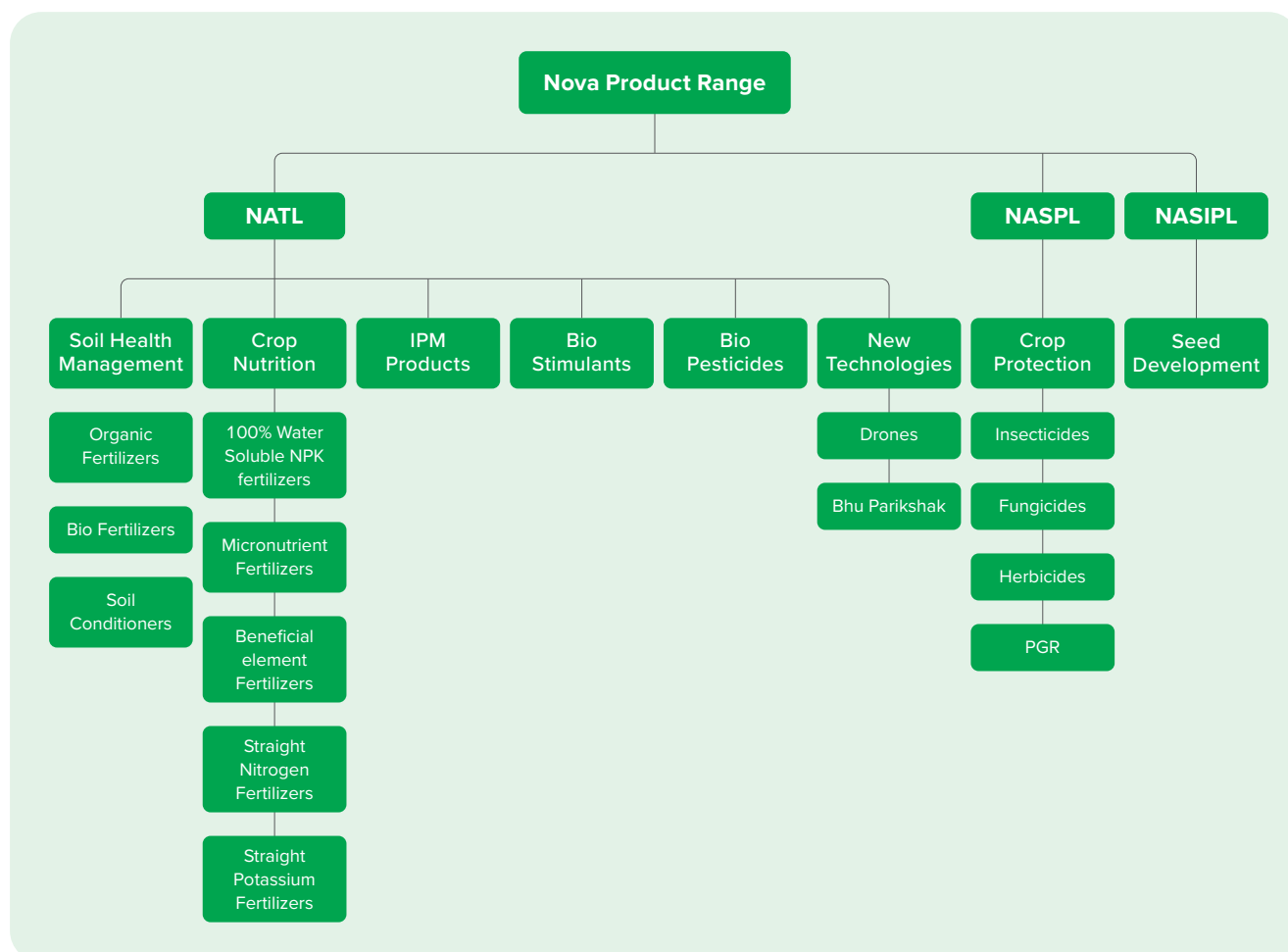
From understanding market trends to anticipating farmer needs, Nova Agritech leverages technology at every step. Tools like Bhu Parikshak, Nova Agribot, and the NKSK App empowers them to adapt to the ever-changing agricultural landscape. We actively engage in social media outreach and technology transfer partnerships with universities, solidifying its commitment to innovation. We also use a tailor-made ERP application for executing orders and reporting.

### Experienced management team and promoters

We are guided by a management team having extensive expertise in the agricultural domain. Comprising professionals with diverse backgrounds in technical, commercial, and professional realms within the agricultural industry, our team is exceptionally qualified and seasoned in navigating industry challenges. They have played a pivotal role in steering the growth of our operations. Furthermore, our Promoters have been instrumental in propelling our revenue and earnings through effective management and execution strategies.

## ENRICHED PRODUCT PORTFOLIO

We have a diversified branded product portfolio, offering a wide range of products as a complete solution for agricultural requirements such as comprehensive range of organic fertilizers, bio fertilizers, soil conditioners, water-soluble NPK fertilizers, micronutrient fertilizers, beneficial element fertilizers, straight nitrogen and potash fertilizers, Integrated Pest Management (IPM) Products, bio stimulants, bio pesticides, new technologies, insecticides, fungicides, herbicides, and plant growth regulators.



### Soil Health Management

Soil health management comprises products containing organic fertilizers, bio fertilizers, and soil conditioners.



### Crop Nutrition Products

Crop nutrition products encompass a range of essential fertilizers, including 100% water-soluble NPK fertilizers, micro-nutrient fertilizers, beneficial element fertilizers, straight nitrogen fertilizers, and straight potassium fertilizers.



### Integrated Pest Management (IPM) Products

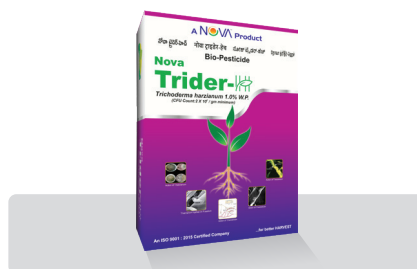
IPM is a strategic approach to managing insect pests in the landscape through economically and environmentally sustainable practices. Our primary portfolio in this area includes chromatic traps, pheromone lures, sticky sheets, and more.





### Bio Stimulants

Bio stimulants are substances, micro-organisms, or combinations thereof that enhance plant growth, nutrient absorption, yield, and stress tolerance without acting as pesticides or plant growth regulators (PGRs). They encompass botanical extracts like seaweed, bio chemicals, protein hydrolysates, amino acids, vitamins, microbial products, antioxidants, anti-transpirants, as well as humic and fulvic acids.



### Bio Pesticides

Bio pesticides are biological substances or organisms that control pests by damaging, killing, or repelling them. They offer safer alternatives to chemical pesticides, posing minimal risks to humans and the environment. Our range includes bio pesticides such as Trichoderma harzianum, Trichoderma viride, Beauveria bassiana, and Verticillium lecanii, which are yet to be introduced to the market.



### New Technologies

New technologies include – Agribot Drones and Bhu Parikshak

#### Drones

Our drones, named Agribot, are custom-designed to alleviate the burden on farmers. They streamline operations by optimising input utilisation, promptly addressing threats, reducing time spent on crop scouting, improving variable-rate prescriptions, and estimating field yields. Approved by the Directorate General of Civil Aviation (DGCA) for agricultural applications, Agribot is capable of spraying soil health, crop nutrition, and protection products over one acre in just six minutes, significantly expediting the process for farmers.



### Bhu Parikshak

Bhu Parikshak represents a revolutionary device capable of swiftly assessing soil health within a mere 90 seconds through a mobile application. This innovative tool aids farmers in analysing critical soil parameters and prescribing fertilizer doses without the need for laboratory visits. Utilising Near Infrared Spectroscopy technology, it generates instant reports accessible via its dedicated mobile app, conveniently downloadable from the Google Play Store. Additionally, Bhu Parikshak stores farmer land data for future reference, enhancing efficiency and convenience for agricultural endeavor.

### Products registrations and products manufactured as on March 31, 2024

#### NATL

Category	Licenses	Products Manufactured
Soil Health Management	7	7
Crop Nutrition	184	90
Bio Pesticides	4	Nil
<b>Total</b>	<b>195</b>	<b>97</b>

#### NASPL

Crop Protection	528	103
<b>Total</b>	<b>528</b>	<b>103</b>

## DISTRIBUTION NETWORK

We effectively market, sell, and distribute our extensive product range to farmers throughout India, leveraging our network of dealers spread across various states. Our dealer network comprises approximately 11,823 dealers, with around 6,769 actively engaged in distributing and selling our products during the current financial year.

As of March 31, 2024, our dealer network spans across 16 states in India, including Andhra Pradesh, Telangana, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Odisha, West Bengal, Bihar, Gujarat, Jharkhand, Uttarakhand, and Jammu & Kashmir. Additionally, we have established relationships with two dealers in Nepal.

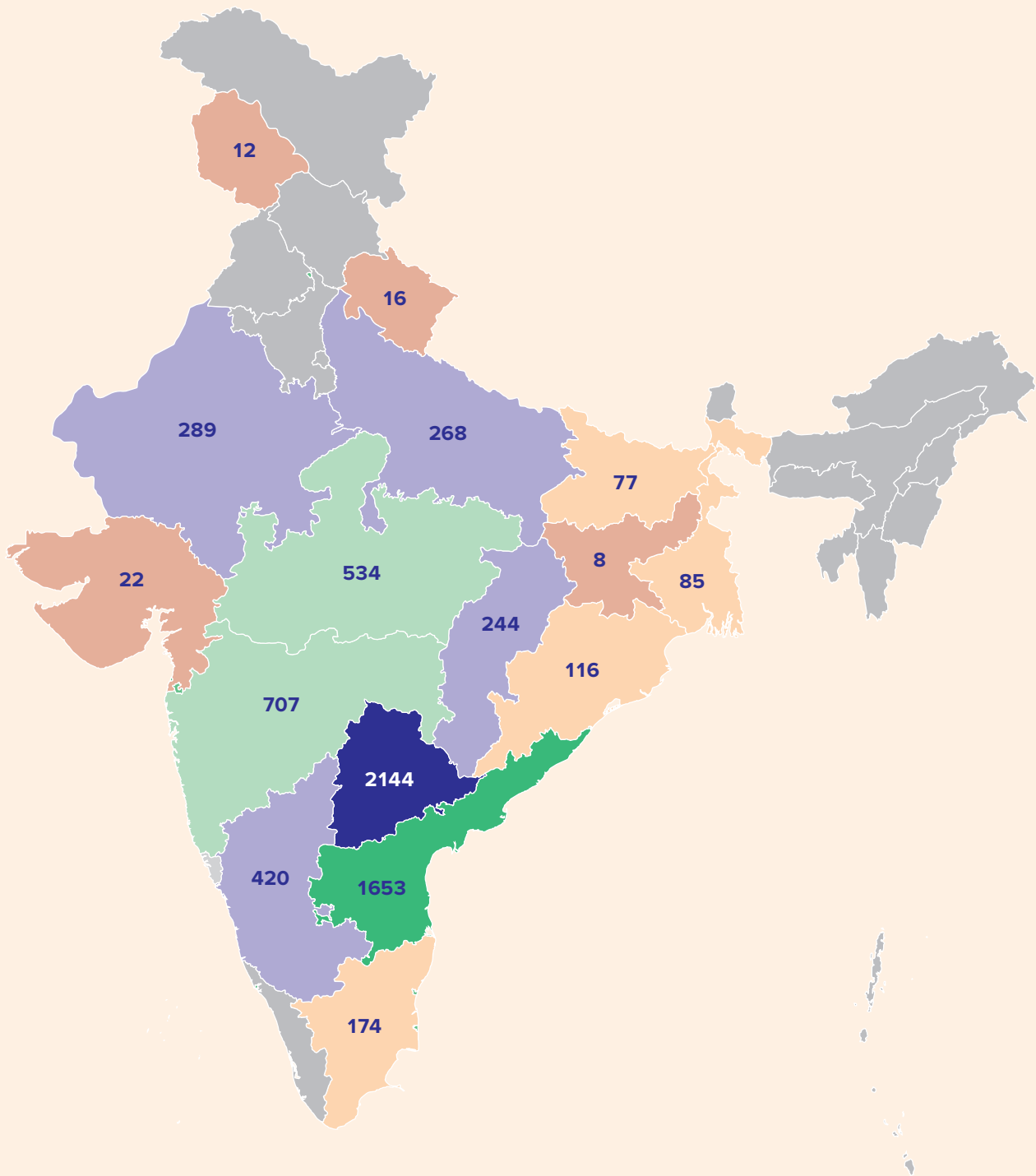
Furthermore, we have initiated marketing, distribution, and supply agreements with selected third parties in Bangladesh, Sri Lanka, and Vietnam. Currently, we are in the process of obtaining the necessary permissions to commence operations in these jurisdictions.



Our sales team consists of 144 dedicated employees responsible for overseeing branded sales, establishing and managing distribution channels, and promoting our products. Our direct presence in key markets, facilitated by our own distribution channels, sales force, and marketing managers, has significantly contributed to the overall growth of our business. Moreover, our marketing team plays a pivotal role in product development, leveraging market studies and feedback to identify trends, understand farmer requirements, and explore diversification opportunities.

Our close relationship with dealers, coupled with the support of our sales force, allows us to efficiently introduce new products and ensure their accessibility to a wide range of farmers. We also benefit from their feedback, which enables us to gauge the demand for our existing formulations and generic active ingredients. To further enhance our distribution capabilities, we have engaged in agreements with certain parties to act as C&F agents, thereby expanding our reach and ensuring effective product distribution to dealers.





**6,769**

ACTIVE DEALERS



**16 States**

PRESENCE

Note: Map not to scale

## KEY MILESTONES

In our journey toward agricultural empowerment and sustainable farming practices, we have achieved significant milestones that mark our progress and commitment to the farming community. These milestones reflect our dedication to innovation, education, and support for farmers across various regions.

2011

Inception of Nova Raithu Seva Kendram

2013

Acquired land for setting up new manufacturing facility at Singannaguda Village, Mulugu Mandal, Siddipet, Medak, Telangana

2014

Crossed turnover of ₹ 5,000 Lakhs

Expanded business by appointing C&F agents in the State of Rajasthan

2018

Crossed turnover of ₹ 10,000 Lakhs

Changed the status of the Company from Private Limited to Public i.e. to Nova Agritech Limited

2017

Introduced 100% water soluble nitrogen (N), phosphorus (P) and potassium (K) [NPK] mixture fertilizers on “Nova Nutri” series to market







2019

Inception of Nova Kisan Seva Kendra

2020

Introduced beneficial element fertilizers in the market

2024

Listed on BSE and NSE  
Crossed turnover of ₹ 20,000 Lakhs

2023

Won Best HR Practices Award by FICCI

2022

Ten (10) acres of land allotted by Karnataka Industrial Areas Development Board (KIADB) for manufacture of “Agro Chemical, Pesticides, Bio Stimulants, Micro Nutrients, Water Solubles” in the State of Karnataka

Expanded business by appointing C&F agents in the States of Gujrat, Jammu & Kashmir, Tamil Nadu, Uttarakhand, Uttar Pradesh and West Bengal

2021

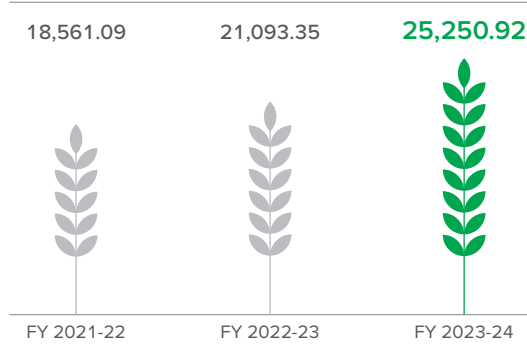
Crossed turnover of ₹ 15,000 Lakhs  
Introduced fertilizer and pesticide spraying drone “Nova Agribot” and soil health scanning device “Bhu-Parikshak” to market.  
Introduced beneficial element fertilizers “HY-Clean” in the market

## KEY PERFORMANCE INDICATORS

We achieved growth across all aspects of our business and delivered impressive results while maintaining our commitment to investing in our operations. We are confident in our ability to sustain this positive momentum, and our goal remains to consistently provide industry-leading profitable growth.

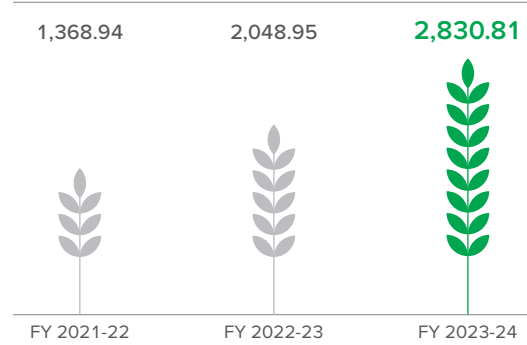
### Revenue

(₹ in Lakhs)



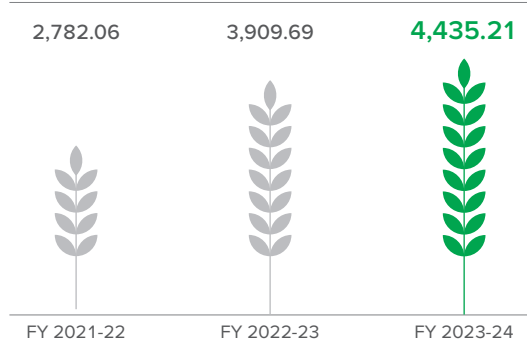
### PAT

(₹ in Lakhs)



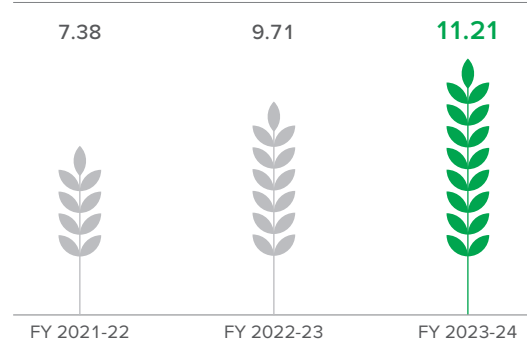
### EBITDA

(₹ in Lakhs)



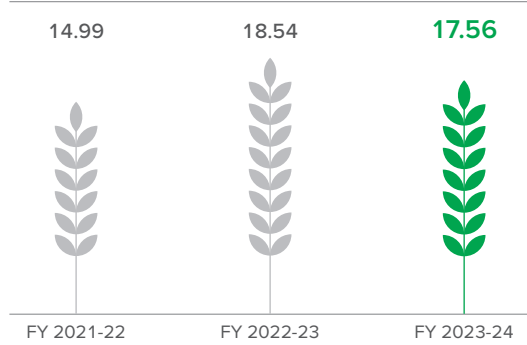
### PAT Margin

(%)



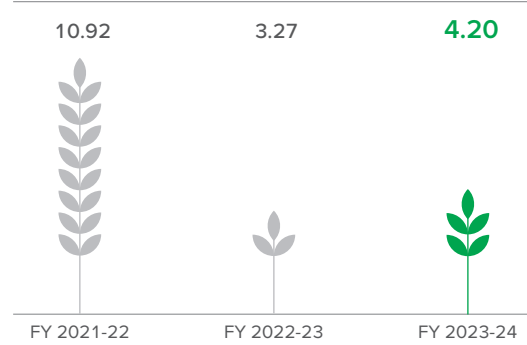
### EBITDA Margin

(%)



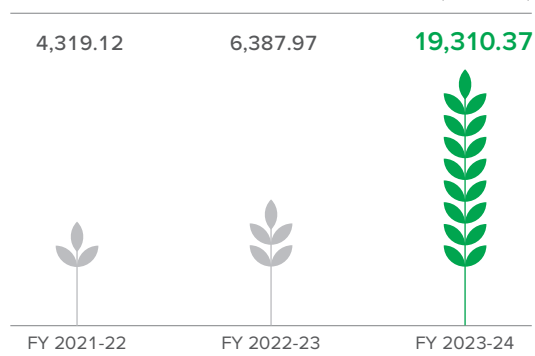
### EPS

(₹)



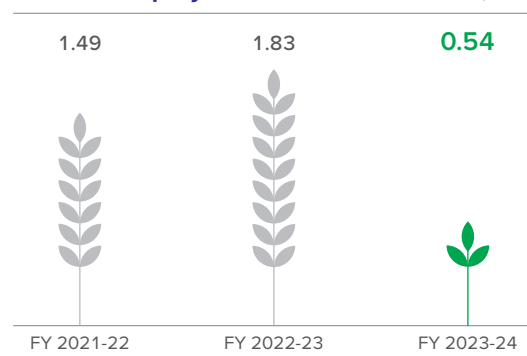
### Networth

(₹ in Lakhs)



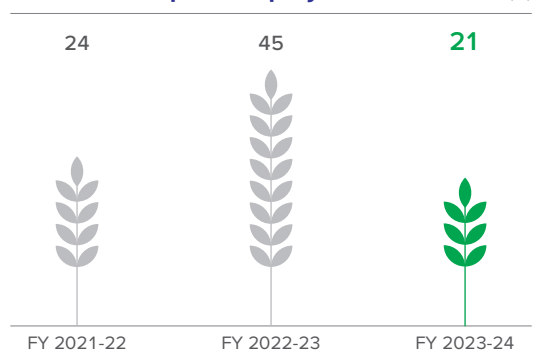
### Net debt/equity Ratio

(times)



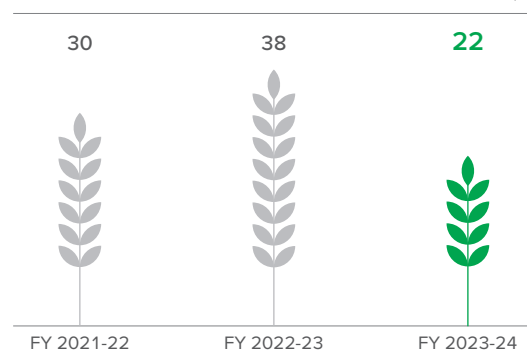
### Return on Capital Employed

(%)



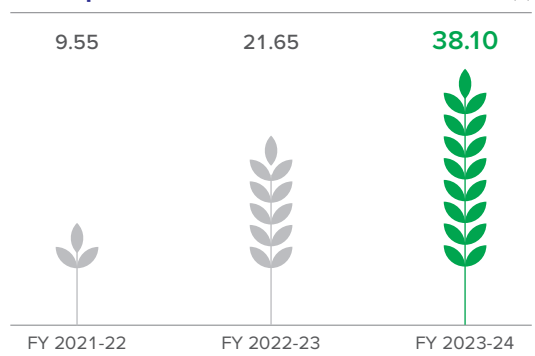
### ROE

(%)



### CSR Spend

(₹)





## MD'S MESSAGE



**Dear Shareholders,**

*It's great moment for all of us. Following the successful launch of our IPO, the Nova Agritech family has grown significantly and I am privileged to welcome every new member to a journey, which is surely going to be both exciting and eventful. I am pleased to share that Nova Agritech has come a long way since we began operations in 2007.*

**Kiran Kumar Atukuri**

Promoter and Managing Director

Our business was started with an objective to be a one-stop solution provider by offering ecologically sustainable and nutritionally balanced products to the farmers.

Financial Year 2023-24 marks an important landmark in our Company's evolution. We achieved positive outcomes on almost all fronts. The most significant milestone of the year was that our Company got listed on the stock exchange. I would like to congratulate the whole family of Nova Agri on the overwhelming response by the investors and bumper listing of our Company, we were pleasantly surprised when the shares of our Company were oversubscribed more than 100-fold.

### **Transforming agriculture industry**

The agriculture industry, integral to global sustenance, is currently undergoing a transformative phase with an increased focus on technological integration and sustainable practices. Companies within the sector, especially in developing countries like India, play a crucial role in food security and economic development. As the demand for increased agricultural productivity rises amidst the challenges of climate change and a growing population, innovation-driven companies are poised to lead the agricultural revolution by offering solutions that enhance productivity, sustainability, and profitability. Armed with expertise, a dedication to innovation, and a passion for sustainability, Nova Agritech is poised to seize opportunities in transforming the Indian agriculture ecosystem.

Through our R&D efforts, we constantly update and enhance our product portfolio to match the evolving landscape of the

***Nova Agritech has secured a total of 723 product registrations across six categories: 7 in soil health management, 173 in crop nutrition, 4 in bio pesticides, 3 in bio stimulants, 8 in Technical indigenous manufacture (TIM), and 528 in crop protection.***

industry. Our focus is on farmer driven solution approach, wherein we mainly offer ecologically sustainable and nutritionally balanced products. Nova Agritech has secured a total of 723 product registrations across six categories: 7 in soil health management, 173 in crop nutrition, 4 in bio pesticides, 3 in bio stimulants, 8 in Technical Indigenous Manufacture (TIM), and 528 in crop protection. We actively engage in social media outreach and technology transfer partnerships with universities, solidifying our commitment to innovation.

We run a farmer outreach programme called Nova Kisan Seva Kendra programme (NKS) through which we educate farmers on various crop management practices. The key objective of NKS is to provide farmers with need-based solutions, products, technologies, methodologies, knowhow and usage skills, thereby enhancing farm yield. We also provide farming inputs to farmers regarding the appropriate amount of dosage and application of our products through our IOT based solutions such as the soil health scanning device called "NOVA BHU PARIKSHAK" and also the drones called as "NOVA AGRIBOT".

*During the year, the net profit rose 28.16% to ₹ 2,830.81 Lakhs for the year ended March 2024 as against ₹ 2,048.95 Lakhs during the previous year ended March 2023. Sales grew 19.90% to ₹ 25,250.92 Lakhs for the year ended March 2024 as against ₹ 21,093.35 Lakhs during the previous year ended March 2023.*

### Year in review

During the year, the net profit rose 28.16% to ₹ 2,830.81 Lakhs for the year ended March 2024 as against ₹ 2,048.95 Lakhs during the previous year ended March 2023. Sales rose 19.90% to ₹ 25,250.92 Lakhs for the year ended March 2024 as against ₹ 21,093.35 Lakhs during the previous year ended March 2023.

We launched number of new products to cater to the needs of the farmers. In the Rabi and Summer seasons of 2023-24, one new bio fertilizer Nova Ponik, two bio stimulants Super Lava 4G, NOVO Power and Fungicides, Insecticides, Herbicides were introduced. Super Lava, NOVO Power and Nova PRS, containing seaweed extract, promote plant growth, branching, flowering, fruiting, and yield, while also reducing plant stress. Tricomane, a fungicide with Tricyclazole and Mancozeb, effectively controls Blast, Brown Spot, and Grain Discolouration in paddy. Nova Slam, an herbicide with Penoxsulam, targets weeds in paddy fields. The Department of Scientific and Industrial Research (DSIR) of Government of India under Ministry of Science and Technology, New Delhi, has accorded prestigious recognition to in-house Research and development (R&D) unit of the company located at Siddipet District, Telangana.

### People at the core

We recognise our employees' role in shaping a sustainable future and strive to foster a corporate culture that aligns business goals with the growth and development of our people. The training programmes provide an ideal combination of e-learning and classroom sessions to improve skill sets and foster professional development.

### Environment and communities

We are dedicated to ensuring energy sustainability and creating a greener, better planet. To this end, we have installed 130 KW solar panels at our manufacturing facility, generating the electricity needed for production, minimizing our electricity costs, and reducing our carbon footprint.

Additionally, we have built rainwater harvesting pits, which meet most of our facility's water needs and conserve valuable rainwater.

We continue to enhance value for stakeholders across various sectors through our CSR initiatives, aiming to create a more sustainable world. In collaboration with Shankar Netralaya, we organised free eye camps in the Prakasham and Guntur districts of Andhra Pradesh, providing beneficiaries with check-ups and facilitating necessary surgeries through Shankar Netralaya. We have also worked on women empowerment programmes educating them on women's health.

### Outlook

We have our market presence in 16 States of India and in neighbouring country, Nepal. The plans for expansion into other States of India and in other countries where the potential for marketing agriproducts exists are underway. We also plan to set-up a new formulation plant and expand existing facility in Telangana. The expansion aims to enhance manufacturing capabilities, introducing new formulation types and increasing product range. New technical import licenses for Emamectin and Carbendizum will also help in boosting sales and realisations in the domestic market. We also plan to enhance farmer engagement by offering a comprehensive crop advisory platform, focusing on educating them about evolving trends and new agricultural methods.

### Closing

I take this opportunity to place on record our appreciation for the efforts put in by employees, auditors, consultants and the support of our bankers. I thank the Board for its guidance and express my profound gratitude to our shareholders for their continued faith in our abilities and for their unwavering support for all our endeavours. I assure you that while driving forward our growth story, we will stay committed to embracing best practices in the environmental, social and governance domains, for I believe, this alone will create holistic and sustainable value for our stakeholders.

Regards,

**Kiran Kumar Atukuri**

Promoter and Managing Director

## ROBUST RESEARCH AND DEVELOPMENT

At our current manufacturing facility, we have established a dedicated DSIR-recognised Research and Development (R&D) centre equipped with state-of-the-art equipment and a specialised microbiology lab. This facility is pivotal for conducting various test essential for our R&D initiatives. Additionally, we operate a quality control laboratory on-site, focused on monitoring the quality of both raw materials and finished goods.



### RESEARCH AND DEVELOPMENT

Our R&D department operates tirelessly to enhance and refine our existing product range. Their efforts are dedicated to improving product efficacy and ensuring the development of more advanced and superior range of products. As on March 31, 2024 we have 36 employees dedicated towards the process of R&D at our manufacturing facility. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which enhance our product range. Around 2% of the Company's revenue is invested in R&D.

### FOCUS AREAS

- Develop newer technologies and manufacturing processes for existing as well as new products.
- Reduce the cost of production and improve product efficacy.
- Simplify manufacturing processes to improve safety and reduce environmental load.
- Strive for continuous process improvements.
- Improve procurement process thus reducing wastage and other costs.
- Provide with other growth opportunities.

### R&D HAS YIELDED VALUABLE INNOVATIONS FOR THE COMPANY

- Amino acid chelated multi-micronutrient mixtures address plant micronutrient deficiencies and boost yields.
- Organic fertilizer products enhance soil health by promoting beneficial microbe colonization, reducing biotic stress.
- Chelated liquid multi-micronutrient mixtures improve nutrient uptake, enhancing fruit and vegetable quality.
- Controlled water dispersible granular (CWDG) fertilizer provides sustained micro- and macronutrients.
- Chelated organo-mineral secondary and micronutrients ensure efficient delivery of essential nutrients to plants.



## CUTTING-EDGE TECHNOLOGY

Throughout our business's value chain, technology plays a crucial role in understanding market dynamics, assessing farmer needs, and enhancing our product portfolio to provide tailored solutions that meet evolving demands. In the ever-changing agricultural landscape, it's essential that our business strategy remains aligned with these shifts. Technology enables us to adapt quickly and effectively to these changes, ensuring our continued relevance and success in the market.



### BHU PARIKSHAK

AgroNxt Services Private Limited and Nova Agritech has entered into a memorandum of understanding (MOU) dated May 26, 2022. Under this agreement, AgroNxt has committed to providing our company with the Bhu Parikshak device for sale, along with training support for our staff and after-sales service. Bhu Parikshak is a pioneering device capable of swiftly detecting soil health within just 90 seconds through an integrated mobile application. This innovative tool empowers individual farmers by providing soil health parameters and recommended fertilizer doses without the need for laboratory visits. Utilizing near-infrared spectroscopy technology, the device generates real-time soil analysis reports accessible on smartphones via the Bhu Parikshak mobile application, available for download on the Google Play Store.



### ADVANTAGES

- **Reduction in soil report charges:** Farmers can save on the cost of soil analysis reports, as Bhu Parikshak provides swift and accurate results without the need for laboratory testing.
- **Saving on lab establishment cost:** Eliminates the need to set up a dedicated laboratory for soil analysis, reducing associated establishment costs.
- **No requirement for lab space:** Since Bhu Parikshak operates via a mobile application, there's no need for physical space to house a laboratory.
- **Reduced manpower and training:** Requires fewer personnel and minimal training compared to traditional lab-based soil analysis methods.
- **User-friendly and time-efficient:** Offers a user-friendly interface and provides rapid results, saving farmers valuable time in managing their agricultural operations.

## CUTTING-EDGE TECHNOLOGY (CONTD.)



### NOVA AGRIBOT

Nova Agribot is a groundbreaking initiative resulting from a memorandum of understanding (MOU) between Nova Agritech and IoTechWorld Avigation Private Limited. Under this agreement, IoTechWorld Avigation Private Limited will manufacture and supply advanced multipurpose agriculture drones, duly approved by the Directorate General of Civil Aviation (DGCA). Moreover, IoTechWorld Avigation Private Limited will provide comprehensive after-sales support, including spares, legal compliance, insurance, customization, and more.

Nova Agritech, on the other hand, will play a pivotal role in promoting Nova Agribot. This entails educating and persuading its network of dealers and farmers to invest in these innovative drones. Additionally, we will assist them in securing financial support through bank loans or government subsidies, facilitating wider adoption of Nova Agribot across the agricultural sector.

### ADVANTAGES

- **Improved efficiency:** Enhances overall farming operations by streamlining tasks and processes.
- **Rapid coverage:** Capable of efficiently covering large areas of land in a short period.
- **Effective data gathering:** Enables farmers to gather and monitor crop data more effectively, aiding in decision-making.
- **Precision spraying:** Utilises sensors to detect foliage, allowing for targeted and efficient pesticide application.
- **Cost reduction:** Identifies areas needing attention, reducing manual labor and minimizing the use of pesticides and chemicals.
- **High-resolution imaging:** Provides detailed crop views, enabling precise interventions and targeted actions.
- **Water efficiency:** Requires less water compared to traditional methods, promoting sustainable agricultural practices.

## NOVA KISAN SEVA KENDRA

We run a farmer outreach program called Nova Kisan Seva Kendra programme (NKSJ), aimed at educating farmers on various crop management practices.



### NOVA KISAN SEVA KENDRA

As of March 31, 2024, our NKSJ team comprises of 16 NKSJ Coordinators who are all agri-graduates and are on the payrolls of our Company. Apart from the NKSJ coordinators, we also have arrangements with individuals across various states who provide their services to us as Kisan Mitras, and Kisan Sevaks catering to the needs of the farmers. As on March 31, 2024, we are associated with 86 Kisan Mitras and 80 Kisan Sevaks at the grassroots level. The primary goal of NKSJ is to deliver tailor-made solutions, products, technologies, methodologies, knowledge, and skills to farmers, ultimately enhancing farm yield.



### THREE TIER NKSJ PROGRAMME

- **NKSJ Coordinators** help in the centralised programme of the farmer connect and strategy formulation enabling the Company to come up with the right product as required by the farmers.
- **Kisan Mitras** help in connecting at the district level and carrying out the trials.
- **Kisan Sevaks** are well versed with the local language and helps in grassroots level connect with the farmers at a local village level to understand their necessity and requirements from a market trend and demand perspective.

Our NKSJ programme is spread across various states of the country. We conduct demo programmes, local meetings, and smaller-scale demonstrations of our services and products for broader audiences at the local level. We also engage in telephonic conversations with farmers and connect with them through short message services to provide assistance and support.

#### State-wise number of NKSJ programmes conducted

	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
Andhra Pradesh	24,332	22,604	20,422
Chhattisgarh	1,024	947	524
Karnataka	6,811	6,236	5,200
Madhya Pradesh	4,338	3,564	-
Maharashtra	6,532	6,393	1,074
Odisha	2,183	2,117	569
Rajasthan	3,230	3,198	-
Tamil Nadu	2,430	25	1,563
Telangana	8183	15,141	9,663
Uttar Pradesh	5,811	5,482	161
<b>Total</b>	<b>74,874</b>	<b>65,707</b>	<b>39,176</b>



## CORPORATE SOCIAL RESPONSIBILITY

We maintain strong and symbiotic relationships with the communities where we work and operate. We honour and value their trust which strengthens our resolve to keep making positive change and bringing greater equity of access to the marginalised.



As part of Corporate Social Responsibility, on November 5, 2023 at Y.R. High School, Parchur, Bapatla District, Andhra Pradesh. Medical Camps were organised on behalf of Nova Agritech Limited. These camps are aimed at providing free, subsidised, and sponsored medical, eye care services, and surgical support for the poor and needy.







## PEOPLE

Our robust corporate governance framework is crafted to ensure the success and sustainability of our business. We are committed to upholding the highest standards of accountability for ourselves and our partners. Guided by our core values, we approach ethical business practices, risk management, and public policy and advocacy with unwavering integrity and diligence.



### Learning and Development

Learning and development is an important ingredient of our talent management and development that helps us expand the knowledge horizon and capabilities of our employees. We focus on in-house soft skills and behavioural learning interventions through contemporary learning methodologies like simulation and team building. We also participate in certification or external technical up-gradation seminars, conferences, and symposia to build capabilities in a holistic manner.

### Performance Management

Our performance management is driven by the philosophy of driving high performance. Our robust performance management system focuses not only on SMART goal-setting, but also rigorous performance management, coaching and review methodologies.

### Engaging the workforce

At Nova Agritech, we support a culture of collaboration, teamwork, learning and engagement.

Our endeavour is to create a work environment that enables our employees to bring out their best. A host of facilities like cafeteria, transport facility, childcare facility, annual health check, medical insurance, holiday benefits, relocation allowance, shift allowance, and other amenities ensure a safe and pleasant work environment.

### Employee health and safety

Safeguarding the health and safety of our people is integral to our commitment to remain a responsible organisation. Our employees are rigorously trained with advanced safety and security standards to minimise hazards and ensure high performance.



# CORPORATE GOVERNANCE

Our strong corporate governance structure is designed to ensure the success and longevity of our business. We hold ourselves and our partners to the highest standards of accountability. Our values guide our approach to ethical business practices, risk management, and public policy and advocacy.

## Role of the Board

At Nova Agritech, the Board of Directors plays a crucial oversight role. The Board offers comprehensive guidance, oversight, and strategic direction to Management in achieving its strategic objectives, aligned with our culture, ethics, and values. The Board possesses a thorough understanding of the business dynamics and the environment in which the Company operates, including the associated challenges and opportunities. This collaborative approach, deeply embedded in our culture, fosters the long-term sustainability of the business and aims to maximize stakeholder interests.

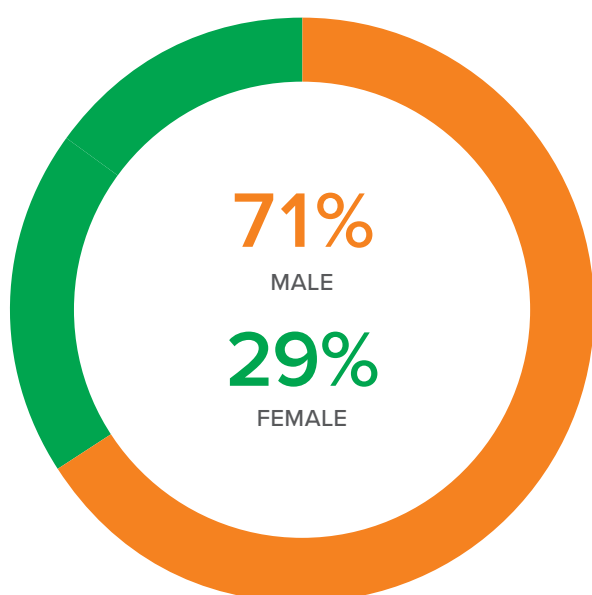
## Board Committees

The Board Committee operates under specific terms of reference which set out its role and responsibilities, composition and scope of authority. These are reviewed on an annual basis.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship and Investor Grievance Committee
- Corporate Social Responsibility Committee
- IPO Committee
- Risk Management Committee

## Board Diversity

(%)



## Ethics and Transparent Practices

Corporate governance is the basis for the management of our business on a day-to-day basis. With good governance an important pillar of our operations, we have always sought to elevate the level of transparency and ensure that integrity, accountability, and fairness are hallmarks of its dealings with shareholders, customers, investors, and other stakeholders. Our Board appreciates the importance of ethics and its contribution to value creation and is committed to instilling ethical values and transparent practices throughout the Company.

## Code of Conduct

Our values and culture continue to be the cornerstone of governance. We are of the view that the correct institutional culture must flow from the top as there is no substitute for ethical leadership. We have framed and adopted a Code of Conduct ('the Code') for the members of the Board and the Senior Management in terms of requirements of the Listing Regulations. Our Code is integral to the way we operate, laying the general principles designed to guide all Directors and Senior Management for the ethical conduct of business and compliance of laws. Our Directors, Committees and Management have affirmed their responsibility for embedding good governance practices into our business in consistence with the provisions of the Code.

## BOARD OF DIRECTORS



**Mr. Adabala Seshagiri Rao**

Chairperson and Independent Director

Mr. Adabala Seshagiri Rao has over 35 years of experience in the banking industry. His last employment before retirement was with the Union Bank of India. He holds Degree of Bachelor of Science and Degree of Bachelor of Laws from the Andhra University. He holds diploma in Industrial Relations & Personnel Management and Diploma in Marketing & Sales Management from the Bharatiya Vidya Bhavan. He is a Certified Associate of Indian Institute of Bankers (CAIIB) from the Institute of Banking & Finance.



**Mrs. Malathi S**

Promoter and Whole-time Director

Mrs. Malathi S has been associated with our Company since 2011 and oversees the operations of the Company. She has completed her Bachelor of Commerce from Kakatiya University.



**Mr. Kiran Kumar Atukuri**

Promoter and Managing Director

Mr. Kiran Kumar Atukuri has almost two decades of experience in the field of Sales & Marketing, Product Development, Channel Management, Key Account Management and Client Relationship Management in Agricultural inputs Business. He has worked with Rasi Seeds Private Ltd., Maharashtra Hybrid Seeds Co. Ltd., ICICI Bank, Monsanto, Syngenta and EID Parry. He is the guiding force behind all the corporate decisions and is responsible for the entire business operations specifically manufacturing and sales operations of the Company. He has completed his Bachelor of Science in Agriculture from Acharya N. G. Ranga Agricultural University and Master of Business Administration from Nagarjuna University.



**Mr. Rajesh Cherukuri**

Whole-time Director

Mr. Rajesh Cherukuri is a potential director for the Nova Agri Group, hailing from Ongole, Andhra Pradesh, known as India's agricultural hub. He began his career as a Robotics Engineer at OMAX Autos Ltd. Subsequently, he held various positions, from Senior Robotics Engineer to Senior Manager, at esteemed companies such as ANZ International, Nash Industries, Tata Power Systems Ltd, and Aptar Beauty & Home India Pvt. Ltd. He earned his NTTF Diploma in Mechatronics from the Tuticorin campus in Tamil Nadu in 2007.



### Mr. Adapa Kiran Kumar

Independent Director

Mr. Adapa Kiran Kumar is an agriculturist having over 25 years of experience in the field of agriculture, research and training. He acts as a Professor and Dean of Horticulture, Comptroller & Director of Extension at the Administrative Office at Sri Konda Laxman Telangana State Horticulture University. He has completed his Ph.D from Dr. YSR horticultural University, Venkataramgudem.



### Mrs. Kandula Swapna

Independent Director

Mrs. Kandula Swapna is a Managing Director of Arcadia Textiles Private Limited. She has done her Bachelor of Technology in Chemical Engineering from Nagarjuna University and Masters in Chemical Engineering from Lamar University, Texas, USA. She is a qualified Chemical Process Engineer /Plant Engineer/ Project Engineer.



### Mr. Ramesh Babu Nemani

Independent Director

Mr. Ramesh Babu Nemani has an experience of 15 years as a faculty of the Institute of Computers and Business Management. He holds a Degree of Bachelor of Commerce from the M.R. Autonomous College, Vizianagaram, and has completed his Master of Commerce from the Andhra University. He has also completed his Master of Philosophy in Commerce and his Master of Business Administration from the Sri Venkateswara University and has completed PG Diploma in Functional English from the Andhra University.



# Notice

NOTICE is hereby given that the **17<sup>th</sup> Annual General Meeting** of the members of '**NOVA AGRITECH LIMITED**' will be held on Friday, the **20<sup>th</sup> day of September, 2024** at **4.00 P.M. IST** through Video Conference ("VC"), in conformity with the regulatory provisions and the circulars issued by Ministry of Corporate Affairs, Government of India to transact the following businesses:

## Ordinary Business:

- 1. Adoption of Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the reports of the Board of Director and Auditors thereon.**

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

**"RESOLVED THAT** the audited **standalone** financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the reports of the Auditors and Board of Directors thereon laid before this meeting, be and are hereby considered and adopted."

**"RESOLVED FURTHER THAT** the audited **consolidated** financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the report of Auditors thereon laid before this meeting, be and are hereby considered and adopted."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company is authorized to do all such acts, deeds, matters and things as may be necessary, expedient or desirable for the purpose of giving effect to the aforesaid resolutions, and in connection with any matter incidental thereto."

- 2. To appoint a director in place of Mr. Kiran Kumar Atukuri (DIN: 08143781) who retires by rotation, and being eligible offers himself 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** pursuant to the provisions of Section 152 of the Companies Act, 2013, **Mr. Kiran Kumar Atukuri (DIN: 08143781)**, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby appointed as Director of the Company, liable to be retire by rotation."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby jointly and severally authorized to do or cause to be done all such acts, deeds and things as may be required or considered necessary or incidental thereto for giving effect to the aforesaid resolution."

## Special Business:

- 3. Re-appointment of Mr. Kiran Kumar Atukuri (DIN: 08143781) as Managing Director of the Company for a period of 3 years:**

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

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 ("Act"), and the rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act, Articles of Association of the Company, Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), and other applicable provisions, if any, and based on the recommendation of the Nomination and Remuneration Committee of the Company and Board of Directors, the consent of the members of the Company be and is hereby accorded for the re-appointment of Mr. Kiran Kumar Atukuri (DIN: 08143781) as Managing Director of the Company, for a period of 3 (three) years, with effect from **13<sup>th</sup> November, 2024** to **12<sup>th</sup> November, 2027** (both days inclusive), liable to retire by rotation, upon such terms and conditions including remuneration as set out in the Statement pursuant to Section 102(1) of the Act, annexed to this Notice."

**"RESOIVED FURTHER THAT** the Board of Directors of the Company shall, be at full liberty to revise/alter/modify/amend the terms and conditions of the said reappointment and/or remuneration as it may deem fit and as may be accepted to Mr. Kiran Kumar Atukuri (DIN: 08143781), in accordance with the provisions of SEBI LODR Regulations, Section 196, 197 and/or Schedule V to the Companies Act, 2013 and/or other applicable provisions of the Act including any statutory modifications or re-enactment thereof."

**"RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the tenure of his service as Managing Director, the remuneration, as detailed herein, shall be paid to him as minimum remuneration or such other remuneration as may be agreed between the Board of Directors and Mr. Kiran Kumar Atukuri (DIN: 08143781), in accordance with applicable provisions of the Act and SEBI LODR Regulations, including Schedule V of the Act for the time being in force."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company hereinafter referred to as "the Board" which term shall be deemed to include any Committee(s) constituted or to be constituted by the Board to exercise

the powers conferred on the Board by this Resolution) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

**4. Re-appointment of Mrs. Swapna Kandula (DIN: 08719208) as a Non-Executive Independent Director of the Company for a second term of 5 years:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160, read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), read with the rules made thereunder, the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, (“SEBI LODR Regulations”), (including any statutory modification, amendment or re-enactment thereof, for the time being in force), Articles of Association of the Company and on recommendation of the Nomination and Remuneration Committee and Board of Directors of the Company, Mrs. Swapna Kandula (DIN: 08719208), who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations; is re-appointed as Non-Executive Independent Director of the Company for a second term of 5 (five) years, commencing from 19<sup>th</sup> March, 2025 to 18<sup>th</sup> March, 2030, whose office shall not be liable to retire by rotation.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted or to be constituted by the Board to exercise the powers conferred on the Board by this Resolution) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

**5. APPROVAL FOR PAYMENT OF MANAGERIAL REMUNERATION TO EXECUTIVE DIRECTORS WHO ARE PROMOTERS OF THE COMPANY.**

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

**“RESOLVED THAT** pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to the recommendation of Nomination & Remuneration Committee, Audit Committee and Board of Directors, the consent of the members of the Company be and is hereby accorded to pay the following managerial remuneration to Executive Directors which exceeds 2.5 % (Two and half per cent) of the net profits of the Company individually and also exceeds the limit of 5% (five percent) of the net profits

of the Company in aggregate, computed in the manner laid down in Section 198 of the Companies Act, 2013:

Name of Executive Director	Annual remuneration [₹]
Mr. Kiran Kumar Atukuri	1,00,00,000
Mrs. Malathi Sirirpurapu	3,00,00,000
<b>Total</b>	<b>4,00,00,000</b>

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 197(1) read with Schedule V of the Companies Act, 2013 and other applicable provisions, if any, and the Rules made thereunder and pursuant to the recommendation of Nomination & Remuneration Committee, Audit Committee and Board of Directors, the consent of the members of the Company be and is hereby accorded to continue paying the overall managerial remuneration to all Executive Directors above **11% (eleven percent)** of the net profits of the Company, computed in the manner as laid down in Section 198 of the Companies Act, 2013 and remuneration payable to managing director individually exceeding 5% (five percent) of the net profits of the company, computed in the manner as laid down in Section 198 of the Companies Act, 2013.

**“RESOLVED FURTHER THAT** the Board of Directors of the Company hereinafter referred to as “the Board” which term shall be deemed to include any Committee(s) constituted or to be constituted by the Board to exercise the powers conferred on the Board by this Resolution) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this resolution.”

**6. Ratification of Nova Agritech Limited Share Based Employee Benefit Scheme – 2022 (“the scheme”) and grant of options/SARs/other benefits under the scheme:**

*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 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI (SBEBASE) Regulations, 2021), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) as amended from time to time, and in accordance with such other circulars, rules, regulations and guidelines issued or that may be issued by SEBI and/or other appropriate

authorities, from time to time, and further subject to such other approvals, permissions and sanctions as may be necessary, the **“Nova Agritech Limited Share Based Employee Benefit Scheme – 2022”** (hereinafter referred to as the **“the Scheme”**), as approved by the Members of the Company on 19<sup>th</sup> December, 2022, prior to the listing of equity shares of the Company on the BSE Limited and the National Stock Exchange of India Limited, be and is hereby ratified within the meaning of the SEBI (SBEBase) Regulations, 2021, as detailed in the explanatory statement annexed hereto.”

**“RESOLVED FURTHER THAT** the consent accorded to the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which term shall be deemed to include the Nomination and Remuneration Committee which has been duly constituted by the Board, known as the Compensation Committee pursuant to Regulation 5 of **SEBI (SBEBase) Regulations, 2021** to exercise its powers, including the powers conferred under this resolution (hereinafter referred as “Compensation Committee”) to introduce, notify and implement the said Scheme and further to create, issue, offer, grant, allot and/or transfer from time to time, upto a maximum of 5,00,000 (Five Lakh) Options /SARs/Shares or any Other Benefits exercisable into equity shares of ₹ 10/- (Rupees Ten) each **corresponding to** 25,00,000 (Twenty Five Lakh) Options /SARs/Shares or any Other Benefits exercisable into equity shares of ₹ 2/- each that may be granted pursuant to the Scheme, in one or more tranches, unless otherwise determined by the Committee, through an **Nova Agritech Limited Employees Welfare Trust**, a trust established by the Company for implementation and/or administration of **the Scheme** (hereinafter referred to as “Trust”), at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, **SEBI (SBEBase) Regulations, 2021** and in due compliance with other applicable laws and regulations and for the benefit of eligible Employees of the Company (including the present and future employees) whether the whole-time director or not, whether in India or abroad, (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) and to the Employee(s) of the Company whether in or outside India and such other persons as may be decided by the Board from time to time being eligible under applicable law(s) (hereinafter referred to as **“Employees”**) under **the Scheme** through **“Nova Agritech Limited Employees Welfare Trust”** (hereinafter referred to as **“the Trust”**) established by the Company in accordance with the applicable laws, on such terms and in such manner including the price of Options /SARs/Shares or any Other Benefits as the Board/Compensation Committee may decide in accordance with the provisions of the

law as may be prevailing at the relevant time, be and is hereby ratified.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the issuance and allotment of 5,00,000 equity shares of ₹ 10 (Rupees Ten) each at a price of ₹ 25 per share (inclusive of premium of ₹ 15 per share) **corresponding to** 25,00,000 equity shares of ₹ 2 (Rupees Two) each to **Nova Agritech Limited Employees Welfare Trust** (hereinafter referred as “Trust”), a trust established by the Company for implementation and/or administration of **the Scheme** which shall rank pari-passu in all respects with the then existing Equity Shares of the Company, except that the **Nova Agritech Limited Employees Welfare Trust** or its Trustees shall not be entitled to exercise any voting rights on such number of equity shares held by it in its name, be and is hereby ratified.

**“RESOLVED FURTHER THAT** the authority accorded to the Board (including the Compensation Committee or such other person(s) as may be authorised), to administer, superintendent and implement the **Nova Agritech Limited Share Based Employee Benefit Scheme – 2022** in due compliance and in conformity with applicable laws in this regard, be and is hereby ratified.”

**“RESOLVED FURTHER THAT** the number of ESOPs that may be granted to the Employee(s), in any financial year and in aggregate under the Plan shall be decided by the Board / Compensation Committee.”

**“RESOLVED FURTHER THAT** the equity shares to be transferred on exercise of Options /SARs/Shares or any Other Benefits shall be allocated to the Employees through **“Nova Agritech Limited Employees Welfare Trust”** (hereinafter referred to as **“Trust”**), which is established by the Company for implementation and/or administration of **the Nova Agritech Limited Share Based Employee Benefit Scheme – 2022** and in accordance with the provisions of applicable laws.”

**“RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, changes in capital structure, merger and sale of division/undertaking or any other re-organisation, if any, fair and reasonable adjustments under the Scheme, as it deems fit, with respect to the number of Options, exercise price and other necessary amendments to the Scheme shall be made for this purpose, be and is hereby ratified.”

**“RESOLVED FURTHER THAT** in case the Equity Shares of the Company are either sub-divided or consolidated, then the pool reserved for the purpose of the Plan and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or



reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees, be and is hereby ratified.”

**“RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed under Regulation 15 of the SEBI (SBEBASE) Regulations, 2021 and any other applicable laws and regulations to the extent relevant and applicable in connection with the implementation of **the Scheme.**”

**“RESOLVED FURTHER THAT** the authority granted to Board (which term shall be deemed to include the Nomination and Remuneration Committee designated as the Compensation Committee) be and is hereby authorized to make, sign, execute, submit, acknowledge, endorse, applications, deeds, documents, papers, grant letters, intimations and such other documents as may be required and/or in its absolute discretion as it may deem necessary for notification, administration, superintendence and implementation of the Scheme and to take such steps and do all such acts, deeds things and matters in this regard including but not limited to appointment of Solicitors, Registrars and other Advisors, Consultants or Representatives, intermediaries, filing of necessary forms and applications, intimations and disclosures with concerned authorities, Institutions for their requisite approvals as may be required under applicable laws from time to time without being required to seek any further consent or approval of the Members of the Company, be and is hereby ratified.”

**“RESOLVED FURTHER THAT** subject to compliance with applicable laws, the authority granted to Board / Compensation Committee to modify, change, vary, alter, amend, suspend or terminate **the Nova Agritech Limited Share Based Employee Benefit Scheme – 2022** in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 (SEBI (SBEBASE) Regulations, 2021) as amended from time to time or any new regulations as may be applicable to the company in this regard and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members of the Company and to execute all such deeds, documents and writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of **the Nova Agritech Limited Share Based Employee Benefit Scheme – 2022** and to do things which may be incidental and/or ancillary thereof including to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary for such purpose, be and is hereby ratified.”

**“RESOLVED FURTHER THAT** the authority granted to Board / Compensation Committee to delegate all or any of its powers conferred in the aforesaid resolutions for administration, implementation and superintendence of **the Scheme to the Trust** established in this regard and shall also be authorised to nominate and appoint one or more officers of the Company for carrying out any or all of the activities that the Board / Compensation Committee is authorised to do for the purpose of giving effect to these resolutions, be and is hereby ratified.”

**“RESOLVED FURTHER THAT** all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.”

## 7. Ratification of extension of benefits under Nova Agritech Limited Share Based Employee Benefit Scheme – 2022 (“the scheme”) to the employees of group company including subsidiary company(ies) or associate company 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 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI (SBEBASE) Regulations, 2021), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) as amended from time to time, and in accordance with such other circulars, rules, regulations and guidelines issued or that may be issued by SEBI and/or other appropriate authorities, from time to time, and further subject to such other approvals, permissions and sanctions as may be necessary, the extension of the benefits of **Nova Agritech Limited Share Based Employee Benefit Scheme – 2022 (“the scheme”)** to the eligible Employees of a Group Company including a subsidiary(ies) or associate(s) (hereinafter referred as “Group Company”), as approved by the Members of the Company on 19<sup>th</sup> December, 2022, prior to the listing of equity shares of the Company on the BSE Limited and the National Stock Exchange of India Limited, be and is hereby ratified within the meaning of the SEBI (SBEBASE) Regulations, 2021, along with the consent accorded to create, offer and grant from time to time, upto the maximum ceiling of 5,00,000 (Five Lakh) Options /SARs/ Shares or any Other Benefits exercisable into equity shares of ₹ 10/- (Rupees Ten) each **corresponding to 25,00,000 (Twenty Five Lakh) Options /SARs/Shares**

or any Other Benefits exercisable into equity shares of ₹ 2/- each that may be granted pursuant to the Scheme to the eligible Employees of a Group Company including a subsidiary(ies) or associate(s) (hereinafter referred as "Group Company") including the present and future employees whether the whole-time director or not, whether in India or abroad, (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) and to the Employee(s) of the Company whether in or outside India and such other persons as may be decided by the Board from time to time being eligible under applicable law(s) (hereinafter referred to as "Employees") under **the Scheme** through **"Nova Agritech Limited Employees Welfare Trust"** (hereinafter referred to as **"the Trust"**) established by the Company in accordance with the applicable laws, on such terms and in such manner including the price of Options /SARs/Shares or any Other Benefits as the Board/Compensation Committee may decide in accordance with the provisions of the law as may be prevailing at the relevant time."

**"RESOLVED FURTHER THAT** all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified."

**"RESOLVED FURTHER THAT** the Authority granted to the Board / Compensation Committee to decide the number of ESOPs that may be granted to the Employee(s), in any financial year and in aggregate under the Scheme, be and is hereby ratified."

**"RESOLVED FURTHER THAT** the equity shares to be transferred on exercise of Options /SARs/Shares or any Other Benefits shall be allocated to the Employees through **"Nova Agritech Limited Employees Welfare Trust"** (hereinafter referred to as **"Trust"**), which is established by the Company for implementation and/or administration of **the Nova Agritech Limited Share Based Employee Benefit Scheme – 2022** and in accordance with the provisions of applicable laws, be and is hereby ratified"

**"RESOLVED FURTHER THAT** the authority given to the Board (which term shall be deemed to include the Nomination and Remuneration Committee designated as the Compensation Committee) to make, sign, execute, submit, acknowledge, endorse, applications, deeds, documents, papers, grant letters, intimations and such other documents as may be required in its absolute discretion as it may deem necessary for notification, administration, superintendence and implementation of the Scheme and to take such steps and do all such acts, deeds things and matters in this regard including but not limited to appointment of Solicitors, Registrars and other Advisors, Consultants or Representatives, intermediaries, filing of necessary forms and applications, intimations and disclosures with

concerned authorities, Institutions for their requisite approvals as may be required under applicable laws from time to time without being required to seek any further consent or approval of the Members of the Company, be and is hereby ratified."

**"RESOLVED FURTHER THAT** subject to compliance with applicable laws, the authority given to Board / Compensation Committee to modify, change, vary, alter, amend, suspend or terminate **the Nova Agritech Limited Share Based Employee Benefit Scheme – 2022** in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021 (SEBI (SBEBASE) Regulations, 2021) as amended from time to time or any new regulations as may be applicable to the company in this regard and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members of the Company and to execute all such deeds, documents and writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of **the Nova Agritech Limited Share Based Employee Benefit Scheme – 2022** and to do things which may be incidental and/or ancillary thereof including to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary for such purpose, be and is hereby ratified."

**"RESOLVED FURTHER THAT** the authority granted to Board / Compensation Committee to delegate all or any of its powers conferred in the aforesaid resolutions for administration, implementation and superintendence of **the Scheme to the Trust** established in this regard and shall also be authorised to nominate and appoint one or more officers of the Company for carrying out any or all of the activities that the Board / Compensation Committee is authorised to do for the purpose of giving effect to these resolutions, be and is hereby ratified."

**"RESOLVED FURTHER THAT** all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified."

8. **Ratification of approval for grant of options /SARs/ shares/other benefits to the identified employee(s) during any one year, equal to or exceeding one percent of the issued capital of the company at the time of grant under the Scheme.**

*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 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force),

and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI (SBEBASE) Regulations, 2021), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") as amended from time to time, and in accordance with such other circulars, rules, regulations and guidelines issued or that may be issued by SEBI and/or other appropriate authorities, from time to time, and further subject to such other approvals, permissions and sanctions as may be necessary, the approval granted by the Members of the Company on 19<sup>th</sup> December, 2022, prior to the listing of equity shares of the Company on the BSE Limited and the National Stock Exchange of India Limited, to create, offer and grant from time to time, Options /SARs/Shares or any Other Benefits equal to or more than 1% of the issued, subscribed and paid-up capital of the Company (excluding outstanding warrants and conversions) of the company at the time of grant, during any one year, to identified employee(s) of the Company in accordance with SEBI (SBEBASE) Regulations, 2021 and the Scheme within the overall ceiling of 5,00,000 (Five Lakh) Options /SARs/Shares or any Other Benefits exercisable into equity shares of ₹ 10/- (Rupees Ten) each **corresponding to 25,00,000 (Twenty Five Lakh) Options /SARs/Shares or any Other Benefits exercisable into equity shares of ₹ 2/- each** that may be granted pursuant to the Scheme, be and is hereby ratified within the meaning of the SEBI (SBEBASE) Regulations, 2021.

**"RESOLVED FURTHER THAT** the authority granted to the Board (which term shall be deemed to include the Nomination and Remuneration Committee designated as the Compensation Committee) to make, sign, execute, submit, acknowledge, endorse, applications, deeds, documents, papers, grant letters, intimations and such other documents as may be required in its absolute discretion as it may deem necessary for notification, administration, superintendence and implementation of the Scheme and to take such steps and do all such acts, deeds things and matters in this regard including filing of necessary forms and applications, intimations and disclosures with concerned authorities, Institutions for their requisite approvals as may be required under applicable laws from time to time without being required to seek any further consent or approval of the Members of the Company, be and is hereby ratified."

**"RESOLVED FURTHER THAT** the authority granted to the Board / Compensation Committee be and is hereby authorised to delegate all or any of its powers conferred in the aforesaid resolutions for administration, implementation and superintendence of **the Scheme to the Trust** established in this regard and shall also be authorised to nominate and appoint one or more officers of the Company for carrying out any or all of the activities that the Board / Compensation Committee is

authorised to do for the purpose of giving effect to these resolutions, be and is hereby ratified."

**9. Ratification for implementation of "Nova Agritech Limited Share Based Employee Benefit Scheme – 2022" through trust route.**

*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 62(1)(b), 67 and all other applicable provisions, if any, of the Companies Act, 2013 (the "Act"), read with Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI (SBEBASE) Regulations), 2021), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") as amended from time to time, and in accordance with and subject to such other circulars rules, regulations and guidelines issued or that may be issued by SEBI and/or other appropriate authorities, from time to time, and subject to such other approvals, permissions and sanctions as may be necessary, the implementation of the **"Nova Agritech Limited Share Based Employee Benefit Scheme – 2022"** (hereinafter referred to as the **"the Scheme"**) through **"Nova Agritech Limited Employees Welfare Trust"** (hereinafter referred to as **"the Trust"**), established by the Company in accordance with the applicable laws for implementation and/or administration of the **Scheme** or for any other purpose(s) as contemplated herein and in due compliance with the Scheme and the provisions of the applicable laws and regulations, as approved by the Members of the Company on 19<sup>th</sup> December, 2022, prior to the listing of equity shares of the Company on the BSE Limited and the National Stock Exchange of India Limited, be and is hereby ratified within the meaning of the SEBI (SBEBASE) Regulations, 2021, along with the consent accorded to the **"Board"**, which term shall be deemed to include the Nomination and Remuneration Committee of Directors which has been duly constituted by the Board and has been designated as the Compensation Committee pursuant to Regulation 5 of SEBI (SBEBASE) Regulations, 2021 and to exercise its powers, including the powers conferred under this resolution (hereinafter referred as "Compensation Committee") to implement the such through such Trust.

**"RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed under Regulation 15 of the SEBI (SBEBASE) Regulations, 2021 and any other applicable laws and regulations to the extent relevant and applicable in connection with the implementation of **the Scheme**."



**“RESOLVED FURTHER THAT** all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the authority granted to Board / Compensation Committee to do all such acts, deeds, matters and things as may be necessary or expedient and to settle any questions, difficulty or doubts that may arise in this regard without being required to secure any further consent or approval of the Members of the Company, be and is hereby ratified.

**10. Ratification of approval of provisioning of money to trust by the Company for implementation of Nova Agritech Limited Share Based Employee Benefit Scheme – 2022:**

*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 62(1)(b), 67(3) and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) as amended from time to time, and in accordance with and subject to such other circulars, rules, regulations and guidelines issued or that may be issued by SEBI and/or other appropriate authorities, from time to time, and subject to such other approvals, permissions and sanctions as may be necessary the approval of the members of the Company accorded on 19<sup>th</sup> December, 2022, prior to the listing of equity shares of the Company on the BSE Limited and the National Stock Exchange of India Limited, to the **“Board”**, which term shall be deemed to include the Nomination and Remuneration Committee of Directors which has been duly constituted by the Board and has been designated as the Compensation Committee pursuant to Regulation 5 of SEBI (SBEBASE) Regulations, 2021 and to exercise its powers, including the powers conferred by this resolution (hereinafter referred to as **“the Compensation Committee”**) to grant an interest free loan or any other form of financial assistance permissible, or to provide guarantee or security in connection with a loan granted or to be granted to **“Nova Agritech Limited Employees Welfare Trust”** (hereinafter referred to as **“the Trust”**) established by the Company, in one or more tranches, not exceeding 5% (Five per cent) of the aggregate of the Paid-up Share Capital and Free Reserves of the

Company or such other limits as may be prescribed under applicable laws, for the purpose of subscription and/or purchase of equity shares of the Company by the Trust, in one or more tranches, subject to the overall ceiling of 5,00,000 (Five Lakhs) Options /SARs/Shares or any Other Benefits corresponding to 25,00,000 (Twenty Lakh) Options /SARs/Shares or any Other Benefits, for implementation of **“Nova Agritech Limited Share Based Employee Benefit Scheme – 2022”** (hereinafter referred to as **“the Scheme”**) or any other plan or share based employee benefit plan which may be introduced by the Company from time to time (hereinafter referred to as **“Employee Benefit Plan(s)”**) from time to time, with a view to deal in such equity shares in line with contemplated objectives of the Plan or for undertaking various activities and implementing the objects as contemplated in the Scheme and / or Trust Deed executed by the Company in this regard or for any other purpose(s) as permitted under and in due compliance with the provisions of the SEBI (SBEBSE) Regulations, 2021 the Companies Rules and other applicable laws and regulations, be and is hereby ratified within the meaning of the SEBI (SBEBASE) Regulations, 2021.”

**RESOLVED FURTHER THAT** any loan provided by the Company shall be repayable to and recoverable by the Company from time to time during the term of the Scheme and or Employee Benefit Plan(s) as the case may be subject to exercise price being paid by the employees on exercise of options/ SARs/ Shares or Other benefits under the Scheme or respective Employee Benefit Plan.

**RESOLVED FURTHER THAT** the Trust shall not deal in derivatives and shall undertake transactions as permitted by SEBI (SBEBASE) Regulations, 2021.

**RESOLVED FURTHER THAT** the Trustees of the Trust shall not vote in respect of the Shares held by such Trust.

**RESOLVED FURTHER THAT** for the purposes of disclosures to the stock exchange, the shareholding of the Trust shall be shown as non–promoter and non– public shareholding.

**RESOLVED FURTHER THAT** the Trustees of the Trust shall ensure the compliance of all the applicable laws including SEBI (SBEBASE) Regulations, 2021 with respect to granting/vesting/exercising of the options, SARs, shares or any other benefit under the Scheme(s) being administered and implemented by the Trust including but not limited to maintenance of proper books of account, records and documents as prescribed.

**RESOLVED FURTHER THAT** the authority granted to Board of Directors of the Company to comply with the legal provisions and do all ancillary and consequential matters and to take such steps and to do such acts, deeds, matters and things as they may deem proper and give/send such notices, directions as may be necessary to give effect to the above resolution, be and is hereby ratified.”

## 11. Ratification of Remuneration of Cost Auditors:

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof and pursuant to the recommendation of the Audit Committee, the remuneration payable to **M/s M P R & Associates**, Cost Accountants (Firm Reg. No. 000413) appointed by the Board of Directors as the Cost Auditor of the company to conduct the audit of the cost records maintained by the company for financial year commencing on 01 April 2024 and ending on 31 March 2025, amounting to ₹ 1,00,000/- (Rupees One Lakh Only) exclusive of GST as may be applicable and out of pocket expenses if any, be and is hereby ratified.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall deem to include any committee of the Board), is authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

## 12. Approval of Material Related Party Transactions for the Year 2024-25:

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other provisions, if any of the Companies Act, 2013 (the Act) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, as amended from time to time and pursuant to the Company’s policy on Related Party Transactions and based on the recommendation of the Audit Committee and Board of Directors, consent of the Members of the Company be and is hereby accorded to enter into and/or carry out and/or continue contract(s)/ arrangement(s)/ transaction(s) with ‘Related Parties’ within the definition as per Section 2(76) of the Act and ruled made thereunder and Regulation 2(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, such that the maximum value of transaction(s) does not exceed as specified and detailed in the table forming part of the Explanatory Statement, annexed hereto, and on such terms and conditions as mutually agreed between such related party and the Company.”

**“RESOLVED FURTHER THAT** all actions taken by the Board (which term shall deem to include any Committee of the Board) or any person so authorised 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.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall deem to include any Committee of the Board), be and are hereby authorized to do all such acts, deeds, matters, and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

## 13. Approval of Material Related Party Transactions of the material subsidiary(ies) of the Company for the Year 2024-25:

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other provisions, if any of the Companies Act, 2013 (the Act) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, as amended from time to time and pursuant to the Company’s policy on Related Party Transactions and based on the recommendation of the Audit Committee and Board of Directors, consent of the Members of the Company be and is hereby accorded to enter into and/or carry out and/or continue with the Related Party Transaction(s) by the material subsidiary(ies) of the Company (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with ‘Related Parties’ within the definition as per Section 2(76) of the Act and ruled made thereunder and Regulation 2(zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, such that the maximum value of transaction(s) does not exceed as specified and detailed in the table forming part of the Explanatory Statement, annexed hereto, and on such terms and conditions as mutually agreed between such related party and the material subsidiary(ies) of the Company.”

**“RESOLVED FURTHER THAT** all actions taken by the Board (which term shall deem to include any Committee of the Board) or any person so authorised 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.”

## Notice (Contd.)

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall deem to include any Committee of the Board), be and are hereby authorized to do all such acts, deeds, matters, and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By Order of the Board

For, **Nova Agritech Limited**

*Sd/-*

**Neha Soni**

**Company Secretary & Compliance Officer**

**Place: Hyderabad**

**Date: 10<sup>th</sup> August, 2024**



# Notes

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 and the Rules made thereunder in respect of the special business set out in the notice, Secretarial Standard on General Meetings ("SS-2") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable, is annexed hereto.
2. In all correspondence with the Company, Members holding shares are requested to quote their DP ID/ folio numbers.
3. The Ministry of Corporate Affairs (MCA), Government of India has introduced a 'Green initiative in Corporate Governance' by allowing paperless compliances by the Companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and Rules framed thereunder. Further, in compliance with MCA Circulars and SEBI Circular dated 12 May 2020, the Annual Reports are being sent in electronic mode only.
4. In case you have not registered your e-mail Id, please communicate the same to the Company at their communication address given in the Annual Report. Although you are entitled to receive physical copy of the Notices, Annual Reports, etc. from the Company, we sincerely seek your support to enable us to forward these documents to you only by e-mail, which will help us participate in the Green Initiatives of the MCA and to protect our environment.
5. All documents referred to in the Notice shall be open for inspection by the Members of the Company without payment of fees at the Registered Office of the Company. Inspection by the Members can be done on any working day between 11:00 a.m. to 5:00 p.m. including the date of AGM of the Company and shall also be available at the venue of the AGM.
6. The Ministry of Corporate Affairs ("MCA") has, vide General Circular No. 09/2023 dated 25 September 2023 read along with General Circular No. 10 and 11/2022 dated 28 December 2022, General Circular No. 2/2022 dated 5 May 2022, General Circular No. 21/2021 dated 14 December 2021, General Circular No. 19/2021 dated 8 December 2021, General Circular No. 02/2021 dated 13 January 2021, General Circular No. 20/2020 dated 5 May 2020, General Circular No. 17/2020 dated 13 April 2020, and General Circular No. 14/2020 dated 8 April 2020 (collectively referred to as "MCA Circulars"), permitted companies to conduct Annual General Meeting ("AGM") through video conferencing ("VC") or other audio visual means ("OAVM"), subject to the compliance of various conditions mentioned therein. In compliance with the MCA Circulars, and applicable provisions of the Companies Act, 2013, and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 17<sup>th</sup> AGM of the Company is being convened and conducted through VC/OAVM.
7. The Company has enabled the members to participate in the 17<sup>th</sup> AGM without physical presence, through the VC facility provided by Central Depository Services (India) Limited ("CDSL"). The instructions for participation by members are given in the subsequent paragraphs.
8. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), and Regulation 44 of SEBI Listing Regulations (as amended), and the MCA Circulars, the Company has provided the facility to the members to exercise their right to vote by electronic means through remote e-Voting and voting at AGM. The facility of casting votes by a member using remote e-Voting system as well as voting during the AGM will be provided by Central Depository Services (India) Limited ("CDSL").
9. The Company has fixed 13<sup>th</sup> September, 2024 as the cut-off date ("the Cut-off Date") to determine the eligibility of members to cast their vote by remote e-Voting, and voting during the 17<sup>th</sup> AGM, scheduled to be held on 20<sup>th</sup> September, 2024 through VC/OAVM.
10. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners, maintained by the depositories as on the cut-off date i.e., 13<sup>th</sup> September, 2024 only shall be entitled to avail the facility of remote e-Voting or voting during the AGM.
11. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on 13<sup>th</sup> September, 2024.
12. In case of joint holder(s) attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. The Register of Members and Share Transfer Books of the Company will remain closed from 13<sup>th</sup> September, 2024 to 20<sup>th</sup> September, 2024 (both days inclusive) for the purpose of giving effect to the transmission and transposition requests lodged with the Company.
14. Any person, who acquires shares of the Company and becomes a member of the Company after cut-off date for dispatch of the Notice i.e. 23<sup>rd</sup> August, 2024, and holds shares as of the cut-off date for e-voting i.e., 13<sup>th</sup> September, 2024 may obtain the login ID and password by sending an email to helpdesk.evoting@cdslindia.com or cs@novaagri.in with one's DP ID and Client ID.
15. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after 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 to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more

shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

16. As per the provisions of the MCA Circulars, members attending the 17<sup>th</sup> AGM through VC shall be counted for the purpose of reckoning the quorum within Section 103 of the Companies Act, 2013.
17. As per Section 105 of the Companies Act, 2013, and the rules made thereunder, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on one's behalf. Since the 17<sup>th</sup> AGM is being held through VC, Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
18. In case of any query regarding the Annual Report, the members may write to [cs@novaagri.in](mailto:cs@novaagri.in) to receive an email response. The same will be replied by the Company, suitably. Documents referred to in this Notice will be made available for inspection as per applicable statutory requirements.
19. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, and the Register of contracts or arrangements in which the Directors are interested maintained under Section 189 of the Companies Act, 2013, shall be available for inspection by the Members of the Company without payment of fees at the Registered Office of the Company on any working day between 11:00 a.m. to 5:00 p.m. including the date of AGM of the Company.
20. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member, as soon as possible. Members are also advised not to leave their demat account(s) dormant for a long time. Periodic statement of holdings should be obtained from the concerned depository participant, and holdings should be verified from time to time.
21. Since the AGM will be held through VC/OAVM, the route map to the venue is not annexed to this Notice.
22. The AGM shall be deemed to be held at the registered office of the Company at Sy.No.251/A/1., Singannaguda Village Mulugu Mandal, Medak, Siddipet – 502279, Telangana, India.

### Scrutinizer's Report

23. The Company has appointed Mr. M Ramana Reddy, Practicing Company Secretary, (CP No. 18415) to act as the Scrutinizer in its Board Meeting held on 10<sup>th</sup> August, 2024, to scrutinize the e-Voting process and voting at the AGM in a fair and transparent manner, and he has communicated his willingness to be appointed and availability for the same.
24. After completion of the scrutiny of the electronic votes, the Scrutinizer shall, first download the votes cast at the AGM, and thereafter unlock the votes cast through remote e-Voting, and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall be submitted to the Chairman / Company Secretary. The voting results along with Scrutinizer's Report will be announced within two working days of the conclusion of AGM
25. The results, declared along with the report of the Scrutinizer, shall be placed on the website of the Company [www.novaagri.in](http://www.novaagri.in) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of results by the Chairman, or a person authorized by him. The results shall, also, be immediately forwarded to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited.
26. Instructions for e-Voting and joining the AGM are as follows. Members can send their requests, if any, in this regard to [cs@novaagri.in](mailto:cs@novaagri.in) and [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

### THE INSTRUCTIONS TO THE SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of non-individual shareholders in demat mode.

- (i) The voting period begins on Tuesday, 17<sup>th</sup> September, 2024 at 9.00 A.M. (IST) and ends on Thursday, 19<sup>th</sup> September, 2024 at 5.00 P.M. (IST). During this period shareholders' of the Company, holding shares as on the cut-off date (record date) of 13<sup>th</sup> September, 2024 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date through remote-evoting would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing

Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

- (iv) Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- (v) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode** CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at cdsi website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see 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. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



## Notes (Contd.)

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 demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022 - 4886 7000 and 022 - 2499 7000

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (ii) Click on “Shareholders” module.
- (iii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li></ul>

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the Company “**Nova Agritech Limited**” on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xiii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xviii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at [ramanareddyilm@gmail.com](mailto:ramanareddyilm@gmail.com)/[psrmrr2020@gmail.com](mailto:psrmrr2020@gmail.com) and to the Company at the email address at [cs@novaagri.in](mailto:cs@novaagri.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

## **INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **7 (seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 (seven) days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

## Notes (Contd.)

9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

### **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. All the shareholders of the company are holding shares in dematerialized form. Please update your email id & mobile no. with your respective **Depository Participant (DP)**
2. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 21 09911.

### **CONTACT DETAILS**

Company	<b>Nova Agritech Limited</b> Phone: +91 84 5425 3446 Email: <a href="mailto:cs@novaagri.in">cs@novaagri.in</a>
Registrar and Transfer Agent	<b>Bigshare Services Private Limited</b> Phone: 040 - 23374967 Email: <a href="mailto:bsshyd1@bigshareonline.com">bsshyd1@bigshareonline.com</a>
Virtual Meeting / e-Voting Agency	<b>Central Depository Services (India) Limited</b> Toll Free No.: 1800 21 09911 Email: <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
Scrutinizer	<b>Mr. M Ramana Reddy</b> Practicing Company Secretary Phone: 9059779006 Email: <a href="mailto:ramanareddyllm@gmail.com">ramanareddyllm@gmail.com</a> / <a href="mailto:psrmrr2020@gmail.com">psrmrr2020@gmail.com</a>



# Explanatory Statement

(Pursuant to Section 102 of the Companies Act, 2013)

## ITEM NO. 3:

Mr. Kiran Kumar Atukuri, aged 50 years, is the Promotor and Managing Director of the Company. He completed his Bachelor of Science in Agriculture from Acharya N. G. Ranga Agricultural University and Master of Business Administration from Nagarjuna University. He has almost two decades of experience in the field of Sales & Marketing, Product Development, Channel Management, Key Account Management and Client Relationship Management in Agricultural inputs Business. He has earlier worked with Rasi Seeds Private Ltd., Maharashtra Hybrid Seeds Co. Ltd., ICICI Bank, Monsanto, Syngenta and EID Parry. He is the guiding force behind all the corporate decisions and is responsible for the entire business operations specifically manufacturing and sales operations of our Company.

Based on the recommendation of the Nomination and Remuneration Committee, and the consent and disclosures from the appointee, subject to approval of members, the Board of Directors, in their meeting held on 10<sup>th</sup> August, 2024, recommended the appointment of Mr. Kiran Kumar Atukuri as Managing Director of the Company, for a period of 3 (three) years, w.e.f. 13<sup>th</sup> November, 2024, and increased the remuneration upto ₹ 1,00,00,000/- per annum w.e.f. 10<sup>th</sup> August, 2024. The said appointment and terms of appointment, including remuneration to be paid to his require approval of the shareholders.

The Company has received a notice in writing under the provisions of Section 160 of the Act, from a Member proposing the candidature of Mr. Kiran Kumar Atukuri, for the office of Director of the Company. Mr. Kiran Kumar Atukuri has conveyed his consent to act as a Director of the Company and he also confirmed that he is not disqualified from being appointed as such in terms of Section 164 of the Companies Act, 2013 and he is not debarred from holding the office of Director by virtue of any order passed by SEBI or any such authority. The Company has also received other necessary disclosures from Mr. Kiran Kumar Atukuri.

Mr. Kiran Kumar Atukuri satisfies all the conditions set out in Part-1 of Schedule V to the Act as also the conditions set out under Section 196(3) of the Act for being eligible for this appointment

Accordingly, in terms of the provisions of Section 196, 197, and other applicable provisions of the Companies Act, 2013, and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination and Remuneration Committee Board of Directors recommends the appointment of Mr. Kiran Kumar Atukuri, as set out under Item No. 3 for the approval of the members by way of **Special Resolution**.

## Terms of appointment

### A. Period of appointment

Appointed for a period of 3 (three) years, w.e.f. **13<sup>th</sup> November, 2024 to 12<sup>th</sup> November, 2027** (both days inclusive), subject to retirement by rotation.

### B. Remuneration, benefits and perquisites

Maximum consolidated remuneration up to ₹ 1,00,00,000/- (Rupees One Crore Only) per annum, inclusive of any remuneration, directly or otherwise, or by way of salary and allowances, incentives w.e.f. 10<sup>th</sup> August, 2024.

### C. Other

Service Contract: Not Applicable. However, the above terms may be treated as memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013. Personal accident cover and term life insurance, mediclaim coverage, D&O Insurance, notice period etc. will be as per Company's policy.

## Additional disclosures pursuant to the provisions of Schedule V of the Companies Act, 2013

- Payment of remuneration is approved by a resolution passed by the Board and Nomination and Remuneration Committee of the Company, vide resolutions passed dated 10<sup>th</sup> August, 2024.
- Your Company has not defaulted on any due to any bank or public financial institution, or other secured holder. Your Company has not issued any non-convertible debenture. Hence, the Company does not require prior approval of bank/or public financial institution / other secured creditor.
- Statement referred in clause (iv) of Section II of Part II of the Schedule V of the Companies Act, 2013 -

### I. General information

- Nature of industry: Agro-product industry
- Date or expected date of commencement of commercial production: **NA**
- In case of new companies, expected date of commencement of activities, as per project approved by financial institutions, appearing in the prospectus: **NA**
- Financial performance based on given indicators

## Explanatory Statement (Contd.)

Amounts are in INR Lakhs

Financial Parameter	Financial Years		
	2023-24	2022-23	2021-22
Total Revenue	18,007.28	11,716.62	11,605.23
Total Expenses	15,963.60	10,500.76	10,919.34
Net profit	1853.12	855.61	509.47
Paid Up Capital	1850.40	1304.05	1254.05
Reserves & Surplus	14044.66	2643.06	1833.02
Earning Per Share (EPS)	2.76	1.34	0.80

(5) Foreign investments or collaborations, if any: **There is no foreign collaboration in the Company.**

**Foreign investment in the Company as on 31/03/2024 is as mentioned below:**

S. No.	Category of Shareholder	No. of Shareholders	No. of Shares	% of shareholding
1.	Foreign Portfolio Investors Category I	5	4367667	4.72
2.	Non-Resident Indians (NRIs)	154	215240	0.23

**II. Information about the appointee(s):** Provided in Annexure-A to this Notice.

the respective Resolution, set out at Item No. 3 of this Notice.

### III. Other information

- (1) Reasons of loss or inadequate profits: NA
- (2) Steps taken or proposed to be taken for improvement: NA
- (3) Expected increase in productivity and profits in measurable terms: The management of the Company is expecting better financial results in the future.

Other required information about the salary, perquisites, bonus, service contract, notice period, etc. is given in Explanatory Statement, annexed to this Notice.

- d. The brief resume and additional information of appointees, in pursuance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India have been given in **Annexure A** to the Notice.
- e. The above explanatory statement (together with annexure thereto) shall be construed to be memorandum setting out the terms of the appointment/re-appointment as specified under Section 190 of the Companies Act, 2013.

Your Board of Directors recommends the Resolution at Item No. 3 for approval by the Members by way of Special Resolution.

Except Mr. Kiran Kumar Atukuri (DIN: 08143781) being the appointee Director and her relatives, none of the Directors and/or and other Key Managerial personnel of the Company and their relatives are in anyway concerned or interested financially or otherwise in

### ITEM NO. 4:

Mrs. Swapna Kandula, aged 46 years, is the Non-Executive Independent Director of the Company. She has done her Bachelor of Technology in Chemical Engineering from Nagarjuna University and Masters in Chemical Engineering from Lamar University, Texas, USA. She is a qualified Chemical Process Engineer /Plant Engineer/ Project Engineer. She is a Director of Arcadia Textiles Private Limited.

Based on the recommendation of the Nomination and Remuneration Committee, and the consent and disclosures from the appointee, subject to approval of members, the Board of Directors, in their meeting held on 10<sup>th</sup> August, 2024, recommended the appointment of Mrs. Swapna Kandula (DIN: 08719208) as a Non-Executive Independent Director of the Company, w.e.f. 19<sup>th</sup> March, 2025 to 18<sup>th</sup> March, 2030, not liable to retire by rotation.

The Company has received the necessary declaration(s) from her, confirming that she meets the criteria as provided under Section 149(6) of the Companies Act, 2013, and Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015. In terms of Regulation 25(8) of SEBI (LODR) Regulations, 2015, she has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties. She is not disqualified from being appointed as a Director within provisions of Section 164 of the Companies Act, 2013, and rules made thereunder nor debarred from holding the office of Director by virtue of any SEBI order or any other such authority. Further, she has also confirmed that she is compliant with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Declaration pursuant to NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018 has been obtained that the Director is not debarred from holding office of a director by virtue of any order passed by the Securities and Exchange Board of India or any other such authority.

In the opinion of the Board, Mrs. Swapna Kandula fulfils the conditions for his appointment as an Independent Director, as specified in the Act and SEBI guidelines, and is independent of the management. Your Board believes that Mrs. Swapna Kandula continuation on on the Board will support in broadening the overall expertise of the Board. A copy of the appointment letter, setting out the terms and conditions of her appointment shall be available on the website of the Company at [www.novaagri.in](http://www.novaagri.in) and will be available for inspection, without any fee, by the Members at the Company's corporate office during normal hours on working days up to the date of Annual General Meeting and also at the Meeting.

The brief resume and additional information of appointees, in pursuance of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India have been given in **Annexure A** to the Notice.

Your Board of Directors recommends the Resolution at Item No. 4 for approval by the Members by way of Special Resolution.

Except Mrs. Swapna Kandula (DIN: 08719208) being the appointee Director and her relatives, none of the Directors and/or and other Key Managerial personnel of the Company and their relatives are in anyway concerned or interested financially or otherwise in the respective Resolution, set out at Item No. 4 of this Notice.

## ITEM NO. 5:

Managerial Remuneration to Executive Directors who are promoters in excess of below-mentioned threshold shall be paid only with the approval of members by passing Special Resolution pursuant to Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Annual remuneration payable individually exceeding 2.5% of the net profit or 5 (five) crores, whichever is higher.
- Annual remuneration in aggregate payable exceeds 5% of the net profits.

In this regard, the Company is seeking the approval of members of the Company, in order to pay the following aggregate managerial remuneration to the Executive Directors who are promoters of the Company:

Name of Executive Director	Annual remuneration [₹]
Mr. Kiran Kumar Atukuri	1,00,00,000
Mrs. Malathi Sirirpurapu	3,00,00,000
<b>Total</b>	<b>4,00,00,000</b>

As per the second proviso of Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of the members shall be valid till the expiry of the term of such Executive Director.

Accordingly, the Board of Directors, based on the recommendation of the Nomination & Remuneration Committee and Audit Committee, in its meeting held on 10<sup>th</sup> August, 2024, considered the proposal to continue the payment of the remuneration to Mrs. Malathi Sirirpurapu who was appointed in the 16<sup>th</sup> AGM held on 30<sup>th</sup> September, 2023 and approved the payment of Mr. Kiran Kumar Atukuri alongwith his re-appointment for a term of 3 (three) years including the fact that the annual remuneration payable to them individually is exceeding 2.5% and in aggregate is exceeding the limit of 5% (five percent) of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, as prescribed in the Regulation 17(6)(e)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, subject to approval of members of the Company.

The Board recommends the resolution set forth in Item No. 5 of the notice for approval of the members by passing a Special Resolution.

Mrs. Malathi Sirirpurapu and Mr. Kiran Kumar Atukuri are interested in the resolution set out at Item No. 5 of the Notice with regard to paying the managerial remuneration to Executive Directors of the Company who are promoters. Save and except the above, no other Directors, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

## ITEM NO. 6, 7, 8, 9 & 10:

### **Ratification of the adoption of the Nova Agritech Limited Share Based Employee Benefit Scheme - 2022 ("the Scheme"), and related matters**

The Board of Directors ("Board") of the Company and the members of the Company at their meetings held on 23<sup>rd</sup> November, 2022 and 19<sup>th</sup> December, 2022 respectively, approved the adoption of the "Nova Agritech Limited Share Based Employee Benefit Scheme – 2022" ("the Scheme") for the benefit of the eligible employees of the Company, and its Subsidiary Company(ies), Associate Company(ies) and Group companies (as permitted), as may be decided by the Board/Compensation Committee from time to time.

The Scheme has been formulated with an aim to motivate the employees associated with the Company, to retain the best talents for a longer period, to provide ownership in the Company and to give them opportunity to participate and gain from the Company's performance, thereby, acting as a retention tool as well as to align the efforts of such talent towards long term value creation in the organization.



## Explanatory Statement (Contd.)

The Board (including Compensation Committee) shall administer the Scheme through **Nova Agritech Limited Employees Welfare Trust** ("Trust") in accordance with the applicable laws. The Trust currently holds \*25,00,000 (Twenty Five Lakh) equity shares of ₹ 2/- each of the Company, which has been allotted to the Trust by the Board vide their resolution passed on 6<sup>th</sup> January, 2023.

*\*Note: On 6<sup>th</sup> January, 2023 5,00,000 equity shares of ₹ 10 each were allotted to Trust, which were subdivided pursuant to a resolution of our Board dated January 18, 2023 and Shareholders' resolution dated February 11, 2023, wherein each Equity Share of our Company of face value of ₹ 10/- each, fully paid-up, was sub-divided into five Equity Shares of face value of ₹ 2/- each and accordingly, 5,00,000 Equity Shares held by Nova Agritech Limited Employees Welfare Trust of face value of ₹ 10/- each were sub-divided into 25,00,000 (Twenty Five Lakh) Equity Shares of face value of ₹ 2/- each*

In terms of Regulation 12(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEBASE) Regulations, 2021"), no company is permitted to make any fresh grant which involves allotment or transfer of shares to its employees under any scheme formulated prior to listing of its shares unless such scheme is in conformity with the SEBI (SBEBASE) Regulations, 2021 and is ratified by its members subsequent to the listing of the shares of the Company.

Accordingly, approval of the Members is being sought for ratification of the Scheme and the issue of employee stock options ("ESOPs") and/or share appreciation rights ("SARs") to the eligible employees as may be determined by the Compensation Committee in accordance with the Scheme.

**The disclosures as required by the applicable law are as follows:**

The salient features, relevant disclosures and details of the Scheme are as follows:

### a. Brief Description of the Scheme:

The Company formulated "Nova Agritech Limited Share Based Employee Benefit Scheme – 2022" ("the Scheme") which provides for grant of Options/SARs/shares or Other Benefits to the eligible employees of the Company (including the present and future employees) whether whole-time director or not, whether in India or abroad, (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company) of the Company and that of its Group Company(ies), Subsidiary Company(ies), Associate Company(ies), if any, and such other persons as may from time to time be eligible under applicable law(s) and as may be decided solely by the Board ("the Board" which term shall be deemed to include the Compensation Committee of Directors which has been duly constituted by the Board and has been designated as the Compensation Committee pursuant to Regulation 5 of SEBI (SBEBASE) Regulations, 2021.

The brief purpose / objects of the Scheme include the following:

- To motivate the employees to contribute to the growth and profitability of the Company.
- To retain the employees and reduce the attrition rate of the Company.
- To achieve sustained growth and the creation of Shareholder value by aligning the interests of the employees with the long term interests of the Company.
- To create a sense of ownership and participation amongst the employees to share the value they create for the Company in the years to come.
- To incentivize the senior and critical talents in line with corporate growth and creation of shareholders' value, and
- To provide additional deferred rewards to employees.

The Nomination and Remuneration Committee of the Board of Directors shall act as Compensation Committee (Committee) for the administration and superintendence of the Scheme. All questions on the interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme. The Scheme shall be implemented through **Nova Agritech Limited Employees Welfare Trust**.

### b. Total number of options/SARs/Other benefits to be offered and granted:

The total number of options/SARs/shares or other benefits etc., to be granted under **the Scheme** shall not exceed **5,00,000 (Five Lakhs)** in one or more tranches, from time to time, exercisable into equal number of Equity Shares of the Company of ₹ 10/- (Rupees Ten) each **corresponding to 25,00,000 (Twenty Five Lakhs)** exercisable into equal number of Equity Shares of the Company of ₹ 2/- (Rupees Two) each.

If any Options/SARs granted/ ESOS/other benefits under the Scheme lapsed, cancelled, forfeited, terminated surrendered or settled under any provision of the Scheme, such Option shall be available for further grant/or other benefits under the Scheme unless otherwise determined by the Committee.

Pursuant to SEBI (SBEBASE) Regulations, 2021 in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, requisite adjustments shall be made to the Options/SARs/shares or other benefits whether granted or to be granted, vested etc. Accordingly, subject to applicable laws, in case of any corporate action(s) such as rights issues, bonus issues, merger, sale of division or other reorganization of capital structure of the Company, as the case may be, the number of Equity Shares to be allotted upon exercise of Options/

SARs/shares or other benefits shall be adjusted as per the provisions of the Scheme and in case of subdivision or consolidation of shares, the number of shares and the exercise price shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per Equity Share pertains to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the eligible employees who have been granted Options/ SARs/ shares or other benefits under the Scheme.

Further, if any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of Options or equity shares shall be deemed to increase in the proportion of such additional equity shares issued subject to compliance of the SEBI (SBEBASE) Regulations, 2021.

**c. Identification of classes of employees entitled to participate and be beneficiaries in the Scheme**

Eligibility criteria of employees shall be determined by the Committee at its sole discretion in accordance with the applicable law. The Committee may on the basis of all or any of the following criteria, decide on the Employees / Grantees who are eligible for the grant/ vesting of Options/ SARs/ shares or other benefits under the Scheme and the terms and conditions thereof.

- Level and role of the employee in the Company
- Loyalty: It will be determined on the basis of tenure of employment of an employee
- Performance of employee during the financial year on the basis of the parameters decided by the Board of Directors.
- Performance of the Company as per the standards set by the Board of Directors.
- Employees' designation in the Career Group as per the HR Policy of the Company.
- The present and potential contribution of the employee to the success of the Company.
- High market value/difficulty in replacing the Employee.
- High risk of losing the Employee to competition.
- Value addition by the new entrant, if any.
- Any other criteria as decided by the Committee in consultation with Board of Directors from time to time.

Following classes of employees shall be eligible to participate in the Scheme:

- i. Permanent employees of the Company working with the Company in India or outside India;
- ii. Director of the Company, whether a Whole Time Director or not; and

- iii. Permanent employees and Directors of the Subsidiaries of the Company, working with the respective subsidiary in India or outside India.

Following persons are not entitled to participate in the Scheme:

- i. an employee who is a promoter or a person belonging to the promoter group; or
- ii. a Director who either himself/herself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% (ten percent) of the outstanding Equity Shares of the Company; and
- iii. An Independent Director within the meaning of the Companies Act, 2013.

The identification and eligibility of the employees for the scheme shall be determined by the Compensation Committee based on the eligibility criteria in accordance with the Scheme or as may be determined by the Board in compliance with the applicable laws.

**d. Requirements of vesting and period of vesting**

- (i) Subject to applicable laws, there shall be a minimum vesting period of one year in case of Options/ SARs.
- (ii) Vesting period for Options/SARs shall commence after minimum 1 (One) year from the Grant Date and it may extend upto maximum period of 5 (Five) years from the Grant Date, at the discretion of and in the manner prescribed by the Committee.
- (iii) Vesting of Options/SARs will be on yearly basis and can vary from Grantee to Grantee as per the discretion of the Committee whose decision shall be final and binding.
- (iv) The Vesting Schedule and terms and conditions thereof will be communicated to the respective grantees through Grant Letter. Subject to applicable law, the Committee shall have the power to determine the right of an Employee to Exercise all the Options/SARs vested in him at one time or at various points of time within the Exercise Period; and has the power modify or accelerate the vesting schedule.
- (v) The minimum vesting period of 1 (One) year as specified above, shall not apply in the event of death of the employee while in employment, all the options, granted under the scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be.
- (vi) The Actual vesting may further be linked with the eligibility criteria, as determined by the Committee and mentioned in the Grant Letter.

## Explanatory Statement (Contd.)

- (vii) The Committee shall have the power to modify or accelerate the vesting schedule on a case-to-case basis subject to the minimum gap of 1 (One) Year between the grant and first vesting.
- (viii) The Options/ SARs which get lapsed due to eligibility Criteria including the reason of lapse of exercise period or due to resignation of the employees or otherwise, would be available for being re-granted. The Committee is authorized to re-grant such lapsed/cancelled Options SARs.
- (ix) Further any fraction entitlement, to which the Grantee would become entitled to upon vesting of Options, then the Options to be actually vested, be rounded off to nearest lower integer.

**e. Maximum period within which the Options/SARs/ other benefits shall be vested:**

Options/SARs/other benefits granted under the Scheme would vest in accordance with the terms of each grant, subject to a maximum period of 5 (Five) years from the date of grant of such Options/SARs/ shares or other benefits.

**f. Exercise price, SAR price, purchase price or pricing formula**

Subject to SEBI (SBEBASE) Regulations and other provisions of applicable law if any, the Compensation Committee shall determine the Exercise Price of the Options Granted under the Scheme, as it may deem appropriate in conformity with the applicable accounting policies, if any,

Provided that the Exercise Price shall not be less than the face value of the Shares and not higher than the prevailing Market Price (on Stock Exchange with highest volume) of the Shares of the Company as on the Grant Date as discounted by such percentage as may be determined by the Committee in its absolute discretion. The Committee can vary the discount rates from Grantee to Grantee as per its discretion

Market price in this context refers to the meaning assigned to it under the SEBI (SBEBASE) Regulations.

Exercise Price will be intimated to the Option Holder / SARs Holder through the Grant Letter/ Agreement. No amount shall be payable at the time of Grant of Options. The Exercise Price shall be subject to any fair and reasonable adjustments that may be made on account of Corporate Actions of the Company in order to comply with the SEBI Regulations.

**g. Exercise period, offer period and the process of exercise/acceptance of offer**

The exercise period may commence from the date of vesting and will expire on completion of 2 (two) years from the date of vesting of Options/SARs/shares or other benefits, or such other period as may be decided

by the Compensation Committee at its sole discretion from time to time. If the Options/SARs/shares or other benefits are not exercised within the exercise period they shall lapse and be cancelled forthwith. The Company shall not have any obligations to the Option holders towards such lapsed Options.

The vested options shall be deemed to be exercised when the Company receives the written notice of exercise of options in the manner and as per the prescribed format which is complete in all respects from the concerned option grantee (or his/her legal heir/ nominee in case of death of option grantee) entitled to exercise the options along with full payment of the exercise price for the equity shares underlying such vested options subject to payment/ recovery of applicable tax, if any. The vested options shall lapse if not exercised within the specified exercise period.

An employee may also opt for Cashless Exercise by making an application in such manner and in such format as may be prescribed by the Committee, from time to time, directing the Trust to sell the requisite number of Shares in lieu of Options exercised and crediting the sale proceeds after adjustment of Exercise Price, applicable taxes and other amounts, if any, in accordance with the terms and conditions of the Scheme.

The Options/SARs/shares or other benefits will lapse if not exercised within the exercise period, as specified. The Options/SARs/shares or other benefits may also lapse under certain circumstances as determined by the Committee even before expiry of the specified exercise period.

**h. Appraisal process for determining eligibility of the employees:**

The appraisal process for determining the eligibility of the employees shall be decided by the Compensation Committee from time to time based on parameters such as based on designation, period of service, performance linked parameters such as work performance and such other criteria as may be determined by the Committee at its sole discretion, from time to time.

The Board or the Committee may decide to extend the benefits of the Scheme to new entrants or to existing eligible employees on such basis as it may deem fit, in accordance with applicable law.

**i. Maximum number of Options, SARs, Shares, to be offered and issued per employee and in aggregate, if any**

- The maximum number of Stock Options to be granted to any eligible employee shall be decided by the Committee.
- The maximum number of options that may be granted per employee and in aggregate shall vary



depending upon the designation and the appraisal/assessment process,

- The Committee reserves the right to decide the number of options to be granted and the maximum number of options that can be granted to each employee within the ceiling limit prescribed hereat.

Subject to availability of Options in the pool under the Scheme, the number of options/ SARs/ shares or Other benefits that can be granted to the Employee(s) as may be identified by the Board/Committee under the Scheme, during any one year, may exceed 1% (one per cent) of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of option, SAR, shares or incentive, as the case may be.

Total number of options/SARs/Grants to be granted under **the Scheme** shall not exceed 5,00,000 (Five Lakhs) of ₹ 10/- each **corresponding** to 25,00,000 (Twenty Five Lakh) of ₹ 2/- each, in one or more tranches, from time to time, exercisable into the equal number of Equity Shares of the Company.

Unless agreed otherwise between the Company and any Employee and subject to the corporate action(s) taken by the Company, if any, the grant of 1 (One) Option to an Employee under this Scheme shall entitle the holder of the Option to apply for 1 (One) Share in the Company upon payment of exercise price.

**j. Maximum quantum of benefits to be provided per employee under the Scheme**

Subject to availability in the pool, the maximum quantum of benefits that may be provided to every eligible Employee shall depend on the number of options / SARs granted / vested and exercised by the employee from time to time, however, may exceed 1% (one per cent) of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant of option, SAR, shares or incentive, as the case may be.

**k. Lock-in period, if any**

The Shares transferred to the Grantees pursuant to exercise of Options/SAR may be subject to Lock-in Period from the date of exercise of Options/ SARs by the Grantee as the Committee may decide in compliance of applicable rules and regulations. The Committee may prescribe different lock in period for Grantee to Grantee as per its discretion.

**l. Whether the Scheme is to be implemented and administered directly by the Company or through a trust**

The Scheme shall be implemented through **Nova Agritech Limited Employees Welfare Trust**.

The Nomination and Remuneration Committee constituted by the Board of Directors, to be also

known as the Compensation Committee pursuant to Regulation 5 of **SEBI (SBEBASE) Regulations, 2021**, has been empowered for the purpose of administration and superintendence of “Nova Agritech Limited Share Based Employee Benefit Scheme - 2022”

The Committee is authorized to interpret the Scheme, to establish, amend and rescind any rule(s) and regulation(s) relating to the Scheme and to make any other determinations that it deems necessary or desirable for the administration and implementation of the Scheme. All questions on the interpretation of the Scheme shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Scheme.

The powers and functions of the Committee can be specified, varied, altered or modified from time to time by the Board of Directors, subject to the rules and regulations as may be in force. The Board of Directors may further provide that the Committee shall exercise certain powers only after consultation with the Board of Directors and in such case; the said powers shall be exercised accordingly.

A member of the Committee shall abstain from participating in and deciding on any matter relating to grant of any Options/SARs/shares or Other benefits to himself.

In the event of any inconsistency between the provisions of the Scheme and the provisions of the employment offer letter or employment agreement of the eligible Employee, the provisions of the Scheme shall prevail.

**m. Whether the ESOP Scheme involves issue of new Equity Shares by the Company or secondary acquisition or both**

The Scheme contemplates issue of new Equity Shares by the Company to the Trust. No secondary acquisition is proposed under the said Scheme.

**n. The amount of loan to be provided for implementation of the scheme(s) by the company to the trust, its tenure, utilization, repayment terms, etc.;**

Subject to the provisions of Rule 16 of Companies (Share Capital and Debentures) Rules, 2014, the amount of loan to be provided for implementation of the Scheme shall be such that it enables the Board / Committee to acquire such value of shares (number of shares x issue price per share) not exceeding the maximum permissible limit under the said Rules. The tenure of such loan shall be a maximum period of 5 years (to be calculated from the date of first grant made by the Committee or upon realisation of money subsequent upon exercise of options / SARs by the grantees, whichever is earlier. In the event the loan is not repaid, whether fully or partly, the Board/Committee shall be authorised to extend such tenure by another period of 5 years.

## Explanatory Statement (Contd.)

The utilization of such loan shall be towards the objects of the Trust as mentioned in Trust Deed, including but not limited to

- acquire by way of subscription/direct allotment of equity shares of the Company ("the shares") for the benefit of the Beneficiaries
- administer **Nova Agritech Limited Share Based Employee Benefit Scheme – 2022** and such other welfare activities as approved by the Board of Directors and Shareholders of the Settlor for the benefit of beneficiaries from time to time in accordance with applicable laws, the SEBI (SBEBASE Regulations), 2021 and as recommended by the Compensation Committee in compliance with applicable laws.
- provide benefits corresponding to Scheme, as applicable and relevant to the beneficiaries from time to time in accordance with applicable law.
- utilise the Trust Fund towards subscribing for the shares in the company, in pursuance to the limits provided under Applicable Laws (including without limitation of the SBEBASE Regulations) and in the manner provided under the Scheme
- provide any other benefit granted to beneficiaries under the Scheme

The Trust shall repay the loan to the Company out of the proceeds realized upon exercise of Options by the Grantees and the accruals of the Trust at the time of termination of the Scheme or in such other permissible manner, in one or more tranches.

**o. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s);**

Not Applicable as the scheme as no secondary acquisition is proposed under the Scheme.

**p. Accounting policies & Accounting Standards:**

The Company shall conform to the accounting policies specified in Regulation 15 of SEBI (SBEBASE) Regulations, 2021 and accounting Standards to the extent applicable.

**q. Method of valuation of Options/SARs**

The Company shall use the fair value method or such valuation method as may be prescribed from time to time in accordance with applicable laws for valuation of the Options/SARs granted, to calculate the employee compensation cost.

**r. The conditions under which option vested in employees may lapse e.g., in case of termination of employment for misconduct and the specified time period within which the employee shall exercise the**

**vested Options/SARs/other benefits in the event of a proposed termination of employment or resignation of employee.**

Subject to the employment terms of a Grantee, the following terms shall be applicable:

*In the event of cessation of employment due to death:*

In the event of death of the employee while in employment, all the options or SARs or any other benefits granted under a scheme to him/her till his/her death shall vest, with effect from the date of his/her death, in the legal heirs or nominees of the deceased employee, as the case may be.

The Options or SARs or any other benefits would be exercisable by the Legal Heirs / Nominee within a period of 3 (Three) months from the date of vesting, failing which all the unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

All other terms and conditions of the Scheme shall apply to such Options or SARs or any other benefits provided that, in order to exercise the Options or SARs or any other benefits of the deceased Grantee, the Legal Heirs/Nominee have to submit the requisite documents to the Committee and complete the vesting / exercise related formalities.

*In the event of cessation of employment due to permanent incapacity:*

In case the employee suffers a permanent incapacity while in employment, all the Options/SARs /any other benefit granted to him/her under the scheme as on the date of permanent incapacitation, shall vest in him/her on that day. The Options/SARs/any other benefit would be exercisable within a period of 3 (Three) months from the date of permanent disability, failing which the entire unexercised Options shall lapse irrevocably and the rights there under shall be extinguished.

*In the event of cessation of employment due to resignation or termination:*

- a) All unvested Options/SARs/or any other benefit on the date of cessation, shall expire and stand terminated with effect from that date unless otherwise determined by the Committee whose decision will be final and binding.
- b) Subject the terms and conditions formulated by the committee in accordance with SEBI (SBEBASE) Regulations, all vested Options/SAR/ any other benefit as on that date shall be exercisable by the Grantee by last day of employment in the Organization or before expiry of exercise period, whichever is earlier. The vested Options/SARs/ any other benefit not so exercised shall lapse irrevocably and the rights thereunder shall be extinguished.

*In the event of cessation of employment due to retirement/superannuation*

In the event of cessation of employment due to retirement or superannuation, the Options/ SARs/any other benefit granted to an employee would continue to vest in accordance with the respective vesting schedules even after retirement or superannuation in accordance with the company's policies and the Applicable Law.

***In the event of cessation of employment due to termination*** (due to misconduct or ethical/ compliance violations)

If a Grantee is terminated due to misconduct or ethical/ compliance violations, all Options/SARs/shares or other benefits granted whether vested or not shall stand terminated with immediate effect unless otherwise determined by the Committee, whose determination will be final and binding.

In the event that a Grantee is transferred or deputed to an Associate Company / Subsidiary / Holding Company prior to vesting or exercise of Options/ SARs the vesting and exercise of Options/SARs, as per the terms of grant, shall continue in case of such transferred or deputed Grantee even after the transfer or deputation.

In the event of a Grantee going on Long Leave, i.e. absence from the office for more than three months, the treatment of Options/SARs granted to him/her, whether vested or not, shall be determined by the Committee, whose decision shall be final & binding.

In the event where a Dispute arises between Grantee and the Company, vesting and/or exercise of Options/ SARs will be put on hold till the date of settlement, to the satisfaction of the Committee.

The Committee may modify the terms of grant, vesting and exercise of options/SARs in case of cessation of employment as mentioned in foregoing paras.

**s. Transferability of Stock Options**

The Stock Options granted to an eligible employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of a Stock Option holder while in employment, the right to exercise all the Stock Options granted to him till such date shall vest in the legal heir(s) or nominee(s) of such Stock Option holder, in accordance with the provisions of the Scheme.

The Compensation Committee shall be authorized to grant the Options/ SARs under the Scheme.

None of the Directors or Key Managerial Personnel (as defined under the Act) and their immediate relatives are concerned or interested, financially or otherwise, except to the extent that the stock options and / or share appreciation rights may be granted to any of them pursuant to the Scheme.

In light of above, the Board thereby recommends passing of the resolutions as set out under Item Nos. 6, 7, 8, 9 and 10 of this notice for approval of the Members as special resolutions.

**ITEM NO. 11:**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a cost auditor to audit the cost records of the applicable products of the Company.

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 2<sup>nd</sup> April, 2024, considered and approved the appointment of M/s M P R & Associates, Cost Accountants (Firm Reg. No. 000413) as the cost auditor for the financial year 2024-25 at a remuneration of ₹ 42,000/- per annum plus applicable taxes and reimbursement of out of pocket expenses. Further, Board in its meeting held on 10<sup>th</sup> August, 2024 approved for increase in annual remuneration of Cost Auditors from ₹ 42,000/- to ₹ 1,00,000/- for FY 2024-25.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditor for the year 2024-25.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 11 of the Notice.

Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set forth at Item No. 11 of the Notice for approval by the Members.

**ITEM NO. 12:**

Pursuant to the provisions of Section 188(1) and 177 of the Companies Act, 2013 (the 'Act'), read along with Rule 15 and 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said section, require prior approval of the Board and approval of the Audit Committee, and subsequently the members of the Company, which exceed such sum as are specified in Rule 15(3) of the said rules.

Further, as required in Regulation 23 of SEBI (LODR) Regulations, 2015, all material Related Party Transactions require the approval of the shareholders. A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

## Explanatory Statement (Contd.)

However, the said approval of shareholders for material Related Party Transactions is not required for the transactions entered into between a holding company and its wholly-owned subsidiary, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, in terms of Regulation 23(5) of SEBI (LODR) Regulations, 2015.

In view of the changes in the threshold for determining the related party transactions that require prior shareholder approval, and to facilitate seamless contracting and

rendering/availing of products and services between the Company and related parties, the Company seeks the shareholders' approval for the said transactions by way of Ordinary Resolution, to approve entering into contracts/arrangements within the thresholds and conditions mentioned below.

All the contracts/arrangements and the transactions with "related parties" are reviewed and approved by the Audit Committee.

The particulars of Related Party Transactions, which are required to be stated in Explanatory Statement, as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

[Amounts are in INR Lakhs]

Related Party Transactions u/s Section 188(1) of the Companies Act, 2013	Nova Agri Sciences Private Limited	Nova Agri Seeds India Private Limited	Suraksha Agri Retails India Private Limited	Zeit Systems
Nature of Relationship	Wholly-Owned Subsidiary	Wholly-Owned Subsidiary	Promoter Company	Proprietorship of Director
Name of interested Director(s)/KMP	1. Malathi Sirirpurapu 2. Kiran Kumar Atukuri 3. Rajesh Cherukuri 4. Ramesh Babu Nemani	1. Malathi Sirirpurapu 2. Kiran Kumar Atukuri 3. Rajesh Cherukuri 4. Ramesh Babu Nemani	1. Malathi Sirirpurapu 2. Kiran Kumar Atukuri 3. Rajesh Cherukuri	Rajesh Cherukuri
Sale or supply of any goods or materials	2500	100	1500	1500
Purchase of any goods or materials	2500	100	1500	1500
Availing or rendering of any services, directly or through appointment of agent	1000	100	-	-
Selling or otherwise disposing of or buying property of any kind	2500	500	-	-
Leasing of property any kind	25	10	-	-
#Investment:				
For Formulation Plant	1420.11	Nil	-	-
For Working Capital	3548.58			
Giving Loans	2500	500		
<b>TOTAL</b>	<b>15993.69</b>	<b>1310</b>	<b>3000</b>	<b>3000</b>

# Investment proposed in the subsidiary from the net proceeds to be received through IPO.

**Material terms of the aforesaid transactions:**

- These transactions are based on sales / purchase orders issued from time to time, and prices are negotiated and agreed mutually based on product specification.
- Going forward, your Company expects significant growth in business volumes with certain related parties, as a result of which transactions with those related parties may become material related party transactions. Right now, all these transactions are not material in nature, carried on with due approval of the Audit Committee.
- All such transactions carried may or may not be in the ordinary course of business and at arm's length basis.
- The limits mentioned above are for each category of transaction.

The Board recommends the resolution set forth in Item No. 12 of the notice for approval of the members by passing an Ordinary Resolution. **All related parties of the Company shall abstain from voting on the said resolution, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Mrs. Malathi Sirirpurapu, Mr. Kiran Kumar Atukuri, Mr. Rajesh Cherukuri and Mr. Ramesh Babu Nemani are interested in the resolution set out in Item No. 12 of the Notice, with regard to this resolution.

No Director, except the one mentioned hereinabove, and Key Managerial Personnel or their relative is, directly or indirectly, concerned or interested, financially or otherwise, in the resolution as set out in Item No. 12 of the Notice.



### ITEM NO. 13:

Pursuant to Regulation 23(4) of SEBI (LODR) Regulations, 2015, all material Related Party Transactions of Material Subsidiaries require the approval of the shareholders. A transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

However, the said approval of shareholders for material Related Party Transactions is not required for the transactions entered into between a holding company and its wholly-owned subsidiary, whose accounts are consolidated with

such holding company and placed before the shareholders at the general meeting for approval, in terms of Regulation 23(5) of SEBI (LODR) Regulations, 2015.

In view of the changes in the threshold for determining the related party transactions that require prior shareholder approval, and to facilitate seamless contracting and rendering/availing of products and services between the Company and related parties, the Company seeks the shareholders' approval for the said transactions by way of Ordinary Resolution, to approve entering into contracts/arrangements within the thresholds and conditions mentioned below.

*All the contracts/arrangements and the transactions of material subsidiary(ies) with "related parties" are reviewed and approved by the Audit Committee.*

The particulars of Material Related Party Transactions, pertaining to Material Subsidiary(ies) are as follows:

[Amounts are in INR Lakhs]

Related Party Transactions u/s Section 188(1) of the Companies Act, 2013	Nova Agritech Limited	Nova Agri Seeds India Private Limited	Suraksha Agri Retails India Private Limited	Zeit Systems
Nature of Relationship	Holding Company	Associate Company	Associate Company	Proprietorship of Director
	1. Malathi Sirirpurapu 2. Kiran Kumar Atukuri 3. Rajesh Cherukuri 4. Ramesh Babu Nemani	1. Malathi Sirirpurapu 2. Kiran Kumar Atukuri 3. Rajesh Cherukuri 4. Ramesh Babu Nemani	1. Malathi Sirirpurapu 2. Kiran Kumar Atukuri 3. Rajesh Cherukuri	Rajesh Cherukuri
Name of interest Director(s)/KMP				
Sale, purchase or supply of any goods or materials	2500	100	500	1000
Purchase of any goods or materials	2500	100	500	1000
Availing or rendering of any services, directly or through appointment of agent	1000	100	-	-
Selling or otherwise disposing of or buying property of any kind	2500	500	-	-
<b>Total</b>	<b>8000</b>	<b>800</b>	<b>1000</b>	<b>2000</b>

#### Material terms of the aforesaid transactions:

- These transactions are based on sales / purchase orders issued from time to time, and prices are negotiated and agreed mutually based on product specification.
- Going forward, your Company expects significant growth in business volumes with certain related parties, as a result of which transactions with those related parties may become material related party transactions. Right now, all these transactions are not material in nature, carried on with due approval of the Audit Committee.
- All such transactions carried may or may not be in the ordinary course of business and at arm's length basis.
- The limits mentioned above are for each category of transaction.

The Board recommends the resolution set forth in Item No. 13 of the notice for approval of the members by passing an Ordinary Resolution. **All related parties of the Company shall abstain from voting on the said resolution, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Mrs. Malathi Sirirpurapu, Mr. Kiran Kumar Atukuri, Mr. Rajesh Cherukuri and Mr. Ramesh Babu Nemani are interested in the resolution set out in Item No. 13 of the Notice, with regard to this resolution.

No Director, except the one mentioned hereinabove, and Key Managerial Personnel or their relative is, directly or indirectly, concerned or interested, financially or otherwise, in the resolution as set out in Item No. 13 of the Notice.

#### By Order of the Board

For, **Nova Agritech Limited**

Sd/-

**Neha Soni**

**Company Secretary & Compliance Officer**

**Place: Hyderabad**

**Date: 10<sup>th</sup> August, 2024**

## “Annexure - A”

### Details of Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name	Mr. Kiran Kumar Atukuri	Mrs. Swapna Kandula
DIN	08143781	08719208
Date of Birth	01/06/1974	30/12/1977
Date of appointment on the Board of the Company	09/07/2018	19/03/2020
Background Details/ Brief Resume		
i) Age	50	46
ii) Qualification	3. Bachelor of Science in Agriculture from Acharya N. G. Ranga Agricultural University 4. Master of Business Administration from Nagarjuna University.	1. Bachelor of Technology in Chemical Engineering from Nagarjuna University 2. Masters in Chemical Engineering from Lamar University, Texas, USA
iii) Experience in specific functional area	20+ Years of Experience in in the field of Sales & Marketing, Product Development and Client Relationship Management in Agricultural inputs Business	She is a qualified Chemical Process Engineer /Plant Engineer/ Project Engineer and is Director of Arcadia Textiles Pvt. Ltd.
Nature of expertise in specific functional Areas	Agriculture & Marketing	Chemical processes
Job profile and suitability to the company	Experience and expertise as stated above	Experience and expertise as stated above
Recognition or awards	-	-
Terms and conditions of Appointment/ Re-appointment	As mentioned in the Resolution and Explanatory Statement	As mentioned in the Resolution and Explanatory Statement
Remuneration, last drawn (including sitting fees, if any)	₹ 58,91,856/-	₹ 4,00,000/- towards sitting fee
Remuneration proposed to be paid	As mentioned in the Explanatory Statement	Nil except sitting fee to be paid to all Non-Executive Directors
Pecuniary relationship in the Company	Mr. Kiran Kumar Atukuri does not have any other pecuniary relationship in the Company, except remuneration proposed paid/ to be paid to him.	Mrs. Swapna Kandula does not have any other pecuniary relationship in the Company.
Shareholding in the Company as on 31 March 2024*	Nil	Nil
Names of other companies in which he/she is acting as Director	1. Nova Agri Sciences Private Limited 2. Nova Agri Seeds India Private Limited 3. AIC- Nova Foundation for Agriculture Innovation and Research	1. ARCADIA TEXTILES PRIVATE LIMITED
Directorship/membership/chairmanship of Committees of the board of Company	Managing Director of the Company. Membership in following Committees: 1. Risk Management Committee - <i>Chairperson</i> 2. Corporate Social Responsibility Committee - <i>Chairperson</i>	Non-Executive Independent Director of the Company. Membership in following Committees: 1. Stakeholders' Relationship Committee - <i>Chairperson</i> 2. Nomination & Remuneration Committee - <i>Member</i>
Names of listed entities in which the person, also, is a director/ member / chairperson of committees of other Boards as on 31 March 2024	Nil	Nil
Number of meetings attended during the financial year	All 14 Board meetings	13 Board meetings

Name	Mr. Kiran Kumar Atukuri	Mrs. Swapna Kandula
Comparative remuneration profile with respect to industry, size of the Company, profile of the position, and person (in case of expatriates the relevant details would be with respect to the country of origin)	Taking into consideration the size of the Company, the profile, experience, skills and responsibilities shouldered by Mr. Kiran Kumar Atukuri, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar counterparts in other companies.	NA
Name(s) of companies in which committee Membership(s) held	Nil	Nil
Relationship with other directors	No Relationship with other Director	No Relationship with other Director

\* As per disclosure received from the Director

**By order of Board of Directors of**

**Nova Agritech Limited**

Sd/-

**Neha Soni**

**Company Secretary & Compliance Officer**

**Place: Hyderabad**

**Date: 10<sup>th</sup> August 2024**

**Registered Office:**

Sy.No.251/A/1., Singannaguda Village

Mulugu Mandal,

Medak, Siddipet - 502279,

Telangana, India

Email: cs@novaagri.in

Website: www.novaagri.in

# Director's Report

Dear Shareholders,

Your Directors are pleased to present the **17<sup>th</sup> ANNUAL REPORT** of the Company together with the Audited Financial Statements for the Financial Year ended 31 March 2024.

## Financial Performance

Particulars	(₹ in lakhs))			
	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Income from Operations	17,984.46	11,674.81	25,247.36	21,055.54
Other Income	22.82	41.81	3.56	37.82
<b>Total Income</b>	<b>18,007.28</b>	<b>11,716.62</b>	<b>25,250.92</b>	<b>21,093.35</b>
Total Expenditure	15,96.60	10,500.76	21,914.65	18,277.00
<b>Profit Before Tax (PBT)</b>	<b>2,043.68</b>	<b>1,215.86</b>	<b>3,336.27</b>	<b>2,816.36</b>
Less: Tax expenses	183.37	373.4	505.45	767.41
<b>Profit After Tax (PAT)</b>	<b>1,860.31</b>	<b>842.46</b>	<b>2830.81</b>	<b>2,048.96</b>
<b>EPS in ₹ (Basic &amp; Diluted)</b>	<b>2.76</b>	<b>1.34</b>	<b>4.20</b>	<b>3.27</b>

Financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

## Company Performance / State of Affairs

During the year, revenue from operation of your Company was ₹ 17,984.46 Lakhs as compared to ₹ 11,674.81 Lakhs in the previous year and the net profit has grown by 121% to ₹ 1,860.31 Lakhs as against ₹ 842.46 Lakhs in the previous year.

## Subsidiary Companies / Joint Ventures / Associate Companies

Your Company has following subsidiaries as on 31 March, 2024:

S. No.	Name of the Company	Particular
1)	Nova Agri Sciences Private Limited CIN: U01403TG2010PTC068405	Wholly owned Subsidiary Company
2)	Nova Agri Seeds (India) Private Limited CIN: U01403TG2009PTC065732	
3)	Suraksha Agri Retails (India) Private Limited** CIN: U01820TG2009PTC063119	Associate Company (Promoter)

\*\*16.63 % stake is owned by Suraksha in the Company

The statement required to be provided with respect to subsidiaries and associate companies pursuant to the provisions of Section 129(3) of the Act and Rule 5 of the Companies (Accounts) Rules, 2014 in **Form AOC – 1** is annexed herewith as **“Annexure I”**.

The Audited Financial Statements, the Auditors Reports thereon and the Board's Reports for the year ended

31 March, 2024, of the aforesaid companies, shall be available for inspection by the Members at its registered office, during business hours on all working days up to the date of the Annual General Meeting and the same are also available on the website of the Company [www.novaagri.in](http://www.novaagri.in).

### Note:

- Your Company does not have any Joint Ventures.
- No Company has become / ceased to be its Subsidiary, Joint Venture or Associate of Company during the year under review.

Additionally, we would also like to inform that following Companies shall fall under the purview of “Group Companies” pursuant to SEBI circular- SEBI/ HO/ AFD/ AFD – PoD – 2/ CIR/ P/ 2023/ 148 dated 24 August, 2023:

S. No.	Name of the Group Companies	CIN
1)	Nova Fertilcare Private Limited	U24100TG2015PTC099837
2)	Nova Dairy Tech India Private Limited	U01119TG2013PTC087282
3)	Nova Health Sciences Private Limited	U85190TG2010PTC068584
4)	Agri Genome Resources India Private Limited	U01403TG2011PTC072116
5)	AIC Nova Foundation for Agriculture Innovation and Research	U93090TG2018NPL128938

### Material Subsidiary:

The Company has 1 (one) material subsidiaries as per the definition of Regulation 16(1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Nova Agri Sciences Private Limited  
CIN: U01403TG2010PTC068405



The Company's policy on determining the material subsidiaries is uploaded on the Company's website at [www.novaagri.in](http://www.novaagri.in).

## Highlights of Performance of Subsidiaries

During the year, the material subsidiary contributed ₹ 11,166.4 Lakhs in the consolidated revenue from operation of your Company as compared to ₹ 10,869.30 Lakhs in the previous year.

₹ 974.86 Lakhs was contributed by the material subsidiary in the consolidated net profits of the Company as compared to ₹ 1,198.05 Lakhs in the previous year.

The consolidated net profit has grown by 38.16% to ₹ 2830.81 Lakhs as against ₹ 2048.96 Lakhs in the previous year.

## Change in the Nature of Business

Your Company is engaged in the business of manufacturing Agro products for Crop protection and crop nutrition. There was no change in the nature of the business during the financial year under review.

## Transfers to Reserves

During the year under review, the entire profit of ₹ 1,860.31 Lakhs for the year ended 31 March 2024 was transferred to the surplus under Reserves and Surplus A/c. No Amount was transferred to Reserves.

## Dividend

Considering your Company's growth, and future strategy and plans, your Directors consider it prudent to conserve resources and despite having sufficient distributable profits, do not recommend any dividend on equity shares for the financial year under review.

## Transfer of Unclaimed Dividend to Investor Education and Protection Fund

During the year under review, the Company was not required to transfer any unclaimed dividend to IEPF Account.

## Public Deposits

During the financial year 2023-24, your Company has not accepted any deposit that falls within the scope of Sections 73 and 74 of the Companies Act, 2013, read together with the Companies (Acceptance of Deposits) Rules, 2014. Further, there is no amount outstanding at the beginning of financial year 2022-23, which can be classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014.

## Particulars of Loans, Guarantees, Investments Under Section 186

The loans granted, guarantees given and investments made are in compliance with Section 186 of the Companies Act, 2013. As per the requirements of Section 186 and Section 134(3)(g) of the Companies Act, 2013, we would like to inform that details of loans, guarantees, securities and investments made by the Company, are provided in the notes to the financial statements forming part of the Annual Report.

## Proceedings under IBC

As per the requirements of Rule 8(5)(xi) and (xii) of the Companies (Accounts) Rules, 2014 –

- No application made or proceeding pending against your Company under the Insolvency and Bankruptcy Code, 2016.
- No one-time settlement of financial dues was made during the period under review.

## Credit Rating

Acuité Ratings & Research Limited CARE Ratings Limited (CARE) has reaffirmed its ratings of "ACUITE BBB-; Stable" on the long term bank facilities and cash credit of the Company.

## Listing of Shares Through Initial Public Offer (IPO)

### ➤ Filing of DRHP:

The Company filed Draft Red Herring Prospectus ("DRHP") with Securities Exchange Board of India ("SEBI") on March 03, 2023 proposing listing of its equity shares on BSE Limited and National Stock Exchange of India Limited. Through such Initial Public Offer (IPO), the Company proposes to raise additional fund of ₹140 Crores through "Fresh Offer". Further, existing shareholder of the Company namely Mr. Notalapati Venkatasubbarao proposes to dilute his stake in the Company by disposing 77,58,620 Equity shares of ₹ 2/- each through IPO in "Offer for sale" category.

### ➤ Utilization of Fund:

Proposed public issue is with a view to utilize the funds for setting up a new formulation plant for the subsidiary Nova Agri Sciences Private Limited and for the expansion of the existing formulation plant. The funds are also used for working capital requirements, besides general corporate purposes.

### ➤ In-principle approval on DRHP:

The Company received in-principle approval for such proposed IPO from BSE, NSE and SEBI vide their letters dated 31<sup>st</sup> May, 2023, 1<sup>st</sup> June, 2023 and 26<sup>th</sup> June, 2023 on the DRHP filed by the Company on 3<sup>rd</sup> March, 2023.

## Directors Report (Contd.)

### ➤ **Filing of RHP:**

The Company filed Red Herring Prospectus for the proposed IPO on 12<sup>th</sup> January, 2024

### ➤ **Opening of Issue:**

The Public Issue was open for a period of three days from 23<sup>rd</sup> January, 2024 to 25<sup>th</sup> January, 2024. Anchor investor was opened on 19<sup>th</sup> January, 2024

### ➤ **Allotment of Shares:**

On 29<sup>th</sup> January, 2024, 2,73,17,073 equity shares of ₹ 2/- each were allotted under Fresh Issue of the Company and 77,58,620 equity shares of ₹ 2/- each, offered under Offer for Sale were transferred at an Issue Price of ₹ 41/- per Equity Share including a share premium of ₹ 39/- per Equity Share, to the respective applicants in various categories, vide approval of IPO Committee of the Company, in terms of the basis of allotment approved in consultation with the authorized representative of the BSE Limited, the designated stock exchange.

Accordingly, the paid capital of the Company was increased **from ₹ 13,04,05,480/-** consisting of 6,52,02,740 equity shares of ₹ 2/- each **to ₹ 18,50,39,626/-** consisting of 9,25,19,813 equity shares of ₹ 2/- each.

### ➤ **Listing of Shares:**

The Company received trading approval from BSE Limited and National Stock Exchange of India Limited (hereinafter referred as "Stock Exchanges") for listing and trading of 9,25,19,813 equity shares of the Company vide letter dated 30<sup>th</sup> January, 2024. Accordingly, the equity shares of the Company were duly listed on Stock Exchanges w.e.f. 31<sup>st</sup> January, 2024.

## **Deviation In Utilization of Funds Raised Through Initial Public Offer (IPO)**

Pursuant to Regulation 32(4) of SEBI (LODR) Regulations, 2015, during the financial year under review, there is **no deviation** in utilization of proceeds raised through IPO.

The Company has appointed CARE Rating Limited as Monitoring Agency for monitoring the utilisation of proceeds of public issue. Monitoring Agency submits its report quarterly and the same is available at the website of the Company at <https://novaagri.in/investor-relations/notices-and-disclosures/> and the website of stock exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

## **Share Capital**

Authorized Share Capital	₹ 20,00,00,000/- divided into 10,00,00,000 equity shares of ₹ 2/- each
Subscribed, Issued and Paid-up Capital	₹ 18,50,39,626/- divided into 9,25,19,813 equity shares of ₹ 2/- each

[as on 31 March 2024]

During the financial year under review, there were following changes in Share Capital:

### **Allotment of Shares:**

- On 29<sup>th</sup> January, 2024, 2,73,17,073 equity shares of ₹ 2/- each were allotted under Fresh Issue of the Company and 77,58,620 equity shares of ₹ 2/- each, offered under Offer for Sale were transferred at an Issue Price of ₹ 41/- per Equity Share including a share premium of ₹ 39/- per Equity Share, to the respective applicants in various categories, vide approval of IPO Committee of the Company, in terms of the basis of allotment approved in consultation with the authorized representative of the BSE Limited, the designated stock exchange.
- Accordingly, the paid capital of the Company was increased **from ₹ 13,04,05,480/-** consisting of 6,52,02,740 equity shares of ₹ 2/- each **to ₹ 18,50,39,626/-** consisting of 9,25,19,813 equity shares of ₹ 2/- each.

## **Particulars of Contracts or Arrangements with Related Parties**

Particulars of contracts or arrangements entered by the Company with related parties referred to in Section 188(1) are furnished under **Form AOC-2** as "**Annexure II**".

## **Employee Stock Option Scheme (ESOP)**

Your Company had implemented "**Nova Agritech Limited Share Based Employee Benefit Scheme – 2022**" (hereinafter referred to as "the Scheme") to create, issue, offer, grant, allot and/or transfer from time to time, upto a maximum of 5,00,000 (Five Lakh) Options /SARs/Shares or any other benefits of ₹ 10/- each **corresponding to** 25,00,000 (Twenty Lakh) Options /SARs/Shares or any other benefits of ₹ 2/- each that may be granted pursuant to the Scheme, in one or more tranches which shall be convertible into equitable number of Equity Shares unless otherwise determined by the Compensation Committee as constituted by the Board, through "Nova Agritech Limited Employees Welfare Trust", a trust established by the Company for implementation and/or administration of the Scheme (hereinafter referred to as "Trust"), at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, SEBI (SBEBASE) Regulations, 2021, vide board and members approval dated 23<sup>rd</sup> November, 2022 and 19<sup>th</sup> December, 2022 respectively.

Pursuant to the aforesaid scheme, the Company allotted 5,00,000 equity shares of ₹ 10/- (Rupees Ten Only) each at a price of ₹ 25/- (including premium of ₹ 15/- per share) to "Nova Agritech Limited Employees Welfare Trust" on 06 January 2023. However, pursuant to sub-division of equity shares, the holding of "Nova Agritech Limited Employees Welfare Trust" as on 31 March 2023 has tantamount to 25,00,000 Equity Shares of face value of ₹ 2/- each.

Further, Pursuant to Regulation 12(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEBASE) Regulations, 2021"), no company is permitted to make any fresh grant which involves allotment or transfer of shares to its employees under any scheme formulated prior to listing of its shares unless such scheme is in conformity with the SEBI (SBEBASE) Regulations, 2021 and is ratified by its members subsequent to the listing of the shares of the Company. Accordingly, approval of the Members is being sought in 17<sup>th</sup> Annual General Meeting of the Company for ratification of the Scheme and the issue of employee stock options ("ESOPs") and/or share appreciation rights ("SARs") to the eligible employees as may be determined by the Compensation Committee in accordance with the Scheme.

The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the Disclosures pursuant to Regulation 14 read along with Part F of Schedule-I of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 are provided under **"Annexure VI."**

The certificate from the secretarial auditors of the company pursuant to Regulation 13 the SEBI (SBEBASE) Regulations, 2021, that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the company is annexed herewith under **"Annexure XII – Certificates."**

### Disclosures in respect of Voting Rights not directly exercised by Employees:

Pursuant to **"Nova Agritech Limited Share Based Employee Benefit Scheme – 2022"** ("Scheme"), Nova Agritech Limited Employees Welfare Trust holds 25,00,000 equity shares of ₹ 2/- each in the Company for the benefit of employees.

However, your Company has not granted any ESOPs to employees during the period under review, and accordingly, **no disclosures as required under Rule 16(4)** of the Companies (Share Capital and Debentures), 2014 has been furnished.

## MOA & AOA

During the year, there is no change in **Memorandum of Association (MOA)** and **Articles of Association (AOA)** of the Company.

The **Memorandum of Association (MOA)** and **Articles of Association (AOA)** of the Company adopted vide the resolution passed by Board of Directors dated 18 January 2023 and Shareholders dated 11 February 2023 are the latest copies.

## Matters Related to Directors and Key Managerial Personnel

### Board of Directors

As on 31 March 2024, the Board comprised of 4 (four) Executive Directors and 4 (four) Non-Executive Independent Directors. During the year under review, there is no change in Board of the Company.

**(Details of Board members are provided in the Corporate Governance Report)**

### Retirement by Rotation

In accordance with the provisions of Section 152(6) of the Companies Act, 2013 read with the Articles of Association of the Company, at least 2/3<sup>rd</sup> of the total number of Directors of a public company shall be liable to retire by rotation and 1/3<sup>rd</sup> of such Directors shall retire by rotation at every AGM, However, "Independent Directors" are out of the ambit of retiring by rotation.

In accordance with the provisions of Section 152(6), the Board has proposed Mr. Kiran Kumar Atukuri (DIN: 08143781) as the Director to "Retire by rotation" in this 17<sup>th</sup> AGM.

Mr. Kiran Kumar Atukuri, Managing Director, retires by rotation in the ensuing AGM and being eligible, offers himself for re-appointment. A resolution seeking shareholders' approval for his re-appointment, along with other required details forms part of the Notice of the AGM.

**Detailed information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as "Annexure-A" to the Notice of 17<sup>th</sup> AGM.**

### Appointment/Re-appointment and Cessation

#### Directors:

During the period under review Mrs. Malathi Siripurapu (DIN: 03033944) is reappointed as Whole-Time Director of the Company for a period of 3 (three) years w.e.f. 17 March 2024 to 16 March 2027 (both days inclusive), liable to retire by rotation, in the 16<sup>th</sup> AGM of the Company held on 30 September 2023.

### Key Managerial Personnel:

During the year under review there were following changes in KMP:

1. Mr. Srinivasarao Mandalapu is appointed as the Chief Executive Officer (CEO) of the Company w.e.f. 16 March 2024 in the Board Meeting of the Company held on 15 March 2024.
2. Dr. Dhana Raj Boina, Head-Research and Development-Quality Control, was appointed as Chief Technical Officer of the Company w.e.f. 16 March 2024 in the Board Meeting of the Company held on 15 March 2024.

## Directors Report (Contd.)

**After 31 March 2024 and until the approval of this Directors' Report, there were the following changes in Board composition:**

1. Mr. Sreekanth Yenigalla (DIN: 07228577) ceased to be a Whole Time Director w.e.f. 2<sup>nd</sup> April, 2024 in view of his resignation.
2. Mr. Basanth Kumar Nadella (DIN: 08139510) ceased to be a Whole Time Director w.e.f. 2<sup>nd</sup> April, 2024 in view of his resignation.
3. Mr. Rajesh Cherukuri (DIN: 09840611) was appointed as Additional Director designated as Whole-time Director w.e.f. 02<sup>nd</sup> April, 2024. Subsequently, members approval was accorded by way of postal ballot on 14<sup>th</sup> June, 2024 for appointment of Mr. Rajesh Cherukuri (DIN: 09840611) as Whole-Time Director.
4. Board of Directors in their meeting held on 10<sup>th</sup> August, 2024, upon recommendation of Nomination & Remuneration committee, recommended for re-appointment of Mr. Kiran Kumar Atukuri (DIN: 08143781) as a Managing Director of the Company for a period of 3 (three) years w.e.f. 13<sup>th</sup> November, 2024, Subject to approval of members of the Company in the ensuing shareholders meeting.
5. Board of Directors in their meeting held on 10<sup>th</sup> August, 2024, upon recommendation of Nomination & Remuneration committee, recommended for re-appointment of Mrs. Swapna Kandula (DIN: 08719208) as an Independent Director of the Company for a second term of 5 (five) years w.e.f. 19<sup>th</sup> March, 2024, Subject to approval of members of the Company in the ensuing shareholders meeting.

**Appropriate resolutions for the re-appointment of Mr. Kiran Kumar Atukuri as Managing Director and Mrs. Swapna Kandula as Independent Director are being moved at the ensuing 17<sup>th</sup> AGM, which the Board of Directors recommends for your approval.**

**Detailed information as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as "Annexure-A" to the Notice of 17<sup>th</sup> AGM.**

### Declaration by the Independent Directors

The Company has received declarations from each Independent Director citing that he/she meets the criteria of independence laid down under Section 149(6) of the Companies Act, 2013 and such other statutory requirements so as to continue as Independent Directors of the Company.

### Registration of Independent Directors in Independent Directors Databank:

All the Independent Directors of the Company have been registered and are members of Independent Directors Databank maintained by Indian Institute of Corporate Affairs (IICA), in terms of the provisions of Rule 6 of the Companies

(Appointment and Qualification of Directors) Rules, 2019 and the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019.

### Opinion of the Board:

The Board after taking these declarations/disclosures on record and acknowledging the veracity of the same, concluded that Independent Directors of the Company are of persons of integrity, eminent personalities and have expertise/ experience in their respective fields/ professions.

Independent Directors of our Company have cleared online proficiency self-assessment test conducted by the institute notified under sub-section (1) of section 150. These Directors meet the criteria of independence, and were selected and appointed, based on well-defined selection criteria. The Nomination and Remuneration Committee considers, inter alia, key qualifications, skills, expertise and competencies, fulfilment of criteria for independence, while recommending to the Board, the candidature for appointment as Independent Director, to enable the Board to discharge its functions and duties, effectively.

A Board Confirmation in this regard is annexed herewith under **"Annexure XII – Certificates."**

### Establishment of Vigil Mechanism

The Company has adopted a Whistle Blower Policy, establishing a vigil mechanism to provide a formal mechanism to the Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of code of conduct and ethics. It, also, provides for adequate safeguards against the victimization of employees, who avail of the mechanism, and provides direct access to the chairman of the Audit Committee in exceptional cases. The whistle-blower policy is available on the website of the Company <https://novaagri.in/investor-relations/policies/>.

### Directors' Responsibility Statement

Your Directors would like to assure the members that the financial statements for the year under review is as per the requirements of the Companies Act, 2013 and pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013, to the best of their knowledge and based on the information and explanations received from the Company, your Directors confirm that:

- i. in the preparation of the annual financial statements for the year ended 31 March 2024, the applicable accounting standards have been followed and there are no material departures;
- ii. accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made, so as to give a true and fair view of the state of affairs of the Company as at 31 March 2024 and of the profit & loss of the Company for that period;



- iii. proper and sufficient care have been taken for the maintenance of accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing & detecting fraud and/or other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. internal financial controls have been laid down by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Non-Disqualification of Directors

None of the Directors of the Company is disqualified under the provisions of the Companies Act, 2013 or under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Company has obtained a Certificate from Mr. M Ramana Reddy, Company Secretary in Practice, (ICSI M. No. F11891 and C.P. No. 18415) from P. S. Rao & Associates, Hyderabad pursuant to the provisions of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provided under **“Annexure XII – Certificates”**, certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) or by the Ministry of Corporate Affairs (MCA) or by any such statutory authority.

## Code of Conduct and Declaration on Code of Conduct

Board of Directors in their meeting held on 27<sup>th</sup> February, 2023, has approved and laid down a Code of Conduct for all Board members, Senior Management and Independent Directors of the Company, in line with the provisions of Regulation 17(5) of SEBI (LODR) Regulations, 2015. The said Code of Conduct is available on the website of the Company <https://novaagri.in/investor-relations/policies/>.

Further, in accordance with Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, declaration from Chief Executive Officer of the Company has been received confirming that all the Directors and the Senior Management Personnel of the Company have complied with the aforesaid Code of Conduct for the year 2023-24 forming part of the report under **“Annexure XII – Certificates”**.

## Annual Evaluation of Individual Directors, Committees and Board

Pursuant to the provisions of the Companies Act, 2013, the Board carried out annual performance evaluation of its own performance, the Directors individually, as well as the

evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, and Stakeholders' Relationship Committee.

The Board took into consideration inputs received from the Directors, covering various aspects of the Board's functioning, such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors, including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgments, safeguarding the interest of the Company and its minority shareholders etc.

The performance evaluation of the Independent Directors was carried out by the entire Board and performance evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## Disclosure of Expertise / Skills / Competencies of the Board of Directors:

The list of core skills / expertise / competencies identified by the Board of Directors of the Company as required in the context of its business and sector(s) for it to function effectively and those actually available with the Board, form part of the Corporate Governance Report.

## Board Diversity

The Policy on Board Diversity of the Company devised by the Nomination and Remuneration Committee and approved by the Board is disseminated on the website of the Company <https://novaagri.in/investor-relations/policies/>.

## Remuneration Policy and Appointment Criteria

Your Company has in place a policy for remuneration of Directors, Key Managerial Personnel (KMPs) and Senior Management as well as a well-defined criterion for the selection of candidates for appointment to the said positions, which has been approved by the Board.

The following policies broadly lays down the guiding principles, philosophy and the basis for payment of remuneration to the Executive and Non-Executive Directors (by way of sitting fees and commission), KMPs and Senior Management. The criteria for the selection of candidates for the above positions cover various factors and attributes, which are considered by the Nomination and remuneration Committee and the Board of Directors while selecting candidates.

- Criteria for making payment / remuneration to the Non-Executive Directors.
- Nomination and Remuneration Policy

## Directors Report (Contd.)

Aforesaid policies as recommended by the Nomination and Remuneration Committee and approved by the Board in their respective meeting held on 27<sup>th</sup> February, 2023 can be accessed from the website of the Company at <https://novaagri.in/investor-relations/policies/>

### Familiarization Programme for Independent Directors

All Independent Directors inducted into the Board are provided an orientation on Company structure and Board constitution and procedures, matters reserved for the Board, and our major risks and risk management strategy.

The Company familiarizes the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc., through various interactions and an update on amendments or regulatory requirements and changes is given as part of Board meetings and familiarization programs.

Details of the familiarization programs of the Independent Directors are available on the website of the Company at <https://novaagri.in/investor-relations/policies/>.

### Committees of the Board

As on 31 March 2024, the Board has six committees, (i) Audit Committee, (ii) Nomination and Remuneration Committee, (iii) Stakeholders' Relationship Committee, (iv) Risk Management Committee, (v) Corporate Social Responsibility Committee and (vi) IPO Committee, which are constituted as per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The details of the above-mentioned committees are as follows:

#### ➤ **Audit Committee**

Audit Committee has been constituted in terms of Section 177 of Companies Act, 2013 and in terms of Regulation 18 of SEBI (LODR) Regulations.

Composition of the Committee, its terms of reference, detail of meetings and such other details are provided in the Report on Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

#### ➤ **Nomination and Remuneration Committee**

Nomination and Remuneration Committee has been constituted in terms of Section 178 of Companies Act, 2013 and in terms of Regulation 19 of SEBI (LODR) Regulations.

Composition of the Nomination and Remuneration Committee, its terms of reference, details of meetings and such other details are provided in the Report on Corporate Governance. All the recommendations made by the Audit Committee were accepted by the Board of Directors.

#### ➤ **Stakeholders' Relationship Committee**

Stakeholders' Relationship Committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations and Section 178 of the Act.

Composition of the SRC, its terms of reference, details of the meeting and such other details are provided in the Report on Corporate Governance annexed.

#### ➤ **Risk Management Committee**

The Risk Management Committee was constituted on 27 February 2023.

Composition of the Risk Management Committee, its terms of reference, details of its meetings, and such other details are provided in the Report on Corporate Governance annexed.

#### ➤ **Corporate Social Responsibility Committee**

CSR Committee is constituted in line with the provisions of Section 135 of the Act to formulate and recommend to the Board, CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act, to recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy, and to monitor the CSR Policy.

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR during the year are set out in "Annexure III" of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Composition of the committee, its terms of reference, details of the meeting and such other details are provided in the Report on Corporate Governance annexed. The Company has developed and implemented CSR Policy, which is made available on the website of the Company <https://novaagri.in/investor-relations/policies/>.

#### ➤ **IPO Committee**

The IPO Committee was constituted on 27 February 2023.

Composition of the IPO Committee, its terms of reference, details of its meetings, and such other details are provided in the Report on Corporate Governance annexed.

### No. of Board Meetings Held During the year

The Board of Directors duly met 14 (Fourteen) times during the F.Y. 2023-24. The Details are given in the "Corporate Governance Report" forming part of the Annual Report under "Annexure XII". The gap between two Board Meetings has not exceeded 120 days.

## Statutory Auditors

Pursuant to Section 139 and other applicable provisions of the Companies Act, 2013, the Members at the 16<sup>th</sup> AGM of the Company held on 30<sup>th</sup> September 2023, had approved re-appointment of M/s NSVR & Associates LLP, Chartered Accountants (Firm Registration No. 008801S/S200060), as the Statutory Auditors of the Company, for the second term of 5 years i.e. from the conclusion of 16<sup>th</sup> Annual General Meeting of the Company to till the conclusion of 21<sup>st</sup> Annual General Meeting to be held in the year 2028, to conduct statutory audit of the Company for the financial years commencing from 2023-24 to 2027-28 at a remuneration as may be determined and mutually agreed by the Board the Statutory Auditors.

### Replies to the audit remarks;

The Auditors Report for the financial year ended 31 March 2024 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

### Fraud reported by Auditors:

There are no frauds reported by auditors under sub-section (12) of section 143.

## Cost Audit/ Maintenance of Cost Records

For the financial year 2023-24, your Company was required to maintain cost records, as specified by the central government under sub-section (1) of section 148 of the Act, is in respect of the activities carried on by the Company and conduct Cost Audit of the same. M/s M P R & Associates, Cost Accountants (Firm Registration No. 000413), Cost Auditor of the company conducted the audit of the cost records maintained by the company for financial year.

Further, Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company upon recommendation of Audit Committee appointed MPR & Associates, Cost Accountants, (Firm Registration No. 000413) as Cost Auditors in its meeting held on 2<sup>nd</sup> April, 2024 to conduct audit the cost records of the Company for the financial year 2024-25 at an annual remuneration of ₹ 42,000/-. Further, Board in its meeting held on 10<sup>th</sup> August, 2024 approved for increase in annual remuneration of Cost Auditors from ₹ 42,000/- to ₹ 1,00,000/- for FY 2024-25 and accordingly recommended the same for shareholders' approval in the ensuing AGM.

**Appropriate resolutions is being moved at the ensuing 17<sup>th</sup> AGM for ratification of the aforesaid remuneration for the year 2024-25, which the Board of Directors recommends for your approval.**

## Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company upon recommendation of Audit Committee, has appointed P. S. Rao & Associates, Practicing Company Secretaries in its meeting dated 02 September 2023, to undertake the secretarial audit of the Company for FY 2023-24.

Secretarial Audit Report of the Company for the year 2023-24 in "Form MR-3" is annexed to this report as **"Annexure VII"**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, Pursuant to Section 204 of the Companies Act, 2013 read with Regulation 24A of SEBI (LODR) Regulations, 2015, the Board of Directors of your Company upon recommendation of Audit Committee appointed P. S. Rao & Associates, Practicing Company Secretaries as Secretarial Auditors in its meeting held on 2<sup>nd</sup> April, 2024 to conduct the secretarial audit for the financial year 2024-25.

## Annual Secretarial Compliance Report

Company has obtained Annual Secretarial Compliance Report from P. S. Rao & Associates on 27<sup>th</sup> May, 2024, pursuant to SEBI circular no. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019; forms part of this Report as **"Annexure VIII"** and the same was also submitted to the Stock Exchange(s) on 27<sup>th</sup> May, 2024. The aforesaid Report do not contain any qualification, reservation or adverse remarks.

## Secretarial Audit Report of Material Subsidiary

In terms of Regulation 24A of SEBI (LODR) Regulations, 2015, Secretarial Audit Report of the Nova Agri Sciences Private Limited, Material unlisted Subsidiary for the year 2023-24 in "Form MR-3" is annexed to this report as **"Annexure IX"** and does not contain any qualification, reservation or adverse remark.

## Internal Auditors

Pursuant to Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Board of Directors had, upon recommendation of the Audit Committee has appointed M/s. V P S & ASSOCIATES (Firm Reg. No. 009280S), Chartered Accountants, as the Internal Auditors of the Company in its meeting 02 September 2023 to conduct internal audit for the financial year 2023-24.

The Internal Auditors submits their report on quarterly basis to the Audit Committee. Based on the report of internal audit, management undertakes corrective action in the respective areas and takes necessary steps to strengthen the levels of Internal Financial and other operational controls.

## Directors Report (Contd.)

Further, Pursuant to Section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Board of Directors of your Company upon recommendation of Audit Committee appointed V P S & ASSOCIATES (Firm Reg. No. 009280S), Chartered Accountants as Internal Auditors in its meeting held on 2<sup>nd</sup> April, 2024 to conduct the internal audit for the financial year 2024-25.

### Internal Financial Control Systems And their Adequacy

Your Company has adequate internal control systems and procedures, designed to effectively control its operations. The internal control systems are designed to ensure that the financial and other records are reliable for the preparation of financial statements and for maintaining assets.

Your Company has well designed standard operating procedures (SOPs), considering the essential components of internal control as stated in the Guidance Note on Audit of Internal Controls over Financial Reporting, issued by the Institute of Chartered Accountants of India. Internal Auditor conducts audit, covering a wide range of operational matters and ensures compliance with specified standards.

The findings are reviewed by the top management and by the Audit Committee of the Board of Directors. Based on the deliberations with Statutory Auditors to ascertain their views on the financial statements, including the financial reporting system and compliance to accounting policies and procedures, the Audit Committee was satisfied with the adequacy and effectiveness of the internal controls and systems followed by the Company.

### Material Changes and Commitments Affecting the Financial Position of the Company from the end of the Financial year and till the Date of this Report

No material change and commitment affecting the financial performance of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report (i.e. from 1 April 2024 to 9 August 2024) except as mentioned below -

1. Mr. Sreekanth Yenigalla (DIN: 07228577) resigned on 2<sup>nd</sup> April, 2024 from the post of Whole-Time-Director including directorship accordingly ceased to be a Whole Time Director w.e.f. 2<sup>nd</sup> April, 2024.
2. Mr. Basanth Kumar Nadella (DIN: 08139510) resigned on 2<sup>nd</sup> April, 2024 from the post of Whole-Time-Director including directorship accordingly ceased to be a Whole Time Director w.e.f. 2<sup>nd</sup> April, 2024.
3. Mr. Rajesh Cherukuri (DIN: 09840611) was appointed as Additional Director designated as Whole-time Director w.e.f. 02<sup>nd</sup> April, 2024.

Subsequently, members approval was accorded by way of postal ballot on 14<sup>th</sup> June, 2024 for appointment of Mr. Rajesh Cherukuri (DIN: 09840611) as Whole-Time Director w.e.f. 02<sup>nd</sup> April, 2024.

4. Risk Management Committee was reconstituted w.e.f. 8<sup>th</sup> June, 2024 by way of resolution passed by circulation by Board of Directors of the Company as mentioned below:

#### Composition of Risk Management Committee w.e.f. 08-06-2024

S. No.	Name of the Member	Designation	Position
1	Mr. Kiran Kumar Atukuri	Managing Director	Chairman
2	Mr. Adabala Seshagiri Rao	Independent Director	Member
3	Mr. Ramesh Babu Nemani	Independent Director	Member
4	*Mr. Srinivasa Rao Mandalapu	Chief Executive Officer	Member
5	*Mr. Dhana Raj Boina	Chief Technical Officer	Member

\*Inducted to the Risk Management Committee of the Company w.e.f. 08/06/2024

5. Board of Directors in their meeting held on 10<sup>th</sup> August, 2024, upon recommendation of Nomination & Remuneration committee, recommended for re-appointment of Mr. Kiran Kumar Atukuri (DIN: 08143781) as a Managing Director of the Company for a period of 3 (three) years w.e.f. 13<sup>th</sup> November, 2024, Subject to approval of members of the Company in the ensuing shareholders meeting.
6. Board of Directors in their meeting held on 10<sup>th</sup> August, 2024, upon recommendation of Nomination & Remuneration committee, recommended for re-appointment of Mrs. Swapna Kandula (DIN: 08719208) as an Independent Director of the Company for a second term of 5 (five) years w.e.f. 19<sup>th</sup> March, 2024, Subject to approval of members of the Company in the ensuing shareholders meeting.
7. Board of Directors in their meeting held on 10<sup>th</sup> August, 2024, upon recommendation of Nomination & Remuneration committee, recommended for ratification of the **"Nova Agritech Limited Share Based Employee Benefit Scheme – 2022"** (hereinafter referred to as "the Scheme") and the issue of employee stock options ("ESOPs") and/or share appreciation rights ("SARs") to the eligible employees as may be determined by the Compensation Committee in accordance with the Scheme pursuant to Regulation 12(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEBASE) Regulations, 2021"), as the Scheme was formulated prior to listing of its shares.

**Appropriate resolutions for the Item No. 5, 6 and 7 as mentioned above are being moved at the ensuing 17<sup>th</sup> AGM, which the Board of Directors recommends for your approval.**



## Management Discussion & Analysis Report

The Management Discussion and Analysis Report, as required under Regulation 34 & Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided as “Annexure X”, and forms parts of this report.

## Market Capitalisation Ranking

Below is the market capitalization ranking of the Company as on 31<sup>st</sup> March, 2024:

Stock Exchange	as on 31.03.2024
National Stock Exchange	1440
BSE Limited	1571

### Note -

The Company falls under the category of “Top 2000 companies” and accordingly following compliances are applicable:

- Minimum 6 (six) Directors on the Board of Directors of the Company.
- The quorum for every meeting of the Board of Directors shall be 1/3<sup>rd</sup> of its total strength or 3 (three) directors, whichever is higher, including at least one independent director.

## Corporate Governance Report

In compliance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Corporate Governance Report for the year 2022-23 as required under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 of the Company is attached to this report as “Annexure XI.”

Certificate from Mr. M Ramana Reddy, Company Secretary in Practice (ICSI M. No. F11891 and C.P. No. 18415) from P. S. Rao & Associates, Hyderabad, w.r.t. compliance of conditions of Corporate Governance as stipulated under Schedule V (E) of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is annexed to the Corporate Governance Report under “Annexure XII - Certificates”.

## Annual Return

Annual Return pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the copy of Annual Return for the year 2023-24, will be available on the website of the Company at <https://novaagri.in/investor-relations/results-and-reports/>.

## Significant and Material Orders Passed by Regulators or Courts or Tribunals

During the year under review, no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and company operations in future.

## Risk Management Framework

Risk management is the process of identification, assessment and prioritization of risks, followed by coordinated efforts to minimize, monitor and mitigate/ control the probability and/ or impact of unfortunate events to maximize the realization of opportunities. The Board oversees Company’s processes for determining risk tolerance and review management’s action and comparison of overall risk tolerance to established levels. Major risks identified by the businesses and functions are systematically addressed through appropriate actions on a continuous basis.

The Company has a robust internal business management framework to identify, evaluate business risks and opportunities which seeks to minimize adverse impact on the business objectives and enhance the Company’s business prospects. The Company has an Internal Control System, commensurate with the size and scale of its operations.

The Company has constituted Risk Management Committee, the details of which are disclosed are in Corporate Governance Report. The Company has also developed and implemented a Risk Management Policy which is approved by the Board in its meeting held on 27<sup>th</sup> February, 2023 can be accessed from the website of the Company at <https://novaagri.in/investor-relations/policies/>.

## Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is provided under “Annexure IV” forming part of this report.

## Information to be Furnished Under Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each director to the median’s employee’s remuneration and other details in terms of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in separate annexure forming part of this report as “Annexure V.”

### Disclosures, as required under Para A of Schedule V of SEBI (Listing Obligations and Disclosure) Regulations, 2015

There are no transactions, with person(s) or entity(ies) belonging to the Promoter / Promoter Group which hold(s) 10% or more shareholding in the Company, as per Schedule V (2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the period under review, except the managerial remuneration being paid to Promoters namely Mr. Kiran Kumar Atukuri, Promoter and Managing Director and Mrs. Malathi Siripurapu, Promoter & Whole-Time Director of the Company, however do not holds 10% or more shareholding in the Company.

### Insider Trading Regulations

Based on the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for the Prohibition of Insider Trading, as approved by the Board is implemented by the Company. The Company, also, adopts the concept of trading window closure, to prevent its Directors, Officers, Designated Employees, their relatives from trading in the securities of the Company at the time when there is unpublished price sensitive information.

The Board has appointed Ms. Neha Soni, Company Secretary, as the Compliance Officer.

The Company has duly implemented the Structured Digital Database (SDD) facility as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 2015.

### Secretarial Standards

Your Company is in compliance with the Secretarial Standards on Meetings of the Board of Directors (SS - 1) and General Meetings (SS - 2) issued by The Institute of Company Secretaries of India and approved by the central government.

### Industrial Relations

Your Directors are happy to report that the industrial relations have been cordial at all levels throughout the year. Your Directors record their appreciation for all the efforts, support, and co-operation of all employees being extended from time to time.

### Human Resources

Your Company considers its human resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The human resources systems procedures and the organizational environment are all designed to nurture creativity, innovation and greater efficiencies in its human capital. Training is an integral element of the HR system. The employees are sufficiently empowered, and such work environment propels them to achieve higher levels of performance.

The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

### Disclosure Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) ACT, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. The policy can be accessed at the website of the Company at <https://novaagri.in/investor-relations/policies/>.

Summary of harassment complaints:

- No. of complaints received: Nil
- No. of complaints disposed off: Nil

### Certifications

The following certificates are annexed herewith to this report as "Annexure XII - Certificates."

- Compliance Certificate by Practicing Company Secretaries regarding compliance of conditions of Corporate Governance (*Pursuant to Schedule V (E) of the SEBI (LODR) Regulations, 2015*)
- Certificate by Practicing Company Secretaries regarding non-disqualification of directors (*Pursuant to Schedule V(C)(10)(i) of the SEBI (LODR) Regulations, 2015*)
- Certificate by Secretarial Auditor w.r.t. ESOP Scheme (*Pursuant to Regulation 13 of the SEBI (SBEBASE) Regulations, 2021*)
- Confirmation by Board on Independent Directors (*Pursuant to Schedule V Para C clause (2)(i) of the SEBI (LODR) Regulations, 2015*)
- Declaration by Chief Executive Officer for compliance with Code of Code of Board & senior management (*Pursuant to Schedule V Para D of the SEBI (LODR) Regulations, 2015*)
- Certificate of the Chief Executive Officer and Chief Financial Officer of the Company on financial statements and applicable internal controls (*Pursuant to Regulation 17(8) and 33(2) (a) of the SEBI (LODR) Regulations, 2015*)

### Disclosures with Respect to the Demat Suspense Account/Unclaimed Suspense Account

The Company do not have any shares in the demat suspense account/unclaimed suspense account.

## Disclosures of Certain Types of Agreements Binding Listed Entities

No agreement has been executed by the shareholders, promoters, promoter group related parties, Directors, KMPs and employees of the Company and its Subsidiary pursuant to Regulation 30A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 which might impact the management or control of the Company / Impose any restriction on the Company., except in normal course of business / Impose any liability on the Company., except in normal course of business.

## Other Disclosures

During the year under review –

- Your Company has not revised financial statement(s).
- Business Responsibility and Sustainability Report (ESG reporting) is not applicable to the Company.
- No special rights have been granted to any shareholders of the Company, hence no compliance pursuant to Regulation 31B of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 is required.
- There were no instances of failure of implementation of any Corporate Actions.
- Company has not defaulted in payment of interest and/ or repayment of loans to any of the financial institutions and/ or banks during the year under review.
- Your Company has not issued any non-convertible securities.
- Your company has only one class of shares i.e. equity shares. All the equity shares of the Company are held in dematerialized form.

*The additional information required to be given under the Companies Act, 2013 and the Rules made thereunder, has been laid out in the Annexures and Notes attached to the Financial Statements forming part of this report.*

## Awards & Recognition:

During the period under review, Your Company is duly listed on BSE Limited and National Stock Exchanges of India Limited (hereinafter referred as “Stock Exchanges”) w.e.f. 31<sup>st</sup> January, 2024.

## Appreciation:

The Directors express their appreciation to all employees of the various divisions for their diligence and contribution to performance. The Directors also record their appreciation for the support and co-operation received from bankers and all other stakeholders Last but not the least, the Directors wish to thank all shareholders for their continued support.

By the Order of the Board

### For Nova Agritech Limited

Sd/-  
**Rajesh Cherukuri**  
**Whole-Time-Director**  
DIN: 09840611

Sd/-  
**Kiran Kumar Atukuri**  
**Managing Director**  
DIN: 08143781

**Place: Hyderabad**

**Date: 10<sup>th</sup> August 2024**

# Annexure I

## Form AOC-1

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**  
(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

### Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with all amounts in **Rs. Lakhs** unless specified)

Particulars	Name of the Subsidiary(ies)	
	Nova Agri Sciences Private Limited	Nova Agri Seeds India Private Limited
The year since when subsidiary was acquired	2017	2017
Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	Same as Holding Company (31.03.2024)	Same as Holding Company (31.03.2024)
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA
Share Capital	180.00	5.00
Reserves and surplus	3346.82	-13.36
Total assets	8321.98	0.72
Total Liabilities	4795.15	9.09
Investments	-	-
<b>Turnover</b>	<b>11169.08</b>	<b>0</b>
Profit before taxation	1296.94	(0.05)
Provision for taxation	-	-
<b>Profit after taxation</b>	<b>974.86</b>	<b>(0.05)</b>
Proposed Dividend	-	-
Extent of shareholding (in percentage)	100	100

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

By the Order of the Board  
**For Nova Agritech Limited**

**Place:** Hyderabad  
**Date:** 10<sup>th</sup> August, 2024

Sd/-  
**Rajesh Cherukuri**  
Whole-Time-Director  
**DIN:** 09840611

Sd/-  
**Kiran Kumar Atukuri**  
Managing Director  
**DIN:** 08143781



# Annexure II

## FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain Arm's length transaction under third proviso thereto.

### 1. Details of contracts or arrangements or transactions not at Arm's length basis:

The Company has not entered into any contract or arrangement or transaction with its related parties which is not in Arm's Length during the FY 2023-24.

### 2. Details of contracts or arrangements or transactions at Arm's length basis.

(All amounts are in lakhs unless otherwise specified)

Name (s) of the related party	Nature of relationship	Duration of the contracts/ arrangements/ transaction	Nature of contracts/ arrangements/ transactions	2022-23 Amount in Rs. Outstanding	Date of Approval of Board	Amount paid as advances, if any
Nova Agri Sciences Private Limited	Wholly-owned Subsidiary  [Material Subsidiary]	Transactions done during FY 2023-24	Sales	1825.48	21/04/2023	-
			Purchase	2077.96		
			Loan granted	917.82		
			Lease Rent Received	9.80		

Aforesaid transactions are considered as "Material Related Party Transactions" as per Regulation 23(1) of SEBI (LODR) Regulations, 2015. Though, the transactions entered into between the Company with its wholly-owned subsidiary do not require approval of shareholders in terms of Regulation 23(5) of SEBI (LODR) Regulations, 2015, the Company has obtained the approval of the Shareholders in its 16<sup>th</sup> AGM held on 30<sup>th</sup> September, 2023, in view of good corporate governance.

By the Order of the Board  
For Nova Agritech Limited

Place: Hyderabad  
Date: 10<sup>th</sup> August, 2024

Sd/-  
**Rajesh Cherukuri**  
Whole-Time-Director  
DIN: 09840611

Sd/-  
**Kiran Kumar Atukuri**  
Managing Director  
DIN: 08143781

# Annexure III

## Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022]

### 1. A brief outline of the Company's CSR policy.

#### a) CSR POLICY

##### CSR Vision Statement:

As a socially responsible corporate citizen, the Company will continue to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environment.

##### Objective CSR Vision:

The objective of the policy is to actively contribute to the social, environmental, and economic development of the society in which we operate.

##### Resources:

2% of the average net profits of the Company made during the three immediately preceding financial years; Surplus arising out of CSR activities.

Company will engage in the activities mentioned in the CSR Policy of the Company independently or in such manner that it will complement the work being done by local authorities wherever necessary in such a manner, that the work executed by Company will offer a multi fold benefit to the community.

### 2. The Composition of the CSR Committee

S. No.	Name of the Director	Designation /Nature of Directorship	No. of meetings held during the year	No. of meetings attended during the year
1.	Kiran Kumar Atukuri	Chairman of CSR Committee Managing Director	2	2
2.	Adabala Seshagiri Rao	Member of CSR Committee Non-Executive Independent Director	2	2
3.	Adapa Kiran Kumar	Member of CSR Committee Non-Executive Independent Director	2	2

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.

- Composition of CSR Committee: <https://novaagri.in/investor-relations/committees-of-board/>
- CSR Policy: <https://novaagri.in/investor-relations/policies/>
- CSR Projects approved by the Board: <https://novaagri.in/investor-relations/csr-initiatives/>

4. Provide the executive summary alongwith the Web-link(s) 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:

#### **Not Applicable**

5. (a) Average net profit of the company as per section 135(5): ₹ 8,10,71,000/-  
(b) Two percent of average net profit of the company as per section 135(5): ₹ 16,21,420/-  
(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil  
(d) Amount required to be set off for the financial year, if any: Nil  
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 16,21,420/-
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 16,91,946/-

Details of Ongoing Projects: Nil

Details of Other than Ongoing Projects: ₹ 16,91,946/-

1	2	3	4	5	6	7	8		
S. no.	Name of the Project	Item from the list of activities in the Schedule VII of the Act	Local Area (Yes/ no)	Location of the Project		Amount spent for the project (in ₹)	Mode of Implementation – Direct (Yes/ no)	Mode of Implementation – through Implementing Agency	
				State	District			Name	CSR Regn No.
1.	Organised Free Eye Screening & Check Up Camp in collaboration with Sankara Eye Hospital	<b>Item No. (i)</b> Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation	Yes	Andhra Pradesh	Martur, Bapatla	3,16,565	Yes	-	-
			Yes	Andhra Pradesh	Pedaganjam, Prakasam	1,70,514	Yes	-	-
			Yes	Andhra Pradesh	Yaddanapudi, Bapatla	2,56,736	Yes	-	-
			Yes	Andhra Pradesh	Parchur, Bapatla	2,89,337	Yes	-	-
			Yes	Andhra Pradesh	Valaparla, Bapatla	2,05,016	Yes	-	-
			Yes	Andhra Pradesh	Vommevaram	58,160	Yes	-	-
			Yes	Andhra Pradesh	Isukadarsi, Prakasam	3,95,618	Yes	-	-
Total						16,91,946			

(b) Amount spent in Administrative Overheads - Nil

(c) Amount spent on Impact Assessment, if applicable - NA

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] – ₹ **16,91,946/-**

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
₹ <b>16,91,946/-</b>	Nil	Nil	Nil	Nil	Nil

(f) Excess amount for set-off, if any:

S. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	₹ <b>16,21,420/-</b>
(ii)	Total amount spent for the Financial Year	₹ <b>16,91,946/-</b>
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ <b>70,526/-</b>
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

## Annexure III (Contd.)

7. Details of Unspent CSR amount for the preceding three financial years: Nil

1	2	3	4	5	6	7	8
S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer	
NIL							

8. 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 (asset-wise details): **Nil.**
9. 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**

By the Order of the Board  
**For Nova Agritech Limited**

Sd/-

**Kiran Kumar Atukuri**

Managing Director & Chairman of CSR Committee

**DIN: 08143781**

**Place:** Hyderabad  
**Date:** 10<sup>th</sup> August, 2024



# Annexure IV

## Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

The details regarding energy conservation, technology absorption, foreign exchange earnings and outgo, as required by section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 are given as below.

### A. Conservation of energy:

The operations of the Company are not energy-intensive, adequate measures have, been taken, to conserve and reduce wastage and optimize consumption. Further, the Company is making continuous efforts on ongoing basis to conserve the energy by adopting innovative measures to reduce wastage and optimize consumption.

#### i. Steps taken or impact on conservation of energy

The Company is very careful in using the power to reduce the cost of maintenance and conserve the resources. The Company has taken following steps to conserve the energy –

- Installation of LED lights on road side and in the plant at certain places within the company premises, which reduced power consumption.
- It is made mandatory to turn off the computers, printers, fans and other electrical equipment/paraphernalia after the office/working hours, which also helped in conservation of electricity.

#### ii. Steps taken by the Company for utilizing alternate sources of energy

The Company has installed of 20 KW grid connected electricity generating solar systems on roof top of a manufacturing plant. This Solar plant is used as alternate source of energy.

#### iii. Capital investment on energy conservation equipment

The Company has made an investment of ₹ 29,00,000/- (Rupees Twenty-Nine Lakh Only) for reduction of consumption of energy towards installation of Solar Plant.

### B. Technology Absorption:

We firmly believe that technology is the genesis of innovative business practices, which in turn enable the organization to carry out business effectively and efficiently. We intend to make investments in innovative techniques for this regard.

i	The efforts made towards technology absorption	:	Installation of an additional bead mill with efficient wet milling technology for milling of herbicide active ingredients
ii	The benefits derived such as product improvement, cost reduction, product development or import substitution	:	<p>The benefits derived out of this additional technology installation are –</p> <ul style="list-style-type: none"> <li>• Facilitated own production of 4-5 herbicide formulations (in future more formulations of herbicides will be produced in the plant itself) which require wet milling of active ingredient;</li> <li>• Prevented the purchase of these 4-5 formulations at prevailing higher cost from the competitors in the industry;</li> <li>• Resulted in saving a lot of money to the company by own formulation of these herbicides at Company's plant;</li> <li>• Increased the production capacity of manufacturing plant;</li> <li>• Created an opportunity to sell the formulations of these herbicides in bulk to other marketers/companies in the industry thereby generating sizeable income to the Company in the days to come.</li> </ul>
iii	In case of imported technology (imported during the last 3 years, reckoned from the beginning of the financial year), following information may be furnished	:	<p>In the last three years, we have not imported any technology but have marketed the devices with advanced technology that are useful in farming operations and making agricultural operations simple and easy for farming community.</p> <p>These include Nova Agribot, a DGAC approved multipurpose drone and Nova Bhuparikshak, a rapid soil testing device.</p>
	(a) The details of technology imported	:	NA
	(b) The year of import	:	NA
	(c) Whether the technology been fully absorbed	:	NA
	(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	NA
iv	The expenditure incurred on research and development	:	108.52 Lakhs

Annexure IV (Contd.)

C. Foreign Exchange Earnings & Outgo:

Particulars	2023-24	2022-23
Foreign Exchange Earnings	5,50,000	-
Foreign Exchange Outgo	24,74,14,783	-

By the Order of the Board  
For Nova Agritech Limited

Place: Hyderabad  
Date: 10<sup>th</sup> August, 2024

Sd/-  
Rajesh Cherukuri  
Whole-Time-Director  
DIN: 09840611

Sd/-  
Kiran Kumar Atukuri  
Managing Director  
DIN: 08143781

# Annexure V

## DISCLOSURE OF MANAGERIAL REMUNERATION

Particulars of Employees pursuant to provisions of Section 197(12) of the Companies Act 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

S. No.	Name of the Director	Designation	Remuneration (₹ in Lakhs)			Ratio to median remuneration
			2023-24	2022-23	% increase	
1.	Malathi Siripurapu	Whole-Time Director	271.82	271.82	-	68.70
2.	Kiran Kumar Atukuri	Managing Director	53.56	53.56	-	13.70
3.	Sreekanth Yenigalla	Whole-Time Director	53.16	53.16	-	13.60
4.	Basanth Kumar Nadella	Whole-Time Director	33.11	33.11	-	8.55
5.	*Rajesh Cherukuri	Whole-Time Director	-	-	-	-
6.	*Srinivasa Rao Mandalapu	Chief Executive Officer	-	-	-	-
7.	K. Srinivas Gunupudi	Chief Financial Officer	24	5.48	-	-
8.	Neha Soni	Company Secretary	12	6	100%	-

\*Mr. Rajesh Cherukuri is appointed as Director w.e.f. 02/04/2024 and Mr. Srinivasa Rao Mandalapu is appointed as Chief Executive Officer w.e.f. 16/03/2024.

**Note:** The company has not paid any remuneration to the non-executive independent directors of the company for the financial year 2023-24, except sitting fee.

- b. the percentage increase in the median remuneration of employees in the financial year:

Median for FY 2023-24 is 436680 as compared to 352716 for previous financial year. Accordingly, percentage increase in median remuneration of employees in the FY 2023-24 is 23.8%.

- c. The number of permanent employees on the rolls of Company:

No. of Employees of the Company	As on 31.03.2024	As on 31.03.2023
	112	143

- d. **Average percentile increase** made in the salaries of employees other than the managerial personnel in the last financial year is 11.67%.

There is no increase in the managerial remuneration and therefore, comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration is not applicable.

- e. Affirmation that the remuneration is as per the remuneration policy of the Company:

**The Company affirms remuneration paid is as per the remuneration policy of the Company.**

**DISCLOSURE OF PARTICULARS OF EMPLOYEES**

**[Pursuant to Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

Particulars statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee, as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

<b>Name</b>	<b>Malathi Siripurapu</b>	<b>Srinivasa Rao Mandalapu</b>
Age	45 years	52 years
Designation	Whole-Time-Director	Chief Executive Officer
Remuneration Received	271.82 Lakhs per annum	70 Lakhs per annum
Nature of Employment	Contractual (as approved by the shareholders)	Permanent
Qualification	Bachelor of Commerce from Kakatiya University	B.Sc Agriculture
Experience	10+ Years of Experience in managing the financial activities and operations of agriculture and agro product industry	28+ years of experience in agriculture operations, sugar & power industries.
Date of Commencement of Employment	17 <sup>th</sup> March, 2021	16 <sup>th</sup> March, 2024
Last employment	-	Madhucon Sugar and Power Industries Limited
Shareholding as on 31.03.2024	84,21,620 equity Shares of ₹ 2/- each constituting to 9.10%	Nil
Relationship with other Directors	Nil	Nil

The remuneration paid to Directors, Key Managerial Personnel and other employee of the Company during the FY 2023-24 is in conformity with the Nomination and Remuneration Policy of the Company and the managerial remuneration is within the limits approved by the shareholders.

By the Order of the Board  
**For Nova Agritech Limited**

**Place:** Hyderabad  
**Date:** 10<sup>th</sup> August, 2024

Sd/-  
**Rajesh Cherukuri**  
Whole-Time-Director  
**DIN:** 09840611

Sd/-  
**Kiran Kumar Atukuri**  
Managing Director  
**DIN:** 08143781



# Annexure VI

Disclosure pursuant to regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on 31<sup>st</sup> March 2024:

## A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the ‘Guidance note on accounting for employee share-based payments’ issued in that regard from time to time.

There are no disclosures in the Notes to Financial Statements of the Company for the year ended 31<sup>st</sup> March 2024, since no grants have been made during the year.

## B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with ‘Accounting Standard 20 - Earnings Per Share’ issued by Central Government or any other relevant accounting standards as issued from time to time: NIL

## C. Details related to Nova Agritech Limited Share Based Employee Benefit Scheme – 2022 (“the scheme”)

The Board of Directors and the shareholders of the company at their meetings held on 23<sup>rd</sup> November, 2022 and 19<sup>th</sup> December, 2022, respectively, approved the adoption of the “Nova Agritech Limited Share Based Employee Benefit Scheme – 2022” (“the Scheme”) for the benefit of the eligible employees of the Company, and its Subsidiary Company(ies), Associate Company(ies) and Group companies (as permitted), as may be decided by the Board/ Compensation Committee from time to time.

In terms of Regulation 12(1) of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (“SEBI (SBEBASE) Regulations, 2021”), no company is permitted to make any fresh grant which involves allotment or transfer of shares to its employees under any scheme formulated prior to listing of its shares unless such scheme is in conformity with the SEBI (SBEBASE) Regulations, 2021 and is ratified by its members subsequent to the listing of the shares of the Company.

Accordingly, approval of the Members is being sought for ratification of the Scheme and the issue of employee stock options (“ESOPs”) and/or share appreciation rights (“SARs”) to the eligible employees as may be determined by the Compensation Committee in accordance with the Scheme in the ensuing 17<sup>th</sup> AGM of the Company.

### I. Details related to Scheme are given below:

S. No.	Particulars	Details
1.	Date of Shareholders approval	19 <sup>th</sup> December, 2022 Proposed approval of shareholders post listing – 20 <sup>th</sup> September, 2024
2.	Total number of options approved	5,00,000 options convertible into 5,00,000 equity shares of ₹ 10/- each corresponding to 25,00,000 options <b>convertible into</b> 25,00,000 equity shares of ₹ 2/- each
3.	Vesting Requirement	Vesting period for Options/SARs shall commence after minimum 1 (One) year from the Grant Date and it may extend upto maximum period of 5 (Five) years from the Grant Date, at the discretion of and in the manner prescribed by the Committee
4.	Exercise price or pricing formula	The Compensation Committee shall determine the Exercise Price of the Options Granted under the Plan, as it may deem appropriate in conformity with the applicable accounting policies, if any, provided that the Exercise Price shall not be less than the face value of the Shares and not higher than the prevailing Market Price (on Stock Exchange with highest volume) of the Shares of the Company as on the Grant Date as discounted by such percentage as may be determined by the Compensation Committee in its absolute discretion.
5.	Maximum term of options granted	The exercise period would commence from the date of vesting and will expire on completion of 2 (two) years from the date of vesting of options, or such period as may be decided by the Compensation Committee at its sole discretion from time to time.
6.	Source of shares	Primary issuance to Trust
7.	Variation in terms of ESOP	Nil

## Annexure VI (Contd.)

II. **Method used to account for ESOS – Fair Value Method**

III. **Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed - Not applicable, since no grants made during FY 2023-24**

IV. **Details of Options (Option Movement during the year):** As on 31<sup>st</sup> March 2024, no options have been granted to employees of the Company under the Scheme.

V. **Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock:** Not applicable, since no grants made during FY 2023-24

VI. **Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –**

### a. Senior Managerial Personnel

Name & Designation	No. of options granted and grant price
Nil	Nil

### b. Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year

Name & Designation	No. of options granted and grant price
Nil	Nil

### c. Identified employees who were granted options, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.

Name & Designation	No. of options granted and grant price
Nil	Nil

VII. **A description of the method and significant assumptions used during the year to estimate the fair value of options:** Not applicable, since no grants made during FY 2023-24

## D. Details related to Trust:

### i. General Information:

S. No.	Particulars	Details
1.	Name of the Trust	<b>Nova Agritech Limited Employees Welfare Trust</b>
2.	Details of the Trustee(s)	a. Mr. Srinivasa Rao Paturi b. Mr. Srinivasa Rao Linga
3.	Amount of loan disbursed by Company/any company in the group, during the year.	₹ 1,26,00,000/- was disbursed during the FY 2022-23 out of which ₹ 1,25,00,000/- was used by Trust for subscribing 5,00,000 equity shares of ₹ 10/- each at a price of ₹ 25/- each [corresponding to 25,00,000 equity shares of ₹ 2/- each] (Allotted on 6 <sup>th</sup> January, 2023)
4.	Amount of loan outstanding (Repayable to Company/any company in the group) as at the end of the year.	₹ 1,26,00,000/-
5.	Amount of loan, if any, taken from any other source for which Company/any company in the group has provided any security or guarantee.	Nil
6.	Any other contribution made to the Trust during the year.	Nil

ii. **Brief details of transactions in shares by the Trust:** During the financial year 2023-24, the Trust has not transferred any shares of the Company. As on 31<sup>st</sup> March 2024, the Trust has 25,00,000 equity shares of ₹ 2/- each of the Company.

iii. **In case of secondary acquisition of shares by the Trust:** NA.

By the Order of the Board  
For Nova Agritech Limited

Sd/-  
**Rajesh Cherukuri**  
Whole-Time-Director  
DIN: 09840611

Sd/-  
**Kiran Kumar Atukuri**  
Managing Director  
DIN: 08143781

Place: Hyderabad  
Date: 10<sup>th</sup> August, 2024

# Annexure VII

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
*for the financial year ended 31 March 2024*

*[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,  
**Nova Agritech Limited**  
**CIN:** L01119TG2007PLC053901,  
Sy.No.251/A/1., Singannaguda Village,  
Mulugu Mandal Siddipet, Medak – 502279  
Telangana, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Nova Agritech Limited having (CIN: L01119TG2007PLC053901) (“the Company”)** for the financial year ended 31 March 2024. The 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, minutes books, forms and returns filed and other records maintained by the Company, and also the information and clarifications and confirmations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March 2024 (“ the period under review”) complied with the statutory provisions listed hereunder and also that the Company has proper broad processes and compliance mechanisms.

We have examined on test check basis the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March 2024, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder
- ii) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;

The Company is a Publicly listed company and all the shares of the company are in Demat mode.

During the period under review, the securities of the Company are listed at stock exchanges i.e. BSE Limited and National Stock Exchange of India Limited on 31<sup>st</sup> January, 2024, therefore the following acts/regulations are **APPLICABLE as on 31<sup>st</sup> March, 2024-**

- (i) Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (ii) Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (iv) The following regulations as prescribed under Securities and Exchange Board of India Act, 1992 (“SEBI Act”) -
  - a) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – **Not attracted during the period under review**
  - g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 – **Not attracted during the period under review**

## Annexure VII (Contd.)

- h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 – **Not attracted during the period under review**
- i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not attracted during the period under review – **Not attracted during the period under review**

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

*We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.*

### **We further report that –**

The Board of Directors of the Company is duly constituted with requisite number of Independent Directors and Women Director as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The appointment/cessation of the Directors took place during the period under review were carried out in compliance with the provisions of the Act & Regulation.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance or with shorter consents as may be the case, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. Based on the documents produced by the management, we are of the view that meetings at shorter notice, are conducted with adequate consents of the Directors, and the necessary compliances under the Act and Secretarial Standards on Board Meetings are complied with.

During the year under review, Directors/Members have participated in the Board/Committee Meetings through Video Conferencing and such meetings were properly convened and recorded in compliance with the provisions of Section 173(2) of the Act read with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014.

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 year under review there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above **except the following –**

#### **1. Re-appointment of Statutory Auditors:**

N S V R & Associates LLP, Chartered Accountants (Firm Registration No. 008801S/S200060), were reappointed as the statutory auditors of the Company in the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2023, for the second term of 5 years, i.e. to hold the office from the conclusion of the 16<sup>th</sup> AGM till the conclusion of 21<sup>st</sup> AGM of the Company to be held in the year 2028, for conducting statutory audit for the financial years from 2023-24 to 2027-28.

#### **2. Change in Board & KMP:**

- Mrs. Malathi Siripurapu (DIN: 03033944) is reappointed as Whole-Time Director of the Company for a period of 3 (three) years w.e.f. 17 March 2024 to 16 March 2027 (both days inclusive), liable to retire by rotation, in the 16<sup>th</sup> AGM of the Company held on 30 September 2023.
- Mr. Srinivasarao Mandalapu is appointed as the Chief Executive Officer (CEO) of the Company w.e.f. 16 March 2024 in the Board Meeting of the Company held on 15 March 2024.

#### **3. Initial Public Offer (IPO):**

- The Company filed Draft Red Herring Prospectus ("DRHP") with Securities Exchange Board of India ("SEBI") on March 03, 2023 proposing listing of its equity shares on BSE Limited and National Stock Exchange of India Limited. Through such Initial Public Offer(IPO), the Company proposes to raise additional fund of ₹140 Crores through "Fresh Offer". Further, existing shareholder of the Company namely Mr. Notalapati Venkatasubbarao proposes to dilute his stake in the Company by disposing 77,58,620 Equity shares of ₹ 2/- each through IPO in "Offer for sale" category.
- Proposed public issue is with a view to utilize the funds for setting up a new formulation plant for the subsidiary Nova Agri Sciences Private Limited and for the expansion of the existing formulation plant. The funds are also used for working capital requirements, besides general corporate purposes.



- The Company received in-principle approval for such proposed IPO from BSE, NSE and SEBI vide their letters dated 31<sup>st</sup> May, 2023, 1<sup>st</sup> June, 2023 and 26<sup>th</sup> June, 2023 on the DRHP filed by the Company on 3<sup>rd</sup> March, 2023.
- The Company filed Red Herring Prospectus for the proposed IPO on 12<sup>th</sup> January, 2024
- The Public Issue was open for a period of three days from 23<sup>rd</sup> January, 2024 to 25<sup>th</sup> January, 2024. Anchor investor was opened on 19<sup>th</sup> January, 2024
- On 29<sup>th</sup> January, 2024, 2,73,17,073 equity shares of ₹ 2/- each were allotted under Fresh Issue of the Company and 77,58,620 equity shares of ₹ 2/- each, offered under Offer for Sale were transferred at an Issue Price of ₹ 41/- per Equity Share including a share premium of ₹ 39/- per Equity Share, to the respective applicants in various categories, vide approval of IPO Committee of the Company, in terms of the basis of allotment approved in consultation with the authorized representative of the BSE Limited, the designated stock exchange.
- Accordingly, the paid capital of the Company was increased **from ₹ 13,04,05,480/-** consisting of 6,52,02,740 equity shares of ₹ 2/- each **to ₹ 18,50,39,626/-** consisting of 9,25,19,813 equity shares of ₹ 2/- each.
- The Company received trading approval from BSE Limited and National Stock Exchange of India Limited (hereinafter referred as "Stock Exchanges") for listing and trading of 9,25,19,813 equity shares of the Company vide letter dated 30<sup>th</sup> January, 2024. Accordingly, the equity shares of the Company were duly listed on Stock Exchanges w.e.f. 31<sup>st</sup> January, 2024.

**We further report that** the Company being a listed Company, this report is also issued pursuant to Regulation 24A of SEBI (LODR) Regulations, 2015 and Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 issued by Securities Exchange Board of India (SEBI).

**We further report that** the Company have a Material Subsidiary incorporated in India as defined under Regulation 16(1)(c) and Regulation 24A of SEBI (LODR) Regulations, 2015, namely Nova Agri Sciences Private Limited and the secretarial audit of such Material Subsidiary is also carried out from our end and the report thereon is given separately.

**For P. S. Rao & Associates  
Practicing Company Secretaries**

Sd/-

**M Ramana Reddy**

**FCS - 11891**

**CP No. 18415**

**PR: 3572/2023**

**UDIN: F011891F000947716**

**Place:** Hyderabad

**Date:** 10<sup>th</sup> August, 2024

[This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.]

## Annexure VII (Contd.)

### 'Annexure A' to Secretarial Audit Report

To  
The Members,  
**Nova Agritech Limited**  
**CIN:** L01119TG2007PLC053901,  
Sy.No.251/A/1., Singannaguda Village,  
Mulugu Mandal Siddipet, Medak – 502279  
Telangana, India.

*Secretarial Audit Report of even date is to be read along with this letter.*

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditors' Responsibility

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. We have not verified the correctness and appropriateness of financial records and books and accounts of the Company.

### Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P. S. Rao & Associates**  
**Practicing Company Secretaries**

Sd/-

**M Ramana Reddy**  
**FCS - 11891**  
**CP No. 18415**

**PR: 3572/2023**

**UDIN: F011891F000947716**

**Place:** Hyderabad  
**Date:** 10<sup>th</sup> August, 2024

# Annexure VIII

## Annual Secretarial Compliance Report of Nova Agritech Limited (“the listed entity”) for Financial Year ended 31st March, 2024

[Pursuant to Regulation 24A (2) of SEBI (LODR) Regulations, 2015]

I, **M. Ramana Reddy, Practicing Company Secretary from P. S. Rao & Associates, Hyderabad**, have examined:

- All the documents and records made available to us and explanation provided by **Nova Agritech Limited** (“the listed entity”);
- the filings/ submissions made by the listed entity to the stock exchanges;
- website of the listed entity;
- any other document/ filing, as may be relevant, which has been relied upon to make this certification.

**For the financial year ended 31<sup>st</sup> March, 2024 (“Review Period”) in respect of compliance with the provisions of:**

- the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the regulations, circulars, and guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the regulations, circulars, and guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”).

**The specific regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:**

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not attracted during the year under review);**
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not attracted during the year under review);**
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not attracted during the year under review);**
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 **(Not attracted during the year under review);**
- Other regulations as applicable and Circulars/ guidelines issued thereunder

We hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS*
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013, and are mandatorily applicable.	Yes	-
2.	<b>Adoption and timely updation of the Policies:</b>		
	• All applicable policies under SEBI Regulations are adopted with the approval of the board of directors of the listed entities	Yes	-
	• All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI	Yes	-

## Annexure VIII (Contd.)

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS*
3.	<b>Maintenance and disclosures on the Website:</b>		
	• The Listed entity is maintaining a functional website	Yes	-
	• Timely dissemination of the documents/ information under a separate section on the website	Yes	-
	• Web links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website	Yes	-
4.	<b>Disqualification of Director:</b> None of the Directors (s) of the Company is/ are disqualified under Section 164 of the Companies Act, 2013 as confirmed by the listed entity.	Yes	-
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b>		
	(a) Identification of material subsidiary companies	Yes	-
	(b) Disclosure requirement of material as well as other subsidiaries	Yes	-
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per the Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	-
7.	<b>Performance Evaluation:</b> The listed entity has conducted a performance evaluation of the Board, Independent Directors, and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	-
8.	<b>Related Party Transactions:</b>		
	(a) The listed entity has obtained prior approval of the Audit Committee for all related party transactions; or	Yes	During the financial year 2023-2024, listed entity has obtained prior approval from the Audit Committee for all related party transactions.
	(b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	-
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	-
11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	NA	No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges under SEBI Regulations and circulars/ guidelines issued thereunder.
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance was observed for any SEBI regulation/circular/ guidance note etc.	NA	-



Compliances related to the resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18<sup>th</sup> October 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations / Remarks by PCS*
1.	<b>Compliances with the following conditions while appointing/re-appointing an auditor</b>		
i.	If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or	NA	No event has occurred for the resignation of the auditor and hence, the existing auditor has duly signed the limited review/ audit report for the quarters as well as the reporting financial year.
ii.	If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or	NA	
iii.	If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	
2.	<b>Other conditions relating to the resignation of the statutory auditor</b>		
i.	Reporting of concerns by the Auditor with respect to the listed entity/its material subsidiary to the Audit Committee:		
a.	In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information / non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings.	NA	No concerns were raised by the existing statutory auditor to the audit committee of the listed entity.
b.	In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents have been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/ explanation from the company, the auditor has informed the Audit Committee of the details of the information /explanation sought and not provided by the management, as applicable.	NA	No event for the resignation of the auditor has taken place.
c.	The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	As there was no event for resignation of the auditor has been taken place, no information was required to be received and communicated.
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure- A in SEBI Circular CIR/ CFD/CMD1/114/2019 dated 18 <sup>th</sup> October 2019.	NA	No event for the resignation of the auditor has taken place.

The Additional disclosures of the Annual Secretarial Compliance Report as below:-

- (a) (\*\*) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clauses)	Regulation/ Circular No.	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
									NIL

## Annexure VIII (Contd.)

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clauses)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

### I further report that –

The Company has complied with the requirements of Structural Digital Data Base in terms of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 including various Circulars issued by SEBI thereunder and Circular(s) issued by Stock Exchange(s).

**For P. S. Rao and Associates  
Company Secretaries**

**M Ramana Reddy**

**FCS No.:11891**

**C P No. 18415**

**P.R. No.: 3572/2023**

**UDIN: F011891F000461551**

**Place:** Hyderabad

**Date:** 27<sup>th</sup> May 2024

# Annexure IX

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
*for the financial year ended 31 March 2024*

*[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,  
**Nova Agri Sciences Private Limited**  
**CIN: U01403TG2010PTC068405,**  
Sy.No.251/A/1., Singannaguda Village,  
Mulugu Mandal Siddipet, Medak – 502279  
Telangana, India.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Nova Agri Sciences Private Limited (CIN: U01403TG2010PTC068405) ("the Company")** for the financial year ended 31 March 2024. The 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, minutes books, forms and returns filed and other records maintained by the Company, and also the information and clarifications and confirmations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31 March 2024 ("the period under review") complied with the statutory provisions listed hereunder and also that the Company has proper broad processes and compliance mechanisms.

The Company, though a private limited Company by virtue of its incorporation, is a Deemed Public company in view of wholly-owned subsidiary of a Listed Public Company in terms of Section 2(71) of the Companies Act, 2013.

The Company is also a Material Subsidiary of "Nova Agritech Limited" in terms of Regulation 16(1)(c) and Regulation 24A of SEBI (LODR) Regulations, 2015. Accordingly, this Secretarial Audit has been conducted in pursuance of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, for the purpose of audit and reporting we have adhered to the format as per MR-3 and the Audit guidelines issued by the ICSI in this regard.

We have examined on test check basis the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March 2024, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder
- (ii) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India;
- (iii) Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not attracted during the period under review)**
- (v) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; **(Not attracted during the period under review)**
- (vi) The following regulations as prescribed under Securities and Exchange Board of India Act, 1992 ("SEBI Act") -
  - a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; **(checked to the extent applicable)**
  - b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not attracted during the period under review)**

## Annexure IX (Contd.)

- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not attracted during the period under review)**
- d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; **(Not attracted during the period under review)**
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not attracted during the period under review)**
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not attracted during the period under review)**
- g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; **(Not attracted during the period under review)**
- h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not attracted during the period under review)**
- i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not attracted during the period under review)**

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

*We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.*

*As informed by the management, the Company is in process of converting all the shares of the company in Demat mode.*

### **We further report that –**

The Board of Directors of the Company is duly constituted with requisite number of Independent Directors as per the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The appointment/cessation of the Directors took place during the period under review were carried out in compliance with the provisions of the Act & Regulation.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance or with shorter consents as may be the case, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting. Based on the documents produced by the management, we are of the view that meetings at shorter notice, are conducted with adequate consents of the Directors, and the necessary compliances under the Act and Secretarial Standards on Board Meetings are complied with.

During the year under review, Directors/Members have participated in the Board/Committee Meetings through Video Conferencing and such meetings were properly convened and recorded in compliance with the provisions of Section 173(2) of the Act read with Rule 3 of Companies (Meetings of Board and its Powers) Rules, 2014.

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 year under review there are no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above **except the following –**

#### **1. Re-appointment of Statutory Auditors:**

N S V R & Associates LLP, Chartered Accountants (Firm Registration No. 008801S/S200060), were reappointed as the statutory auditors of the Company in the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2023, for the second term of 5 years, i.e. to hold the office from the conclusion of the 13<sup>th</sup> AGM till the conclusion of 18<sup>th</sup> AGM of the Company to be held in the year 2028, for conducting statutory audit for the financial years from 2023-24 to 2027-28.

**2. Change in Board & KMP:**

- The designation of Mr. Rajesh Cherukuri (DIN: 09840611) is changed from Whole-Time Director to Non-Executive Director w.e.f. 1<sup>st</sup> April, 2024 in the Board meeting held on 28<sup>th</sup> March, 2024.

**For P. S. Rao & Associates**  
**Practicing Company Secretaries**

*Sd/-*

**M Ramana Reddy**

**FCS - 11891**

**CP No. 18415**

**PR: 3572/2023**

**UDIN: F011891F000947936**

**Place:** Hyderabad

**Date:** 10<sup>th</sup> August, 2024

[This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.]



## Annexure IX (Contd.)

### 'Annexure A' to Secretarial Audit Report

To  
The Members,  
**Nova Agri Sciences Private Limited**  
**CIN:** U01403TG2010PTC068405,  
Sy.No.251/A/1., Singannaguda Village,  
Mulugu Mandal Siddipet, Medak – 502279  
Telangana, India.

*Secretarial Audit Report of even date is to be read along with this letter.*

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditors' Responsibility

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on random basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. We believe that audit evidence and information provided by the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
6. We have not verified the correctness and appropriateness of financial records and books and accounts of the Company.

### Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For P. S. Rao & Associates**  
**Practicing Company Secretaries**

Sd/-

**M Ramana Reddy**  
**FCS - 11891**  
**CP No. 18415**

**Place:** Hyderabad  
**Date:** 10<sup>th</sup> August, 2024

**PR:** 3572/2023  
**UDIN:** F011891F000947936

# Annexure X

## Management Discussion and Analysis

### 1. Economic Scenario and Outlook

In 2023, the global economy displayed signs of stabilisation on the back of a swiftly recovering US economy and resilient large emerging markets. The risk of a global recession was diminished by favourable factors such as robust labour markets, increased household consumption, and the strength of emerging economies. The International Monetary Fund (IMF) forecasts global growth at 3.2% in 2024 and 2025.

The Indian economy continued outperforming its global peers, with Real GDP expanding 8.2% YoY in FY 2023-24. The robust growth propelled the Indian economy to \$3.5 trillion. Supported by strong macroeconomic fundamentals, healthy financial institution balance sheets, moderating inflation, and improving external sector position, the Indian economy and financial system remained resilient. Additionally, strong GST collections, rising auto sales, increased consumer confidence, and double-digit credit growth highlight the strength of domestic consumption demand. These indicators of resilience and progress, even in the face of global challenges, demonstrate India's economic strength and its potential as a significant player in the global economy.

#### India's GDP Growth Trend (%)

FY22	FY23	FY24
9.1	7.2	8.2

Source: Ministry of Statistics and Program Implementation (MoSPI)

#### Outlook

As we enter 2024, global economic growth is anticipated to remain stable at approximately 3.2%. Technology and innovation are set to be crucial drivers, with businesses and governments increasingly adopting digital transformations to boost efficiency and accessibility. This trend is expected to invigorate economic activities in technology-driven sectors, such as automation and artificial intelligence. These advancements could significantly impact labor markets and productivity patterns around the world, potentially reshaping the global economic landscape.

With expectations of a stable GDP growth rate in the coming years, India is poised for robust growth. As inflation is projected to stabilize and meet targets by 2025, the economy is likely to benefit from more relaxed monetary policies. This shift is expected to boost investment capacities across various industries, further supporting robust growth.

### 2. Industry Review

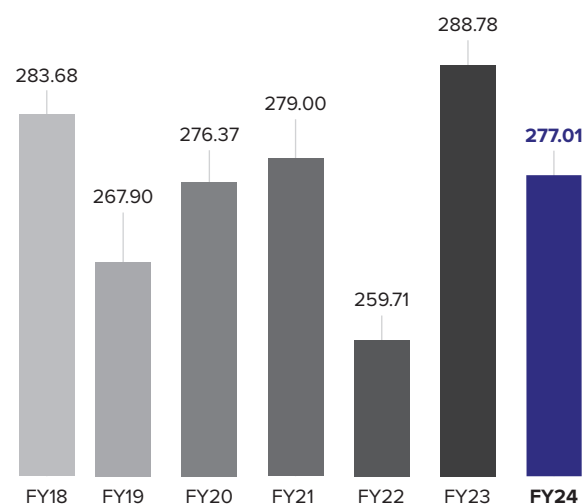
#### Indian Agriculture Industry

Indian agriculture has come a long way since the advent of the Green Revolution. Today, India is amongst the

largest producers of major food commodities globally, not only addressing the nutritional needs of the nation but feeding the world as well. Agriculture and allied sector accounts for a sizeable 18.3% in Gross Value Added (GVA) of the country and contributes to 47% of India's employment. Over the last six years, the agriculture sector in India has grown at average annual growth rate of 4.6% supported by Government's reformative measures to augment productivity, ensuring price support for farmers, crop diversification initiatives and boosting investment in infrastructure facilities.

#### Gross Value Added by Agriculture and Allied sectors

(US\$ billion) (at constant 2011-12 prices)



Source: Ministry of Agriculture, Print Release, RBI, MOSPI, Central Statistics Office (CSO), Union Budget 2023-24, Bain & Co.

Indian agriculture is swiftly transforming with an increased focus on resource efficiency and technology adoption. As part of this, the significant impetus is being given to promotion of nano technology-based products. India has become the first country globally to adopt nano technology in plant nutrients and its applications can also be extended in adjacent agri inputs segments. In addition, with India swiftly developing drone-based infrastructure, its application in agriculture for crop spraying and diagnostics can improve the efficiency and yield of farms.

India's agrochemicals sector is a significant driver of global market growth. The Indian agrochemicals sector is experiencing a strong recovery after the pandemic, with significant growth anticipated. India is the world's fourth-largest producer of agrochemicals and the 12<sup>th</sup> largest exporter of chemicals (excluding pharmaceuticals).

The Asia-Pacific region, leading in expansion due to high pesticide and fertilizer usage, benefits from advanced farming techniques. The growth in India's agrochemical industry, spurred by increased local

production and sales, is also supported by rising population, food demand, and economic development. Government efforts to promote sustainable agriculture are opening new opportunities in bio-stimulants and biopesticides. The sector's push towards greener practices, such as using natural ingredients, conserving energy, and investing in R&D, enhances global competitiveness. According to Mordor Intelligence, the market is projected to grow from \$ 8.22 billion in 2024 to \$ 13.08 billion by 2029, with a CAGR of 4%.

### Key growth drivers for agrochemical industry

- The growing population and rising affluence are driving changes in consumption patterns. Therefore, it's crucial not only to boost production to meet demand but also to address nutritional requirements effectively.
- Approximately 55% to 60% of the Indian population relies on agriculture for their livelihoods. As the population grows, there is an increasing demand for food products to support this demographic.
- Providing sufficient plant nutrients is vital for the healthy development and productivity of crops, helping to meet the rising food supply needs.
- In India, 30-35% of potential crop yields are lost due to pests, weeds, and diseases. Enhancing crop productivity by implementing effective pest control and weed management practices is essential for increasing agricultural output.

### Outlook

Looking ahead, the agriculture and rural sector has a positive outlook, bolstered by a promising rabi wheat crop, increased summer crop sowings, and an expected above-average south-west monsoon. Strengthened rural demand, growing informal sector activity, and easing inflationary pressures further enhance the optimism for the agricultural business environment. Addressing challenges related to food security, climate change, and sustainability will hinge on integrating innovation, technology, and supportive policies with environmental stewardship. Collaborative efforts among governments, farmers, researchers, and industry stakeholders will be crucial for driving meaningful progress and ensuring a resilient agricultural sector.

## 3. Company Overview

Nova Agritech Limited (NATL) is a premier manufacturer of agricultural inputs, specializing in soil health management, crop nutrition, and crop protection solutions. Committed to technology-driven innovation, NATL focuses on producing ecologically sustainable and nutritionally balanced products. These offerings are developed through comprehensive research and development efforts to ensure they meet the highest standards of efficacy and environmental responsibility.

The Company has robust product portfolio with 195 registrations across categories, including soil health management, crop nutrition, bio pesticides, and crop protection.

### Opportunities

- Nation's drive towards achieving Atma Nirbharta in fertilizer production to support domestic capacity creation.
- Due to cost competitiveness, technical capabilities and increasing actions towards diversifying supply chains by global customers, India is fast emerging as an attractive market for Agrochemicals.
- Increased consumer awareness towards sustainable farm produce is leading to increased adoption of biological products.
- Technology adoption in Agriculture to promote sustainable farm practices will provide opportunities in introducing novel solutions in products and application technologies. Nova's investment in drones and robotics space is aligned to capture this growth opportunity.
- Reformative policy measures by Central and State Governments to provide income support for farmers can ensure higher disposable income in the hands of farmers which can support the agri-input consumption.
- Improved digital connectivity in rural India offers opportunities for increasing farmer reach and e-commerce opportunities.

### Strengths

- One-stop solution for soil health management, crop nutrition, bio stimulant, bio pesticides, Integrated Pest Management (IPM) and crop protection through diversified branded product portfolio.
- Established distribution network across various geographies through many dealers.
- Strengthening farmer outreach through Nova Kisan Seva Kendra.
- Technology-driven product development and marketing
- Focus on ecologically sustainable and nutritionally balanced products.
- Experienced Management Team and Promoters.
- Well-equipped research and development facility.

### Threats

Global geopolitical occurrences, such as the Russia-Ukraine War, have the potential to disturb established trade relations, triggering heightened tariff rates, sanctions and supply chain interruptions. These disruptions may lead to elevated prices and constrained availability of specific products and commodities.

## Segment-wise /product-wise performance

### NATL Consolidated Category-wise Sales Contribution

Category	% 2023-24 sales contribution
Crop nutrition	35.75%
Soil Health Management	31.31%
Crop Protection	28.88%
Others	4.06%
<b>Total</b>	<b>100.00%</b>

## 4. Financial Review

(₹ in Lakhs)

Year	FY 2023-24	FY 2022-23	Growth (%)
Revenue	18,007.28	11,716.62	54%
EBITDA	2,788.14	2,070.05	39%
PAT	1,860.31	842.46	121%

### Operational performance overview and the significant changes in ratio

Particulars	FY 2023-24	FY 2022-23	Changes (%)	Reason for change
Debtors Turnover	2.56	1.79	43%	Though there is a marginal increase in the value of debtors Reflecting efficient credit management and strong cash flow. The company is effectively increasing and converting its credit sales into cash, which can improve liquidity and reduce the risk of bad debts.
Inventory Turnover	5.37	4.03	33%	While there is increase in value of inventory proportionate increase in sale Suggest efficient inventory management, strong sales, and better cash flow, as less capital is tied up in stock compared to sales. Company is effectively matching its inventory levels with customer demand, reducing the risk of holding obsolete or excess inventory.
Interest Coverage Ratio	4.36	2.79	56%	This positive change suggests that the company is managing its finances more effectively, ensuring better coverage of its interest expenses. This is also indicative of reduced interest rate from banks.
Current Ratio	3.01	1.5	101%	Company has more current assets relative to its current liabilities, suggesting better capability to meet its short-term obligations. This could result from increased cash flow.
Debt Equity Ratio	0.48	2.06	(76.77%)	With the reduction in total debt and increase in shareholders equity during the year, the ratio has decreased compared to previous year.
Operating Profit Margin	85%	83%	2%	It Indicates that the company is effectively managing its operating expenses relative to its sales, leading to stronger profitability from its primary business activities.
Net Profit Margin	10%	7%	43%	A higher net profit margin suggests that the company is retaining more of its earnings after covering all its costs, which is a positive sign of financial health and operational efficiency.
Return on Net Worth	13%	31%	(58%)	Reduction in RoNW is an impact of the increase in shareholders equity with the dilution by existing shareholders. this spreads the profits over a larger equity base which has been available in a short period at the end of FY.

**Financial performance with respect to operational performance**

(₹ in Lakhs)

Particulars	March 2024	% of total revenue
Sales revenue	17,984.46	99.87%
Other income	22.82	0.13%
Cost of materials consumed	11638.27	64.63%
Gross margin (%)	35.37%	—
Employee cost	1,396.62	7.76%
Other expenses	2,184.25	12.13%
Operating profit (EBITDA)	2,788.14	15.48%
EBITDA (%)	15.48%	—
Finance cost	607.71	3.37%
Depreciation & amortisation	136.75	0.76%
Profit before tax	2,043.68	11.35%
Provision for tax	183.37	1.02%
Profit after tax	1,860.31	10.33%
EPS (Rs.)	2.76	—

**5. Human resources/Industrial Relations**

At Nova Agritech, our employees form the bedrock of all our initiatives. Based on this deeply rooted philosophy, we adapt our HR policies to deliver an employee-centric approach.

We believe in providing a positive work environment that fosters growth and learning. Our unwavering commitment to creating an inclusive workplace has seen us take significant strides to implement best-in-class practices that promote diversity, equity, and inclusion. We strive to create an environment that respects and appreciates the unique contributions of each employee. We prioritise building diverse teams and ensure that every voice is heard, valued, and taken into consideration when making decisions that shape our company's future.

Human resources department manages all employee-related activities. HR professionals are responsible for finding, hiring, training, and supporting employees, as well as administering benefits and compensation. They also provide guidance to managers and employees on people-related matters, and help ensure the company complies with labour laws and employment standards.

We strive to provide employees with a congenial work environment that encourages a balanced, healthy, and safe lifestyle. We offer various growth opportunities, rewards merit, and recognise employee achievements. We also have an in-house canteen and provide free of cost transportation and food facility to the employees. We also organise and celebrate various cultural events in the organisation to relax, focus and re-energise so as to foster a more positive work environment.

Training programmes are available to enhance employees' skills and promote inclusive growth and knowledge sharing. We continue to upgrade our HR processes and institutionalise them to create a value system and behavioural skills necessary for achieving short- and long-term goals. The total employee strength of the organisation as on 31<sup>st</sup> March, 2024 stood at 112.

**6. Risk management**

Considering how volatility in the operating environment can have an unprecedented impact on global business, our Company is adopting a more proactive risk management and mitigation framework. The Risk Management Committee assists the Board in overseeing various risks, including reviewing and analysing risk exposures related to our Company. The Risk Management Committee regularly reviews risk management measures and thereafter by the Board. Periodic diligence is performed and recommendations for corrective actions and process changes are thereafter implemented.

**Economy Risk:** Our business is dependent on the Indian economy. Any adverse development or slowdown in Indian economy may have an adverse impact on our business, results of operations and financial condition.

**Weather Risk:** The current geographic concentration of our operations creates exposure to local economies, regional downturns and severe weather or other catastrophic occurrence.

**Competition Risk:** Competition from domestic and international players can impact the Company's business and market share if it fails to provide high-quality, high-performing products, maintain supply reliability, and launch innovative solutions.

**Employee Risk:** The Agri-Input Industry requires skilled talent, and employees play a crucial role in maintaining relationships with the dealer network. The inability to attract or retain the right talent can impact operations and lead to business loss.

**7. Internal control**

We have established an adequate internal control mechanism to safeguard all our assets and ensure operational excellence. The mechanism also meticulously records all transaction details and ensures regulatory compliance. We have multiple policy frameworks to ensure adequate controls on business processes. Further, Risk and Control dashboards have been defined and are periodically updated for all important operational processes. At periodic intervals, the management team and statutory auditors ensure that the defined controls are operative. We have a dedicated team of internal auditors to conduct an internal audit. Every year, this team defines the audit agenda for the year, which is implemented after approval



from the Audit Committee. Reputed audit firms also ensure that all transactions are correctly authorised and reported following the relevant regulatory framework. The reports are reviewed by the Audit Committee of the Board. Wherever necessary, internal control systems are strengthened, and corrective actions are initiated.

## 8. Cautionary statement

Certain statements in the Management Discussion and Analysis describing the Company's objectives, and predictions may be 'forward-looking statements' within

the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, volatility in interest rates, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update these statements.

# Annexure XI

## Report on Corporate Governance

[Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations") read with Schedule V thereto, compliance with the requirements of Corporate Governance is set out below:]

### Our Philosophy on Code of Governance

The corporate governance philosophy of Nova Agritech Limited ("the Company") is driven by the interest of stakeholders and business needs of the organization. We believe that corporate governance is essential for the growth, profitability and stability of any business. Aligning itself to this philosophy, the Company has placed corporate governance on a high priority.

The Company believes that strong governance standards, focusing on fairness, transparency, accountability and responsibility are vital, not only for the healthy and vibrant corporate sector growth, but also for inclusive growth of the economy. The Company has, always, focused on good corporate governance, which is a key driver of sustainable corporate growth and long-term value creation for its 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 increased employee and customer satisfaction and shareholder value. The Company, always, endeavours 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.

### Board of Directors

#### (a) Composition and Category of Directors:

As at 31 March 2024, our Board consists of 4 (four) Executive Directors and 4 (four) Non-Executive Independent Directors, including a Woman Independent Director. The Chairperson of the Board is a Non-Executive Independent Director. The Board is constituted as per the corporate governance requirements of the SEBI (LODR) Regulations. As per the declarations received by the Company from each of the Directors, during the year under review, none of them are disqualified under Section 164(2) of the Companies Act, 2013. The Independent Directors of the Company are in compliance with the provisions of Regulation 16(1)(b) of the SEBI (LODR) Regulations. In the opinion of the Board, the Independent Directors fulfil the conditions specified in listing regulations and are independent of the management.

The information on the Board of Directors, required under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR Regulations"), as amended, as on 31 March 2024 is stated below.

Name of the Director	Category	Number of Board Meetings eligible to attend during FY 2023-24	Number of Board Meetings attended during FY 2023-24	Whether attended the Annual General Meeting held on 30 September 2023	Number of Directorships in other Public Companies		Number of Committee positions held in other Public Companies		Directorship in other listed entity (Category of Directorship)
					Chairman	Member	Chairman	Member	
Mr. Adabala Seshagiri Rao	Non-Executive Independent Director	14	14	Yes	-	2	2	2	2
Mr. Ramesh Babu Nemani	Non-Executive Independent Director	14	14	Yes	-	4	5	3	3
Mr. Kiran Kumar Adapa	Non-Executive Independent Director	14	14	Yes	-	-	-	-	-
Ms. Swapna Kandula	Non-Executive Independent Director	14	13	Yes	-	-	-	-	-
Mrs. Malathi Siripurapu	Promoter-Executive	14	11	Yes	-	-	-	-	-
Mr. Kiran Kumar Atukuri	Promoter-Executive	14	14	Yes	-	-	-	-	-
*Mr. Sreekanth Yenigalla	Executive	14	14	Yes	-	-	-	-	-
*Mr. Basanth Kumar Nadella	Executive	14	9	Yes	-	-	-	-	-

\* Mr. Sreekanth Yenigalla and Mr. Basanth Kumar Nadella ceased to be a Whole Time Director w.e.f. 2<sup>nd</sup> April, .2024 and Mr. Rajesh Cherukuri was appointed as Additional Director designated as Whole-time Director w.e.f. 02<sup>nd</sup> April, 2024.

- No director is related to each other.
- No Independent Director has any pecuniary relationship, transaction, or association with the Company, which adversely affects one's independence.
- Non-Executive Independent Directors do not hold any share in the Company.

**(b) Attendance of each Director at the Board Meetings, last Annual General Meeting (16<sup>th</sup> AGM):**

Details of attendance of Directors at the Board Meetings and Annual General Meeting (AGM) held during the year are given below:

Name of the Director	No. of Board Meetings		Attendance at the last AGM held on 30.09.2023
	Entitled to Attend	Attended	
Mr. Adabala Seshagiri Rao	14	14	✓
Mr. Ramesh Babu Nemani	14	14	✓
Mr. Kiran Kumar Adapa	14	14	✓
Ms. Swapna Kandula	14	13	✓
Mrs. Malathi Siripurapu	14	11	✓
Mr. Kiran Kumar Atukuri	14	14	✓
Mr. Sreekanth Yenigalla	14	14	✓
Mr. Basanth Kumar Nadella	14	9	✓

**Note:**

1. Mr. Basanth Kumar Nadella was granted leave of absence for Board Meeting dated 26 December 2023, 05 January, 2024, 12 January 2024, 26 January 2024 and 27 January 2024.
2. Mrs. Malathi Siripurapu was granted leave of absence for Board Meeting dated 27 January 2024, 28 January 2024 and 15 March 2024.
3. Mrs. Swapna Kandula was granted leave of absence for Board Meeting dated 28 January 2024.

The Meetings of the Board of Directors are usually held at the Registered Office of the Company and considering the convenience of all the Directors and Invitees, the Company had facilitated an option of attendance of Directors and invitees at Board Meetings through Video Conferencing. The Agendas for the Meetings of the Board of Directors are circulated in advance to the Directors as per the provisions of the Companies Act, 2013 and the rules framed thereunder and Secretarial Standard – 1 (“SS-1”) issued by the Institute of Company Secretaries of India (ICSI) (which prescribes a set of principles for convening and conducting Meetings of the Board of Directors and matters related thereto) in order to ensure that sufficient time is provided to the Directors to prepare for the Meetings. This ensures detailed discussions and well informed, timely decisions by the Board.

**(c) Number of directorships, committee memberships and committee chairmanships held by the aforementioned Directors in other companies as on 31<sup>st</sup> March, 2024 are given below:**

Name of Director	*Number of other Company in which directorship held	^Number of Other Committees		Names of Listed Entities in which Directorship held and Category of Directorship
		Chairperson	Member	
Mr. Adabala Seshagiri Rao	2	2	7	Independent Director in – 1. Manoj Vaibhav Gems ‘N’ Jewellers Limited 2. Balaji Amines Limited
Mr. Ramesh Babu Nemani	6	6	13	Independent Director in – 1. Manoj Vaibhav Gems ‘N’ Jewellers Limited 2. VSF Projects Limited 3. Athena Global Technologies Limited
Mr. Kiran Kumar Adapa	-	-	-	-
Ms. Swapna Kandula	1	-	-	-
Mrs. Malathi Siripurapu	3	-	-	-
Mr. Kiran Kumar Atukuri	3	-	-	-
Mr. Sreekanth Yenigalla	3	-	-	-
Mr. Basanth Kumar Nadella	1	-	-	-

\* Including all companies (i.e. private, public, foreign, Section 8), except Nova Agritech Limited.

## Annexure XI (Contd.)

<sup>^</sup> Only membership of Committees in other Public Companies, have been considered.

### (d) Number of Board Meetings and Dates:

During FY 2023-24, 14 (Fourteen) board meetings were held. Details are given below -

Date of Board Meeting	Number of Directors entitled to attend	No. of Directors attended
21 April 2023	8	8
18 July 2023	8	8
02 September 2023	8	8
25 September 2023	8	8
20 October 2023	8	8
29 November 2023	8	8
26 December 2023	8	7
05 January 2024	8	7
12 January 2024	8	7
26 January 2024	8	7
27 January 2024	8	6
28 January 2024	8	6
14 February 2024	8	8
15 March 2024	8	7

The requisite quorum was duly present for all the aforesaid Meetings.

### (e) Disclosure of Relationship between Directors Inter-se:

During the financial year under review, Mrs. Malathi Siripurapu (Whole-Time-Director) and Mr. Kiran Kumar Atukuri (Managing Director) were promoter Directors. None of the Directors is related to any other Director on the Board nor related to the Key Managerial Personnel of the Company in terms of the provisions of the Companies Act, 2013 and the rules framed thereunder.

### (f) Number of shares held by Directors as on 31<sup>st</sup> March, 2024:

Name of Directors	Number of Shares held in the Company	% of Shareholding
Mr. Adabala Seshagiri Rao	-	-
Mr. Ramesh Babu Nemani	-	-
Mr. Kiran Kumar Adapa	-	-
Ms. Swapna Kandula	-	-
Mrs. Malathi Siripurapu	84,21,620	9.10
Mr. Kiran Kumar Atukuri	-	-
Mr. Sreekanth Yenigalla	-	-
Mr. Basanth Kumar Nadella	-	-

### (g) Familiarization Programme for Independent Directors

The Company has a familiarisation programme for Independent Directors, with regard to their roles, rights, responsibilities in the Company, nature of the industry

in which the Company operates, the business models of the Company etc., and the same is available on the website of the Company under weblink <https://novaagri.in/investor-relations/policies/>.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in SEBI (LODR) Regulations and are independent of the management.

During the year under review, no Independent Director has resigned before the expiry of one's tenure.

### Independent Directors Meeting

The Independent Directors (IDs) conducted a meeting on 15 January 2024, without the presence of Non-Independent Directors, and Management. At this meeting, the IDs, inter alia, evaluated the performance of the Non-Independent Directors, and the Board of Directors as a whole, and also evaluated the performance of the Chairman of the Board, and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

### (h) Skills/ Expertise/ Core Competencies of the Board

In terms of the requirements of SEBI (LODR) Regulations, the Board identified list of core skills/ expertise/ competencies as required in the context of Company's business(es) and sector(s) for it to function effectively. Broadly, the essential skill sets, identified by the Board are categorized as under.

Name of Director	Skills/Expertise/Core Competencies
Mrs. Malathi Siripurapu	<ul style="list-style-type: none"> <li>Leadership and general management</li> <li>Operational and domain expertise</li> <li>Risk management</li> </ul>
Mr. Kiran Kumar Atukuri	<ul style="list-style-type: none"> <li>Leadership and general management</li> <li>Business and domain expertise</li> <li>Strategic and business planning</li> <li>Sales &amp; Marketing Expertise</li> <li>Corporate governance, risk and compliance</li> </ul>
Mr. Sreekanth Yenigalla	<ul style="list-style-type: none"> <li>Business and domain expertise</li> <li>Business Development planning</li> <li>Business partnerships and collaborations.</li> <li>Marketing Expertise</li> </ul>
Mr. Basanth Kumar Nadella	<ul style="list-style-type: none"> <li>Research &amp; Development expertise</li> <li>Regulatory planning w.r.t. Business</li> <li>Technical Expertise</li> </ul>
Mrs. Swapna Kandula	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Leadership and technical experience</li> <li>Market and competitive intelligence</li> </ul>
Mr. Kiran Kumar Adapa	<ul style="list-style-type: none"> <li>Industry &amp; Domain experience</li> <li>Corporate governance, risk and compliance</li> </ul>

Name of Director	Skills/Expertise/Core Competencies
Mr. Ramesh Babu Nemani	<ul style="list-style-type: none"> <li>Corporate structuring &amp; business administration</li> <li>Financial and Management skills</li> </ul>
Mr. Adabala Seshagiri Rao	<ul style="list-style-type: none"> <li>CSR and sustainability</li> <li>Financial Management</li> <li>Debt Structure planning</li> </ul>
Mr. Rajesh Cherukuri	<ul style="list-style-type: none"> <li>Business and domain expertise</li> <li>Business Development planning</li> <li>Sales &amp; Marketing Expertise</li> <li>Business partnerships and collaborations.</li> </ul>

The Board comprises of members who possess the required skills, expertise and competencies that allow them to make an effective contribution to the deliberations of the Board and its Committees. Detailed profile of the Board members can be accessed on the website of the Company at <https://novaagri.in/investor-relations/board-of-directors/>.

### (i) Conformity related to Independent Directors:

All the Independent Directors of the Company have given their respective declarations/disclosures under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have confirmed that they fulfill the independence criteria as specified under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. Further, the Board after taking these declarations /disclosures on record and acknowledging the veracity of the same, concluded that the Independent Directors are persons of integrity and possess the relevant expertise and competencies to qualify as Independent Directors of the Company and Independent Directors are Independent of the Management.

All the Independent Directors had registered with Indian Institute of Corporate Affairs and had complied with Rule 6 (1) and (2) of Companies (Appointment and Qualification of Directors) Rules, 2014. The tenure of the Independent Directors is in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.

*Confirmation that in the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent of the management is annexed to this report under “Annexure XII - Certificates.”*

### (j) Resignation of an Independent Director

There is no such instance of resignation of independent director before expiry of his/her tenure, in the Company.

### Committees of the Board

The Board has constituted Committees with specific terms of reference/scope to focus effectively on issues and ensure expedient resolution of diverse matters.

At present, the Company has the following s Committees, namely:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee
- IPO Committee

#### A. Audit Committee:

The terms of reference of the Audit Committee cover the areas, as contemplated in Section 177 of the Companies Act, 2013 and Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, as applicable, besides other terms as referred by the Board of Directors. The Committee, mandatorily, reviews information, which, inter alia, includes internal audit reports related to internal control weakness, management discussion and analysis of financial conditions, and results of operations, statement of significant related party transactions, appointment and removal of the auditors, and such other matters as prescribed from time to time. All the recommendations made by the Audit Committee were accepted by the Board.

The Audit Committee comprises three Independent Directors, and the Chairman of the Audit Committee is an Independent Director. All members of the Audit Committee are financially literate and have related financial management expertise by virtue of their experience and background.

During the year, the Committee met 8 (Eight) times i.e., on 21 April 2023, 18 July 2023, 02 September 2023, 25 September 2023, 29 November 2023, 26 December 2023, 14 February 2024 and 15 March 2024.

The composition of the Audit Committee (AC) on 31 March 2024, and details of its meetings are provided hereunder.



## Annexure XI (Contd.)

S. No.	Name of the Member	Chairman/ Member	Category of the Director	No. of Meetings entitled to attend	Meetings attended
1.	Mr. Ramesh Babu Nemani	Chairman	Non-Executive Independent	8	8
2.	Mr. Adapa Kiran Kumar	Member	Non-Executive Independent	8	8
3.	Mr. Adabala Seshagiri Rao	Member	Non-Executive Independent	8	8

The maximum gap between any two meetings was less than 120 days. The Statutory Auditor, the Internal Auditor are also invited to the meetings of the Audit Committee. The terms of reference of the Audit Committee was approved by a Board Resolution dated 27 February 2023.

### B. Nomination and Remuneration Committee:

The terms of reference of the Nomination and Remuneration Committee covers the areas, as contemplated in Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, besides other terms as referred by the Board of Directors, and include formulation of criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board; formulation of criteria for evaluation of Independent Directors and the Board; identification of persons who are qualified to become directors, and who may be appointed in senior management roles, in accordance with the criteria laid down, and recommending to the Board their appointment, removal, and noting their cessation; recommending to the Board on extension or continuation of the terms of appointment of the independent directors; and carrying out any other function, as referred by the Board from time to time, or enforced by any statutory notification / amendment or modification, as may be applicable.

The Nomination and Remuneration Committee consists of three Non-Executive Independent Directors. During the year, the Committee met 2 (two) times on 02 September 2023 and 15 March 2024.

The composition of the Nomination and Remuneration Committee (NRC) on 31 March 2024, and details of its meetings are provided hereunder.

S. No.	Name of the Member	Chairman/ Member	Category of the Director	No. of Meetings entitled to attend	Meetings attended
1.	Mr. Ramesh Babu Nemani	Chairman	Non-Executive Independent	2	2
2.	Mr. Adapa Kiran Kumar	Member	Non-Executive Independent	2	2
3.	Mrs. Swapna Kandula	Member	Non-Executive Independent	2	2

The terms of reference of the Nomination and Remuneration Committee was approved by a Board Resolution dated 27 February 2023

### Salient Features of Nomination and Remuneration Policy and Weblink

The contents of the Nomination and Remuneration Policy are available at <https://novaagri.in/investor-relations/policies/>. The Policy includes guiding the Board in relation to appointment, removal of Directors, KMP and senior Management, and their remuneration, including criteria for determining qualifications, positive attributes, independence of a director, and other matters provided in Section 178(3) of the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 are covered in the Policy.

### Performance evaluation of the Independent Directors

Performance evaluation criteria for Independent Directors is as per the Nomination and Remuneration Policy. Performance evaluation of Independent Directors is done by the entire Board.

### C. Stakeholders' Relationship Committee

The terms of reference of the Stakeholders Relationship Committee, inter alia, include resolving the grievances of the security holders of the listed entity, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc, review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the listed entity, in respect of various services being rendered by the Registrar & Share Transfer Agent; review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends, and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company.

The remit of the Stakeholders Relationship Committee is to consider and resolve the grievances of the security-holders of the Company, including complaints relating to transfer and transmission of securities, non-receipt of dividends, and such other grievances as may be raised by the security holders from time to time.

During the financial year, the committee met on 02 September 2023.

The composition of the Stakeholders Relationship Committee (SRC) as on 31 March 2024, and details of its meetings are provided hereunder.

S. No.	Name of the Member	Chairman/Member	Category of the Director	No. of Meetings entitled to attend	Meetings attended
1.	Mrs. Swapna Kandula	Chairman	Non-Executive Independent	1	1
2.	Mr. Adapa Kiran Kumar	Member	Non-Executive Independent	1	1
3.	Mr. Ramesh Babu Nemani	Member	Non-Executive Independent	1	1

The terms of reference of the Stakeholders Relationship Committee was approved by a Board Resolution dated 27 February 2023

The Company attends to the investors' grievances/ correspondence expeditiously. The Compliance Officer of the Company is Ms. Neha Soni, Company Secretary & Compliance Officer.

#### Details of investor grievances during the FY 2023-24:

Opening	Received	Resolved	*Pending
-	3	2	1

\*The pending complaint as on 31.03.2024 was appropriately **resolved** within stipulated time frame i.e. 21 days.

### D. Corporate Social Responsibility (CSR) Committee

CSR Committee is constituted in line with the provisions of Section 135 of the Act. The Committee oversees, inter alia, corporate social responsibility and other related matters, as may be referred by the Board of Directors, and discharges the roles, as prescribed under Section 135 of the Companies Act, 2013, which include formulating and recommending to the Board, a Corporate Social Responsibility (CSR) Policy, indicating the activities to be undertaken by the Company, in conformity with Schedule VII of the Companies Act, 2013 and rules thereof; recommending the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company. The brief outline of the CSR Policy of the Company, and the initiatives undertaken by the Company on CSR during the financial year are set out in Annexure VIII to the Board's Report, in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

During the financial year under review, the CSR Committee meeting was held on 02 September 2023 and 05 January 2024. The composition of the CSR Committee (CSRC) on 31 March 2024, and details of its meetings are provided hereunder.

S. No.	Name of the Member	Chairman/Member	Category of the Director	No. of Meetings entitled to attend	Meetings attended
1.	Mr. Kiran Kumar Atukuri	Chairman	Executive	2	2
2.	Mr. Adapa Kiran Kumar	Member	Non-Executive Independent	2	2
3.	Mr. Adabala Seshagiri Rao	Member	Non-Executive Independent	2	2

The terms of reference of the CSR Committee was approved by a Board Resolution dated 27 February 2023.

### E. Risk Management Committee

The terms of reference of the Risk Management Committee, inter alia, include formulate a detailed risk management policy, monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems, periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity, ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

During the financial year under review, the Risk Management Committee meeting was held on 02 September 2023 and 26 December 2023. The composition of the Risk Management Committee as on 31 March 2024, and details of its meetings are provided hereunder.

S. No.	Name of the Member	Chairman/Member	Category of the Director	No. of Meetings entitled to attend	Meetings attended
1.	Mr. Kiran Kumar Atukuri	Chairman	Executive	2	2
2.	Mr. Adabala Seshagiri Rao	Member	Non-Executive Independent	2	2
3.	Mr. Ramesh Babu Nemani	Member	Non-Executive Independent	2	2

## Annexure XI (Contd.)

### F. IPO Committee

The terms of reference of the IPO Committee, inter alia, include finalising and deciding upon all the actions w.r.t. proposed IPO of the Company.

During the financial year under review, the IPO Committee meeting was held on 18 May 2023, 19 January 2024 and 29 January 2024. The composition of the IPO Committee on 31 March 2024, and details of its meetings are provided hereunder.

S. No.	Name of the Member	Chairman/ Member	Category of the Director	No. of Meetings entitled to attend	Meetings attended
1.	Mr. Adabala Seshagiri Rao	Chairman	Non-Executive Independent	3	3
2.	Mr. Kiran Kumar Adapa	Member	Non-Executive Independent	3	3
3.	Mr. Ramesh Babu Nemani	Member	Non-Executive Independent	3	3

### Senior Management

Particulars of the Senior Management including the changes therein since the close of previous financial year:

S. No.	Name of Key Managerial Personnel (KMP)	Designation
1.	*Mr. Srinivasa Rao Mandalapu	Chief Executive Officer (CEO)
2.	Mr. Kamoji Srinivas Gunupudi	Chief Financial Officer (CFO)
3.	Ms. Neha Soni	Company Secretary (CS)

\*Mr. Srinivasa Rao Mandalapu was appointed as Chief Executive Officer (CEO) of the Company w.e.f. 16 March 2024

Following constitutes the Senior Management of the Company apart from the Key Managerial Personnel of the Company as on 31 March 2024:

S. No.	Name	Department	Designation
1.	*Dr. Dhana Raj Boina	Research and Development	Chief Technical Officer
1.	Mr. Harshavardhan Reddy Kunta	Marketing	Marketing Head – South
2.	Mr. P V Uday Kiran	Human Resource	Vice President – Legal and Human Resource

\*Dr. Dhana Raj Boina, Head-Research and Development-Quality Control, was appointed as Chief Technical Officer of the Company w.e.f. 16 March 2024.

### Directors' Remuneration

#### (a) Details of pecuniary relationship or transaction of Non-Executive Directors with the Company

There was no pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company, and no investments in shares / securities of the Company except payment of sitting fees to the Director for attending Board Meetings and various Committee of the Company.

During the financial year 2023-24, the Non-Executive Directors were paid sitting fee for attending meeting of the Board & Committees as mentioned below:

S. No.	Name of the Director	Designation	Amount (in ₹)
1.	Mr. Adabala Seshagiri Rao	Chairperson & Independent Director	4,00,000
2.	Mr. Ramesh Babu Nemani	Independent Director	4,00,000
3.	*Mr. Kiran Kumar Adapa	Independent Director	-
4.	Mrs. Swapna Kandula	Independent Director	4,00,000

\*Mr. Kiran Kumar Adapa has waived off his right to receive sitting fee, the same was duly noted by Board in its meeting.

The aforesaid sitting fee paid to the Non-Executive Director for attending various meetings are within the limits specified in Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## (b) Criteria of making payments to Non-Executive Directors:

The Company has adopted policy for “Criteria for making payment to Non-Executive Director” and the same can be accessed from the website of the Company at <https://novaagri.in/investor-relations/policies/>.

## (c) Remuneration to Executive Directors during the year ended 31<sup>st</sup> March, 2024 is given below

The details of remuneration paid or payable to the Directors for the financial year ended 31 March 2024 are as under.

Name of Director	Salary	Perquisites and other benefits	Commission	Sitting fee	Total
Mrs. Malathi Siripurapu	2,71,82,000	-	-	-	2,71,82,000
Mr. Kiran Kumar Atukuri	53,56,000	-	-	-	53,56,000
Mr. Sreekanth Yenigalla	53,16,000	-	-	-	53,16,000
Mr. Basanth Kumar Nadella	33,11,000	-	-	-	33,11,000

The remuneration paid/payable to directors are within the limits approved by the shareholders.

The Company has not provided any stock options to its directors. However, Company has implemented Nova Agritech Limited Share Based Employee Benefit Scheme – 2022 for ESOPs.

The information relating to remuneration and other details, required pursuant to Section 197 of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, is provided under “Annexure V”.

## General Body Meetings

### a) Details of place, date and time of Annual General Meetings held during the last three years:

#### Annual General Meetings

Financial Year	No.	Date	Day	Time	Venue
2020-21	14 <sup>th</sup> AGM	30 November 2021	Tuesday	4.00 PM	Registered Office
2021-22	15 <sup>th</sup> AGM	30 September 2022	Friday	4.00 PM	Registered Office
2022-23	16 <sup>th</sup> AGM	30 September 2023	Saturday	4.00 PM	Registered Office

### b) Special Resolutions passed in the previous three Annual General Meetings

2020	Nil All Ordinary Resolutions were passed
2021	a) Re-appointment of Mr. Kiran Kumar Atukuri (DIN: 08143781) as a Managing Director of the Company. b) Change in designation of Mr. Sreekanth Yenigalla (DIN: 07228577) from Non-Executive Director to Whole-Time-Director designated as Director (Marketing) of the Company. c) Change in designation of Mr. Basanth Kumar Nadella (DIN: 08139510) from Non-Executive Director to Whole-Time-Director designated as Director (Technical) of the Company
2022	Nil All Ordinary Resolutions were passed
2023	Re-appointment of Mrs. Malathi Siripurapu (DIN: 03033944) as a Whole-Time Director of the Company for a period of 3 years.

### c) Special Resolutions passed in the previous year through postal ballot & details of Voting pattern

During the financial year 2023-24, no postal ballot was conducted.

However, post 31<sup>st</sup> March, 2024, members approval was accorded by way of postal ballot on 14<sup>th</sup> June, 2024 for appointment of Mr. Rajesh Cherukuri (DIN: 09840611) as Whole-Time Director.

**Date of Postal Ballot notice:** 10<sup>th</sup> May, 2024

**Voting period:** 16<sup>th</sup> May, 2024 (9.00 am) to 14<sup>th</sup> June, 2024 (5.00 pm)

**Date of declaration of results:** 17<sup>th</sup> June, 2024

## Annexure XI (Contd.)

### Voting results:

S. No.	Description	Type of Resolution	No. of members voted	No. of Votes casted	Votes in Favour		Votes in Against	
					No. of Votes	%age	No. of Votes	%age
1.	Appointment of Mr. Rajesh Cherukuri (DIN: 09840611) as a Director of the Company:	Ordinary	169	54990851	54986674	99.99	4177	0.01
2.	Appointment of Mr. Rajesh Cherukuri (DIN: 09840611) as a Whole-Time-Director of the Company for a period of 3 (three) years:	Special	168	54990661	54986416	99.99	4245	0.01

### d) Person who conducted the postal ballot exercise

The Company engaged the services of Central Depository Services (India) Limited for the above postal ballot exercise through remote e-voting. Mr. M Ramana Reddy, Practicing Company Secretary, P. S. Rao & Associates, Hyderabad was appointed as the scrutiniser for scrutinising the postal ballot process through remote e-voting in a fair and transparent manner.

### e) Whether any Special Resolution is proposed to be conducted through postal ballot

No special resolution is currently proposed to be conducted through postal ballot.

### f) Procedure for postal ballot

Aforesaid Postal Ballots were conducted by the Company as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and General Circulars issued by the Ministry of Corporate Affairs (MCA).

### g) Details of Extra-Ordinary General Meetings held during the year: Nil

Special Resolutions passed in the Extra-Ordinary General Meetings held in the last year - FY 2022-23

Date	Particulars	Voting Results
25 October 2022	1. Appointment of Mr. Adabala Seshagiri Rao (DIN: 09608973) as Non-Executive Independent Director of the Company	Unanimous Approval
19 December 2022	1. Approval of Nova Agritech Limited Share Based Employee Benefit Scheme – 2022 (“the Scheme”) and grant of Options/SARs/Other Benefits under the Scheme 2. Approval to grant Options/SARs/Shares/Other Benefits to the employees of group company including Subsidiary Company(ies) or Associate Company, if any, of the Company under Nova Agritech Limited Share Based Employee Benefit Scheme – 2022 (“the Scheme”). 3. Approval for grant of Options /SARs/Shares/Other Benefits to the identified employee(s) during any one year, equal to or exceeding one percent of the issued capital of the Company at the time of grant 4. Approval of the implementation of “Nova Agritech Limited Share Based Employee Benefit Scheme – 2022” through Trust Route 5. Approval of provisioning of money to trust by the Company for implementation of Nova Agritech Limited Share Based Employee Benefit Scheme – 2022 6. Increase the Overall Managerial Remuneration payable by the Company 7. Authority for creation of charges, mortgages, and hypothecation on the immovable and movable properties of the Company under Section 180(1)(a) of the Companies Act, 2013 8. Increase the Borrowing Powers under Section 180(1)(c) of the Companies Act, 2013 upto Rs. 500 Cr 9. Increase the limits applicable for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate 10. Authority to extend loan(s) and giving guarantee(s) or providing securities in terms of provisions of Section 185 of the Companies Act, 2013 11. Approval of Related Party Transactions in terms of provisions of Section 188 of the Companies Act, 2013	Unanimous Approval



Date	Particulars	Voting Results
<b>11 February 2023</b>	<ol style="list-style-type: none"> <li>Sub-Division of the Nominal Value of Equity Shares of the Company</li> <li>Amendment to the Memorandum of Association of the Company</li> <li>Adoption of new set of Articles of Association of the Company as per Companies Act, 2013</li> </ol>	Unanimous Approval
<b>01 March 2023</b>	<ol style="list-style-type: none"> <li>Initial Public Offering (IPO) of Shares of “Nova Agritech Limited”.</li> <li>Increase on limit for total holdings by Non-Residents Indians and /or Overseas Citizens of India on Repatriation Basis in the Company.</li> </ol>	Unanimous Approval

## Means of Communication

(a) quarterly results;	: The results of the Company are submitted to the stock exchanges (NSE & BSE) and also published in the Newspapers. The results are also displayed on the Company’s web-site – <a href="http://www.novaagri.in">www.novaagri.in</a> .
(b) newspapers wherein results normally published;	: Financial Express (English) Nava Telangana (Telugu)
(c) any website, where displayed;	: <a href="http://www.novaagri.in">www.novaagri.in</a>
(d) whether it also displays official news releases; and	: NA
(e) presentations made to institutional investors or to the analysts	: NA

Your Company maintains a website [www.novaagri.in](http://www.novaagri.in) wherein there is a dedicated section ‘Investor Relations’. The website provides the information/ documents required to be placed as per the SEBI (LODR) Regulations.

All periodical information, including the statutory filings and disclosures, are filed with BSE and NSE. No news releases and presentation were either made to Institutional Investors or were displayed in the website.

Annual Report containing, inter alia, the Standalone and Consolidated Financial Statements, Board’s Report, Auditors’ Report and other important information is circulated to the shareholders of the Company prior to the AGM.

A Management Discussion and Analysis Report is a part of this Integrated Annual Report.

## General Shareholder Information

(a) **Annual General Meeting**

17<sup>th</sup> AGM for FY 2023-24

Date & Time: Friday, 20<sup>th</sup> September, 2024 at 4:00 PM IST (16:00 Hours IST)

Venue: Through VC/OAVM (Deemed Venue: Registered Office)

(b) **Financial Year:** April to March

(c) **Dividend payment date**

The Company has not declared dividend this year.

(d) **Listing on stock exchange(s)**

Your company is listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) w.e.f. 31<sup>st</sup> January, 2024 by way of an Initial Public offer.

• **BSE Limited (BSE)**

New Trading Ring, Rotunda Building, P.J Towers, Dalal

Street, Fort, Mumbai - 400 001, Maharashtra, India

• **National Stock Exchange of India Limited (NSE)**

Regd. Office : "Exchange Plaza", Bandra-Kurla Complex,

Bandra (East), Mumbai - 400 051, Maharashtra, India

**Confirmation on payment of listing fee:**

The annual listing fees have been paid to the above exchanges and there is no outstanding payment towards the exchanges, as on date.

(e) **Stock Code:**

**BSE scrip code:** 544100

**NSE Symbol:** NOVAAGRI

**ISIN:** INE02H701025

(f) **Market Price Data: High, Low during each month in the financial year 2023-24**

The Company was listed on the Stock Exchanges w.e.f. 31<sup>st</sup> January, 2024.

Tables below, gives the monthly high and low prices and volumes of Equity Shares of the Company at BSE and NSE for the FY 2023-24:

### BSE

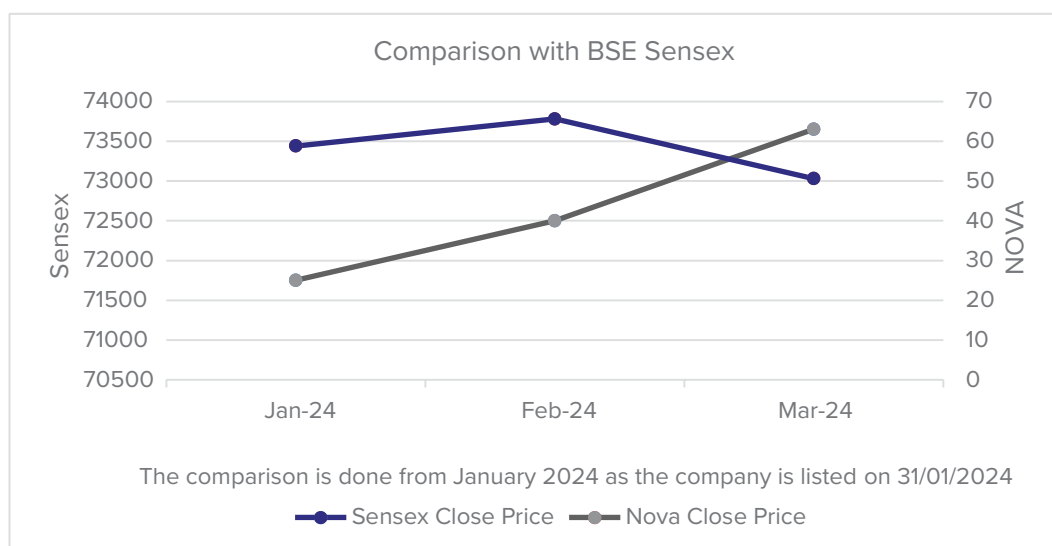
Month	Open Price	High Price	Low Price	Close Price	No. of Trades
Apr-23	-	-	-	-	-
May-23	-	-	-	-	-
Jun-23	-	-	-	-	-
Jul-23	-	-	-	-	-
Aug-23	-	-	-	-	-
Sep-23	-	-	-	-	-
Oct-23	-	-	-	-	-
Nov-23	-	-	-	-	-
Dec-23	-	-	-	-	-
Jan-24	56	58.79	55	58.79	4048
Feb-24	61.72	78.47	57.05	65.59	88641
Mar-24	67.49	67.5	50.17	50.59	33526

## NSE

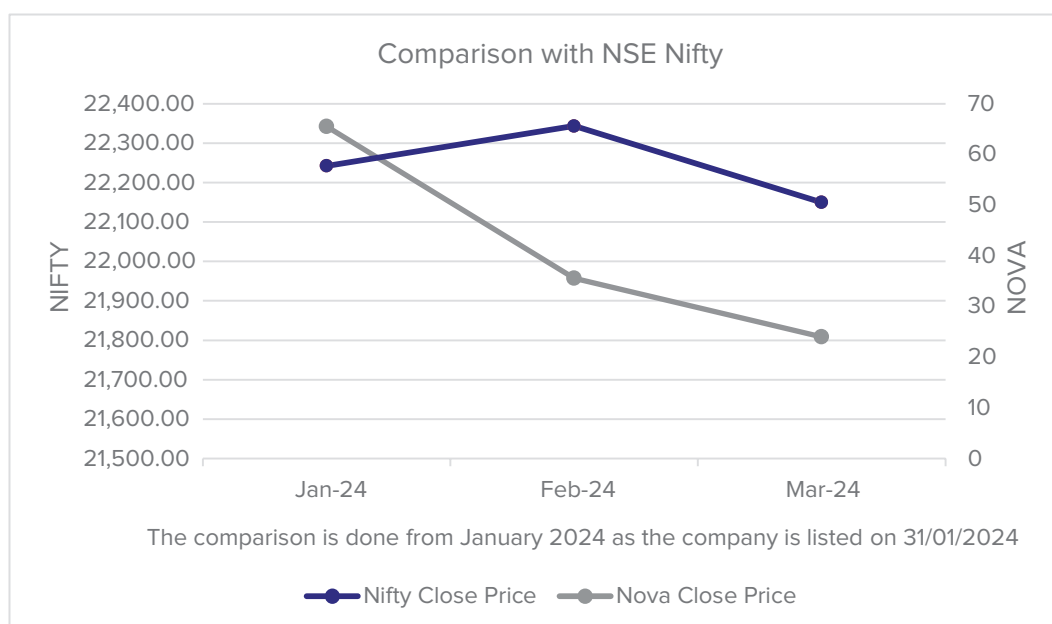
Month	Open Price	High Price	Low Price	Close Price	No. of Trades
Apr-23	-	-	-	-	-
May-23	-	-	-	-	-
Jun-23	-	-	-	-	-
Jul-23	-	-	-	-	-
Aug-23	-	-	-	-	-
Sep-23	-	-	-	-	-
Oct-23	-	-	-	-	-
Nov-23	-	-	-	-	-
Dec-23	-	-	-	-	-
Jan-24	55	57.75	55	57.75	19477
Feb-24	60.06	77.2	57.65	65.6	253902
Mar-24	66.9	67.7	50.25	50.55	146904

### (g) Performance of share price in comparison with broad-based indices – BSE Sensex & NSE Nifty

#### • Performance of the Company's share price at BSE in comparison with BSE Sensex:



#### • Performance of the Company's share price at NSE in comparison with NSE Nifty:



## Annexure XI (Contd.)

### (h) Suspension from trading

Not Applicable

### (i) Registrar and Share Transfer Agents

#### Bigshare Services Private Limited

SEBI Reg. No.: INR000001385  
306, Right Wing, Amrutha Ville Apt,  
Somajiguda, Raj Bhavan Road,  
Hyderabad-500082, Telangana  
Email: bsshyd1@bigshareonline.com

### (j) Share Transfer System

All the shares of the Company are in demat mode and it can be transferred through the Depository Participant (DP) of the shareholders. The Company engages the services of M/s. Bigshare Services Private Limited, Mumbai for any transfers, transmissions in the Company which are carried out in accordance with the provisions of Companies Act, 2013.

During the year, the Company has obtained, on yearly basis, a certificate from a Company Secretary in Practice, certifying that all certificates for transfer, transmission, subdivision, consolidation, renewal, exchange and deletion of names, were issued as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This certificate was duly filed with the Stock Exchanges.

### (k) Distribution of Shareholding as on 31 March 2024

Range of equity shares	No. of shareholders	% of shareholders	No. of shares of ₹ 2/- each	% of holding
1-500	74709	90.1292	11023628	11.9149
501-1,000	4617	5.5700	3686507	3.9846
1,001-2,000	1946	2.3477	2928217	3.1650
2,001-3,000	712	0.7383	1552046	1.6775
3,001-4,000	281	0.3390	1004852	1.0861
4,001-5,000	194	0.2340	915225	0.9892
5,001-10,000	373	0.4500	2397245	2.5911
More than 10,000	159	0.1918	69012093	47.5917
<b>Total</b>	<b>*82891</b>	<b>100</b>	<b>92519813</b>	<b>100</b>

The details given above are as per BENPOS received from M/s Bigshare Services Private Limited, Registrar and Share Transfer Agent as on 31<sup>st</sup> March, 2024.

\*The No. of shareholders in distribution herein are as per demat account holders whereas in Shareholding pattern the numbers are based on PAN.

### Shareholding Pattern as on 31 March 2024

S. No.	Category of shareholder	No. of shareholders	No. of shares of ₹ 2/- each	% of share holding
A	Promoter & Promoter Group	4	5,49,44,045	59.39
B	Public	82,096	3,50,75,768	37.91
C	Non-Promoter - Non-Public	-	-	-
(i)	Shares underlying DRs	-	-	-
(ii)	Shares held by Employee Trusts	1	25,00,000	2.70
	<b>Total</b>	<b>82,101</b>	<b>9,25,19,813</b>	<b>100</b>

The details given above are as per BENPOS received from M/s Bigshare Services Private Limited, Registrar and Share Transfer Agent as on 31<sup>st</sup> March, 2024.

### (l) Dematerialisation and Liquidity

All the shares of your Company are in demat mode.

### (m) Outstanding: GDR/ADR/Warrants/Options/any convertible instrument

As on 31 March 2024, the Company has no GDR /ADR/Warrants/ Options/any other convertible instruments.

### (n) Commodity price risk or foreign exchange risk and hedging activities: Not Applicable

(o) **Plant Locations**

Sy.No.251/A/1., Singannaguda Village, Mulugu Mandal,  
Medak, Siddipet - 502279  
Telangana, India

(p) **Address for Correspondence**

Registered cum Corporate Office:  
Sy.No.251/A/1., Singannaguda Village, Mulugu Mandal,  
Medak, Siddipet - 502279  
Telangana, India

(q) **Credit ratings obtained by the entity, along with any revisions thereto, during the relevant financial year**

Acuité Ratings & Research Limited CARE Ratings Limited (CARE) has reaffirmed its ratings of “ACUITE BBB-; Stable” on the long-term bank facilities and cash credit of the Company.

## Other Disclosures

**(a) Material Related Party Transactions:**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year 2023-24 were in the ordinary course of business, at arm's length price and intended to further the Company's interests.

There were no materially significant related party transactions during the year that may have potential conflict with the interest of the Company.

The Register of Contracts containing the transactions in which Directors are deemed to be concerned or interested is placed before the Board and Audit Committee regularly for its approval. Disclosures from directors and senior management have been obtained to the effect that they have not entered into any material, financial and commercial transactions where they have personal interest that may have potential conflict with the interest of the Company at large.

Transactions with the related parties are disclosed in the notes to the accounts forming part of this Annual Report and RPT Policy can be accessed from the website of the Company at <https://novaagri.in/investor-relations/policies/>.

**(b) Details of non-compliance/penalty:**

There were no instances of non-compliance by the Company and/or no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI, or any matter related to capital markets during the last three years, except as mentioned below:

**Payment of fine towards GST Investigation proceedings**

The Company received seizure order dated January 25, 2024 issued by the Assistant Director, Andhra Pradesh State Directorate of Revenue Intelligence, Vijayawada, Andhra Pradesh (APSDRI) pursuant to a search conducted at one of the Company's premises on January 24, 2024 wherein certain files, cash receipt books, diary, spiral book, computer CPU, stock register pertaining to financial year 2019-2020, mobile phone of one of our employee and one office laptop was seized for further enquiry/investigation.

Subsequently, summons dated January 25, 2024 under section 70 of the Andhra Pradesh Goods and Services Tax Act, (APGST Act) 2017 was issued to Mr. Pallela Ajay Babu (ex-employee) and Mr. Kiran Kumar Atukuri (Managing Director) to appear before the Deputy Director, Andhra Pradesh State Directorate of Revenue Intelligence Vijayawada, Andhra Pradesh, on January 27, 2024 and January 29, 2024 respectively to provide evidence and produce documents for investigation against NATL for contravention of provisions of APGST Act, 2017. Accordingly, investigation proceedings were initiated by Andhra Pradesh State Directorate of Revenue Intelligence Vijayawada, Andhra Pradesh under 67(2) of the APGST Act, 2017 against the Company.

The Company provided the necessary information and documents as desired by the APSDRI during the ongoing investigation proceedings. The following payment was made payment against the GST liability along with interest and penalty as per the direction of the APSDRI –



## Annexure XI (Contd.)

S. No.	Issues Involved	FYs	Tax paid along with interest & penalty (in ₹)
1.	Availment and utilization of ineligible ITC	2018-19	18,31,485
2.	Non-payment of GST on transport charges	2017-18	27,908
		2018-19	20,855
		2019-20	4,937
		2020-21	4,738
		Total	<b>58,438</b>
<b>Total amount paid</b>			<b>18,89,923</b>

Further, in view of the payment made towards the liability, the Company requested APSDRI for closure of investigation proceedings vide its letter dated 15/07/2024. The closure of the ongoing investigation was considered by the competent authority in terms of Section 74(6) of the APGST Act, 2017 read with corresponding provisions of CGST Act, 2017.

The Company received an intimation on 23/07/2024 regarding closure of such investigation proceedings vide letter dated 19/07/2024 issued by the Deputy Director, Andhra Pradesh State Directorate of Revenue Intelligence Vijayawada, Andhra Pradesh (APSDRI) **confirming the closure of the investigation proceedings initiated under 67(2) of the APGST Act, 2017** and the seized assets are returned back to the Company.

### Fine levied by stock exchange post FY 2023-24

Post FY 2023-24, the Stock Exchanges levied a fine of ₹ 5000/- each on the Company on 28/06/2024 towards delay in filing Related Party Transaction in **XBRL** format.

Shareholders are herein informed that the related party transactions were submitted alongwith financial results in pdf format within 30 min of conclusion of board meeting. Further, compliance of XBRL was also made within 4 (four) hours from the Conclusion of the Board Meeting. However, considering the Board Meeting was concluded late hours at night, the XBRL filing was considered to be made at next day. Hence, attracted delayed submission. The penalties as levied has duly paid to Stock Exchanges on 2<sup>nd</sup> July, 2024.

### (c) Establishment of Vigil Mechanism:

The Company has adopted a whistle-blower policy, establishing a vigil mechanism to provide a formal mechanism to the directors and employees to report concern about unethical behaviour, actual or suspected fraud, or violation of code of conduct and ethics. It, also, provides for adequate safeguards against the victimization of employees, who avail of the mechanism and provides direct access to the Chairman of the Audit Committee in exceptional cases.

The Company has established a vigil mechanism for reporting concerns through the whistle-blower policy of the Company. The policy provides for a framework and process, for the employees and directors, to report genuine concerns or grievances about illegal and unethical behaviour.

The whistle-blower policy aims to conduct the affairs in a fair and transparent manner by adopting higher standards of professionalism, honesty, integrity and ethical behaviour. All permanent employees of the Company are covered by the whistle-blower policy. It is affirmed that no personnel of the Company have been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website under the weblink <https://novaagri.in/investor-relations/policies/>.

- (d) The Company has complied with the mandatory requirements of listing regulations. Further, the Company is also trying to put its best endeavour to comply with non-mandatory requirement(s).
- (e) Policy for determining material subsidiaries of the Company is available on the website of the Company under the weblink <https://novaagri.in/investor-relations/policies/>.
- (f) Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions is available on the website of the Company under the weblink <https://novaagri.in/investor-relations/policies/>.

### (g) Disclosure of Commodity price risk and commodity hedging activities:

The Company is engaged in the agri-input industry and does not consume large quantities of commodities in its manufacturing activities, the Company is not materially exposed to commodity price risks nor does the Company do any commodity hedging.

- (h) During the financial year under review, the Company has not raised any fund through financial preferential allotment, or qualified institutional placement, as specified in Regulation 32 (7 A). The Company has raised fund through public issue and accordingly the disclosures required are made under the Board Report.

- (i) Certificate stating that no Director on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/ Ministry of Corporate Affairs, or any such statutory authority, is annexed with this report under “Annexure XII – Certificates.”
- (j) During the financial year under review, there is no such instance that the Board had not accepted any recommendation of any Committee of the Board, which is mandatorily required.

**(k) Remuneration to Statutory Auditors:**

Fee paid by the Company and its subsidiaries has paid following fees to M/s NSVR & Associates LLP, Statutory Auditors during the FY 2023-24 -

Name of the Company	Amount (in Lakhs)
Nova Agritech Limited	12.60
Nova Agri Sciences Private Limited	7.40
Nova Agri Seeds India Private Limited	0.05
<b>Consolidated Fee Paid</b>	<b>20.05</b>

Fee paid to NSVR & Associates LLP by other network entity (group companies), of which statutory auditor is part –

Name of the Company	Amount (in Lakhs)
Suraksha Agri Retails (India) Private Limited	0.3
Nova Fertilcare Private Limited	0.05
Nova Dairy Tech India Private Limited	0.05
Nova Health Sciences Private Limited	0.15
Agri Genome Resources India Private Limited	0.07
AIC Nova Foundation for Agriculture Innovation and Research	0.05
<b>Total</b>	<b>0.67</b>

**(l) Disclosures in relation to the Sexual Harrasment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

During the financial year under review, the Company has not received any complaint on sexual harassment.

- number of complaints filed during the financial year - Nil
- number of complaints disposed of during the financial year – NA
- number of complaints pending as on end of the financial year – NA

**(m) Details of loans and advances in the nature of loans to firms/companies, in which directors are interested**

S. No.	Name	Directors interested	Amount (in ₹)
1.	Nova Agri Sciences Private Limited (Wholly-Owned Subsidiary)	Mr. Kiran Kumar Atukuri Mr. Rajesh Cherukuri Mr. Ramesh Babu Nemani	9,05,62,000

The loan was given pursuant to objects of public issue towards working capital of Subsidiary Company for FY 2023-524.

**(n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory:**

S. No.	Name of the Subsidiary/Joint Venture/Associate	Relationship	Date and Place of Incorporation	Name and Date of appointment of the statutory auditors
1.	Nova Agri Sciences Private Limited (Material Subsidiary)	Wholly-owned Subsidiary	12/05/2010 Hyderabad, Telangana (erstwhile Andhra Pradesh)	M/s NSVR & Associates LLP Appointed on 21.09.2018 Re-appointed on 30.09.2023

Note: Only Material Subsidiary in terms of Regulation 24 of SEBI (LODR) Regulations, 2015 are reported herein.

### Compliance of Corporate Governance:

The Company is in compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and the same has been regularly submitting to the Stock Exchange(s) as required under Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. Board takes note of the same on quarterly basis in the respective meetings.

Certificate from the Practicing Company Secretaries on compliance of Corporate Governance is enclosed along with this Report under **"Annexure XII – Certificates."**

The Company has complied with the requirements of Regulation 34 and Schedule V of sub-paras (2) to (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There has been no instance of non-compliance of any requirement of Corporate Governance Report, as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Adoption of Non-Mandatory Requirements as Stipulated in Part E of Schedule II of SEBI (LODR) Regulations

- The Board:

The Non-executive Chairperson, being resident of the same city as of the Company, visits the Company's Registered Office /stores as and when deemed necessary. Hence, no separate office as such is required to be maintained.

- Shareholders' rights:

All the quarterly financial results shall be placed on the Company's Website, <https://novaagri.in/investor-relations/results-and-reports/>, apart from publishing the same in the Newspapers along and submission to Stock Exchanges, upon Listing.

- Modified opinion(s) in audit report:

There are no modified opinion in Audit Reports.

- Separate posts of Chairperson and the Managing Director or the CEO:

Mr. Adabala Seshagiri Rao is the Non-Executive Chairperson of the Company, Mr. Kiran Kumar Atukuri is the Managing Director of the Company and Mr. Srinivasa Rao Mandalapu is the Chief Executive Officer (CEO) of the Company and either of them are not related to each other.

- Reporting of internal auditor

The internal auditor reports directly to the audit committee.

By the Order of the Board  
**For Nova Agritech Limited**

**Place:** Hyderabad  
**Date:** 10<sup>th</sup> August, 2024

Sd/-  
**Rajesh Cherukuri**  
Whole-Time-Director  
**DIN:** 09840611

Sd/-  
**Kiran Kumar Atukuri**  
Managing Director  
**DIN:** 08143781

## Annexure XII – Certificates

### Certificate on Corporate Governance

*(Pursuant to Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

The Members of

**NOVA AGRITECH LIMITED**

We have examined the compliance of conditions of corporate governance by **Nova Agritech Limited** ('the Company') for the year ended 31 March 2024, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('listing regulations'), as referred to in Regulation 15(2) of the said regulations.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion, and to the best of our information, and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance, as stipulated in the above-mentioned listing regulations.

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

**For P. S. Rao & Associates**  
**Practicing Company Secretaries**

Sd/-

**M Ramana Reddy**

**M. No. F11891**

**CP No. 18415**

**PR: 3572/2023**

**UDIN: F011891F000947815**

**Place:** Hyderabad

**Date:** 10<sup>th</sup> August, 2024

## Annexure XII – Certificates (Contd.)

### **Certificate on Non-Disqualification of Directors**

*(Pursuant to Schedule V(C)(10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To

The Members of

**NOVA AGRITECH LIMITED**

We have examined the relevant registers, records, forms, returns and disclosures, received from the Directors of **Nova Agritech Limited** (CIN: U01119TG2007PLC053901), having registered office at Sy.No.251/A/1, Singannaguda Village, Mulugu Mandal, Siddipet, Medak – 502279, Telangana, India (hereinafter referred to as “the Company”), produced before 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 SEBI (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 on the MCA portal), as considered necessary and explanations furnished to us by the Company, and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended 31 March 2024, 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.

**For P. S. Rao & Associates**  
**Practicing Company Secretaries**

*Sd/-*

**M Ramana Reddy**

**M. No. F11891**

**CP No. 18415**

**PR: 3572/2023**

**UDIN: F011891F000947837**

**Place:** Hyderabad

**Date:** 10<sup>th</sup> August, 2024



### Certificate by Secretarial Auditor

*(Pursuant to Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021))*

To

The Members of

**NOVA AGRITECH LIMITED**

We, P. S. Rao & Associates, Practicing Company Secretaries, Hyderabad, the Secretarial Auditors of Nova Agritech Limited ("the Company") appointed by a company under Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 to conduct secretarial audit pursuant to regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereby state that we have examined the **Nova Agritech Limited Share Based Employee Benefit Scheme – 2022 ("the scheme")**, other relevant records and documents and based on the information and explanations provided to us and to be of our knowledge and belief, we confirm that the Scheme is being implemented in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021".

This Certificate is issued in compliance with Regulation 13 of the Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

**For P. S. Rao & Associates**  
**Practicing Company Secretaries**

Sd/-

**M Ramana Reddy**

**M. No. F11891**

**CP No. 18415**

**PR: 3572/2023**

**UDIN: F011891F000947760**

**Place:** Hyderabad

**Date:** 10<sup>th</sup> August, 2024

## Annexure XII – Certificates (Contd.)

### **Board Confirmation**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (2)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

Based on the assessment carried out by the Board of Directors of the Company ("Board"), and the declarations of independence submitted by the Independent Directors, this is to confirm that in the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent of executive management of the Company.

**For and on behalf of the Board**  
**Nova Agritech Limited**

*Sd/-*

**Kiran Kumar Atukuri**  
Managing Director  
**DIN: 08143781**

**Place:** Hyderabad  
**Date:** 10<sup>th</sup> August, 2024

### Declaration

#### Compliance with the Company's Code of Conduct

*(Pursuant to Regulation 34(3) and Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

I, **Srinivasa Rao Mandalapu, Chief Executive Officer** of Nova Agritech Limited ("the Company"), hereby, confirm that the Board has laid down a Code of Conduct for all Board members, Senior Management and Independent Directors of the Company, in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Companies Act, 2013. The Code of Conduct is available on the website of the Company.

I, further hereby, confirm that all the Board of Directors and the senior management personnel have affirmed compliance with the code of conduct and ethics for the financial year ended 31 March 2024.

**For and on behalf of the Board  
Nova Agritech Limited**

*Sd/-*

**Srinivasa Rao Mandalapu**  
Chief Executive Officer

**Place:** Hyderabad  
**Date:** 10<sup>th</sup> August, 2024

## Annexure XII – Certificates (Contd.)

### Compliance Certificate

*[Under Regulation 17(8) and 33(2) (a) of SEBI (LODR) Regulation, 2015]*

**We, Kiran Kumar Atukuri, Managing Director and K. Srinivas Gunupudi, Chief Financial Officer (CFO) of Nova Agritech Limited hereby certify as under:**

- A) We have reviewed the audited financial statements (both standalone and consolidated) ("financial statements") for the quarter and financial year ended 31 March, 2024 ("the quarter"), and that to the best of our knowledge and belief:
- i. These financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These financial 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) We confirm that to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and financial year ended 31 March, 2024, are fraudulent, illegal or violative of the Company'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 Company 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 that we have taken or propose to take to rectify these deficiencies commensurate with the size of the organization.
- D) We have indicated to the Auditors and the Audit Committee that:
- i. There have been no significant changes in internal control over financial reporting during the year.
  - ii. There have been no significant changes in accounting policies during the year.
  - iii. There have been no instances of significant fraud, of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board  
Nova Agritech Limited**

**Place:** Hyderabad  
**Date:** 27 May, 2024

*Sd/-*  
**Kiran Kumar Atukuri**  
Managing Director  
**DIN:** 08143781

*Sd/-*  
**K. Srinivas Gunupudi**  
Chief Financial Officer

# Independent Auditor's Report

To,

The members of  
Nova Agritech Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying Standalone financial statements of Nova Agritech Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2024 and 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 ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as on 31<sup>st</sup> March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for year ended on that date.

### Basis for Opinion

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing (SAs) 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 Standalone financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

### Key Audit Matters

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.
- We have determined the matters described below as the Key audit matters to be communicated in our report.

Key audit matter	Auditor's Response
<b>1. Trade Receivables :</b> Net Trade Receivables amounting to ₹ 7,013.32 lakhs Trade Receivables are recognized at their anticipated realized value, which is the original invoice amount less estimated value of allowance. Trade receivables are considered as key audit matters in the audit due to size of Trade receivables balance and the high level of management judgment used in determining the provision.	To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors, amongst others, include the following: <ul style="list-style-type: none"> <li>We obtained balance confirmations from customers on sample basis;</li> <li>We analyzed the aging of trade receivables; and</li> <li>We obtained a list of long outstanding receivables, and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.</li> </ul>



## Independent Auditor's Report (Contd.)

Key audit matter	Auditor's Response
<p><b>2. Revenue recognition – Sale of Goods:</b> (Refer Note 23 of the standalone financial statements)</p> <p><b>Revenue recognition – Sale of goods</b></p> <p>Refer note on "Revenue Recognition" of the Standalone Financial Statements under Material Accounting Policies. Revenue from sale of goods is recognized when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at transaction price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.</p>	<p>We have performed the following principal audit procedures in relation to revenue recognized which include a combination of testing internal controls and substantive testing as under:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 and testing thereof.</li> <li>Evaluating the integrity of the general information and technology ("IT") control environment and testing the operating effectiveness of key IT application controls.</li> <li>Understanding the revenue recognition process, evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>Testing the effectiveness of such controls over revenue cut-off at year end. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued subsequent to the year end to determine whether revenue was recognised in correct period.</li> <li>Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the yearly report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon. The other information as stated above 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 do 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.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including

other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or

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

As part of an audit in accordance with 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, The Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Standalone Financial Statements.

## Independent Auditor's Report (Contd.)

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of the section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.
  - ii. The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. management has represented to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The company hasn't declared any Dividend for the current period.
  - vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended 31<sup>st</sup> March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm's Registration No.: 008801S/S200060

**P Venkata Ratnam**

Partner

Membership No.: 230675

UDIN: 24230675BKBIDV3094

Place: Hyderabad

Date: 27-05-2024

# Annexure – A to the Independent Auditors’ Report

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

## Report on the Internal Financial Controls with reference to Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Standalone Financial Statements of Nova Agritech Limited (“the Company”) as at 31<sup>st</sup> March, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

## Management’s Responsibility for Internal Financial Controls

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

## Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Standalone Financial Statements

and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls with reference to Standalone Financial Statements.

## Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

## Annexure – A to the Independent Auditors' Report (Contd.)

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at 31<sup>st</sup> March, 2024, based on the criteria for internal financial control with reference to Standalone Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm's Registration No.: 008801S/S200060

**P Venkata Ratnam**

Partner

Membership No.: 230675

UDIN: 24230675BKBIDV3094

Place: Hyderabad

Date: 27-05-2024.



## Annexure – B to the Independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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 state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Financial Statements included in Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated or pending against the Company as at 31<sup>st</sup> March, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories, except goods-in-transit and stocks lying with third parties, have been physically verified by the management during the year. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from bank on the basis of security of current assets. There is no material discrepancy found between quarterly returns or statements filed by the company with such banks or financial institutions and books of account of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies in respect of which the requisite information is as below:
  - (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee or provided security to companies.
  - (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
  - (c) The Company has granted loans to subsidiary company during the year where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
  - (e) None of the loans granted by the Company have fallen due during the year as the Company has not demanded such loans.
  - (f) Above mentioned loans in clause (iii) (a) granted by the Company are repayable on demand.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained.

## Annexure – B to the Independent Auditors' Report (Contd.)

vii. According to the information and explanations given to us, in respect of statutory dues:

- (a) In our opinion, the Company has few delays in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, GST, duty of customs, duty of excise, value added tax outstanding on account of any dispute.

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

- ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

- x. (a) In our opinion and according to the information and explanations given to us, The Company has completed Initial Public Offer and received net proceeds of ₹10,094.83 Lakhs (Gross proceeds from IPO are ₹11,200.00 Lakhs excluding offer for sale proceeds less ₹1,105.17 Lakhs offer related expenses). Monies raised by way of IPO were applied for the purpose for which they were raised though. Idle/surplus funds from IPO which were not required for immediate utilization have been gainfully invested in deposits with Bank.

Particulars	Total Amount (In Lakhs)	Utilized Upto 31st March 2024 (In Lakhs)
a. Investment in our subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant	1,420.11	-
b. Funding Capital Expenditure by our Company, towards expansion of our existing formulation plant	1,048.95	-
c. Funding of working capital requirement of Our Company	2,665.47	477.27
d. Investment in our subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements.	4,335.85	905.62
e. General corporate purposes	624.45	623.02
	<b>10,094.83</b>	<b>2,005.91</b>

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting under this clause is not required.
- xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year. The Company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto 31<sup>st</sup> March, 2024.
- xv. In our opinion, during the year, the Company has not entered into any non-cash transactions with any of its directors or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b), (c) and (d) of the Order are not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet 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.
- x. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For **NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm's Registration No.: 008801S/S200060

**P Venkata Ratnam**

Partner

Membership No.: 230675

UDIN: 24230675BKBIDV3094

Place: Hyderabad

Date: 27-05-2024

# Balance Sheet

as on 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Particulars	Notes No.	As at 31st March 2024	As at 31st March 2023
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
a) Property plant and Equipment	2	1,178.36	1,296.06
b) Capital Work In progress	2	75.17	63.00
c) Intangible assets	2	6.66	0.12
d) Financial assets			
(i) Investments	3	185.01	185.01
(ii) Loans	4	5.33	5.53
(iii) Other financial assets	5	97.77	25.82
e) Deferred Tax Asset (Net)	6	630.63	278.12
<b>Total non-Current assets</b>		<b>2,178.93</b>	<b>1,853.65</b>
<b>(2) Current assets</b>			
a) Inventories	7	3,760.02	2,937.86
b) Financial assets			
(i) Trade receivables	8	7,013.32	6,505.65
(ii) Cash and cash equivalents	9	6,224.68	257.27
(iii) Bank balances other than (ii) above	10	2,261.56	-
(iv) Other financial assets	11	919.75	1.93
c) Other current assets	12	1,147.00	525.75
<b>Total current assets</b>		<b>21,326.33</b>	<b>10,228.46</b>
<b>TOTAL ASSETS</b>		<b>23,505.26</b>	<b>12,082.11</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a) Equity Share Capital	13(a)	1,800.40	1,254.05
b) Other Equity	13(b)	14,094.66	2,693.06
<b>Total Equity</b>		<b>15,895.06</b>	<b>3,947.11</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	14	403.51	1,192.32
(ii) Other financial liabilities	15	35.44	64.30
b) Provisions	16	82.84	74.68
<b>Total non-current liabilities</b>		<b>521.79</b>	<b>1,331.29</b>
<b>(2) Current liabilities</b>			
a) Financial Liabilities			
(i) Borrowings	17	3,492.69	3,387.31
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18	488.73	764.79
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	2,088.85	1,628.22
(iii) Other financial liabilities	19	243.18	431.85
b) Other current liabilities	20	119.66	152.96
c) Provisions	21	121.82	73.65
d) Current tax liabilities (Net)	22	533.47	364.92
<b>Total current liabilities</b>		<b>7,088.41</b>	<b>6,803.70</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>23,505.26</b>	<b>12,082.11</b>

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

As per our report of even date attached  
For **NSVR & ASSOCIATES LLP**  
Chartered Accountants  
Firm Regd No. 008801S/S200060

**VENKATA RATNAM P**  
Partner  
Membership No. 230675  
UDIN: 24230675BKBDV3094

On behalf of Board of Directors  
For **NOVA AGRITECH LIMITED**

**KIRAN KUMAR A**  
Managing Director  
(DIN: 08143781)

**RAJESH CHERUKURI**  
Director  
(DIN: 09840611)

**SRINIVASA RAO M**  
Chief Executive Officer

Place: Hyderabad  
Date: 27-05-2024

**GUNUPUDI KAMOJI SRINIVAS**  
Chief financial officer

**NEHA SONI**  
Company Secretary

# Statement of Profit and Loss

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Particulars	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Income</b>			
<b>I. Revenue from operations</b>			
(a) Revenue	23	17,984.46	11,674.81
(b) Other operating income	23	-	-
<b>II. Other income</b>	24	22.82	41.81
<b>III. Total Income (I+II)</b>		<b>18,007.28</b>	<b>11,716.62</b>
<b>IV. Expenses:</b>			
(a) Cost of raw materials consumed	25	12,037.14	6,093.25
(b) Changes in inventories of finished goods and work-in-progress	26	(398.87)	272.73
(c) Employee benefits expense	27	1,396.62	1,648.46
(d) Finance costs	28	607.71	676.59
(e) Depreciation and amortization expense	29	136.75	177.60
(f) Other expenses	30	2,184.25	1,632.13
<b>Total Expenses(IV)</b>		<b>15,963.60</b>	<b>10,500.76</b>
<b>V. Profit/(loss) before exceptional items and tax from continuing operations (III- IV)</b>		<b>2,043.68</b>	<b>1,215.86</b>
<b>VI. Exceptional Items</b>		-	-
<b>VII. Profit/(loss) before tax from continuing operations (V-VI)</b>		<b>2,043.68</b>	<b>1,215.86</b>
<b>VIII. Tax expense:</b>			
(a) Current tax		533.47	364.92
(b) Deferred tax		(350.10)	8.48
<b>IX. Profit/(Loss) for the year from continuing operations</b>		<b>1,860.31</b>	<b>842.46</b>
<b>X. Profit/(loss) from discontinued operations (after tax)</b>			
<b>XI. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(9.60)	(17.58)
Tax impact on above items		2.42	4.42
(ii) Items that will be reclassified to profit or loss			
<b>Other comprehensive income for the year, net of tax</b>		<b>(7.18)</b>	<b>(13.15)</b>
<b>XII. Total Comprehensive Income for the year, net of tax (IX+X+XI)</b>		<b>1,853.12</b>	<b>855.61</b>
<b>XIII. Earnings per equity share</b>			
<b>(Nominal value per equity share of ₹ 2 each)</b>			
(1) Basic Earnings per equity share		2.76	1.34
(2) Diluted Earnings per equity share		2.76	1.34

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

As per our report of even date attached  
For **NSVR & ASSOCIATES LLP**  
Chartered Accountants  
Firm Regd No. 008801S/S200060

**VENKATA RATNAM P**  
Partner  
Membership No. 230675  
UDIN: 24230675BKBDV3094

On behalf of Board of Directors  
For **NOVA AGRITECH LIMITED**

**KIRAN KUMAR A**  
Managing Director  
(DIN: 08143781)

**RAJESH CHERUKURI**  
Director  
(DIN: 09840611)

**SRINIVASA RAO M**  
Chief Executive Officer

Place: Hyderabad  
Date: 27-05-2024

**GUNUPUDI KAMOJI SRINIVAS**  
Chief financial officer

**NEHA SONI**  
Company Secretary



# Statement of Changes in Equity

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Particulars	Equity share capital		Other components of equity			Total
	No of Shares	Amount	Retained earnings	Other comprehensive income	Securities Premium	
<b>As on 01-04-2022</b>	1,25,40,548	1,254.05	1,777.68	55.33	-	1,833.02
Adjustment	5,01,62,192	-	-	-	-	-
Adjusted balances as on 01-04-2022	6,27,02,740	1,254.05	1,777.68	55.33	-	1,833.02
Profit or loss for the year	-	-	842.46	-	-	842.46
Other comprehensive income	-	-	-	17.58	-	17.58
Total comprehensive income	-	-	842.46	-	-	842.46
<b>As on 01-04-2023</b>	<b>6,27,02,740</b>	<b>1,254.05</b>	<b>2,620.14</b>	<b>72.91</b>	<b>-</b>	<b>2,693.06</b>
Adjustment	-	-	-	-	-	-
Adjusted balance as on 01-04-2023	6,27,02,740	1,254.05	2,620.14	72.91	-	2,693.06
Add: Shares Issued during the year	2,73,17,073	546.34	-	-	-	-
Profit or loss for the year	-	-	1,860.31	-	-	1,860.31
Securities Premium	-	-	-	-	-	-
Other comprehensive income	-	-	-	(7.18)	9,548.49	9,541.30
Total comprehensive income	-	-	1,860.31	-	-	1,860.31
<b>As on 01-04-2024</b>	<b>9,00,19,813</b>	<b>1,800.40</b>	<b>4,480.45</b>	<b>65.73</b>	<b>9,548.49</b>	<b>14,094.66</b>

As per our report of even date attached  
For **NSVR & ASSOCIATES LLP**  
Chartered Accountants  
Firm Regd No. 008801S/S200060

**VENKATA RATNAM P**  
Partner  
Membership No. 230675  
UDIN: 24230675BKBIDV3094

Place: Hyderabad  
Date: 27-05-2024

On behalf of Board of Directors  
For **NOVA AGRITECH LIMITED**

**KIRAN KUMAR A**  
Managing Director  
(DIN: 08143781)

**RAJESH CHERUKURI**  
Director  
(DIN: 09840611)

**GUNUPUDI KAMOJI SRINIVAS**  
Chief financial officer

**SRINIVASA RAO M**  
Chief Executive Officer

**NEHA SONI**  
Company Secretary

# Standalone Cash Flow Statement

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
<b>A. Cash flow from operating activities</b>		
<b>Profit/(Loss) for the year</b>	<b>2,043.68</b>	<b>1,215.86</b>
<b>Adjustments for:</b>		
Depreciation and amortization expenses	136.75	177.60
Provision for expenses and expected credit loss	301.52	131.48
Finance costs	607.71	676.59
(Profit)/Loss on sale of Assets	–	(33.10)
<b>Operating profit before working capital changes</b>	<b>3,089.67</b>	<b>2,168.43</b>
<b>Adjustments for working capital changes in:</b>		
(Increase)/Decrease in operating assets:		
Trade receivables	(809.20)	628.33
Other financial assets	(989.78)	0.93
Inventories	(822.15)	(76.80)
Other current assets	(667.16)	(44.11)
Trade payables	230.49	(1,336.86)
Other current liabilities	(33.30)	17.05
Non current provisions	(1.44)	(233.97)
Other financial liabilities	(28.86)	(9.75)
Current provisions	48.17	18.06
<b>Changes in Working Capital</b>	<b>(3,073.23)</b>	<b>(1,037.11)</b>
<b>Cash generated from operations</b>	<b>16.44</b>	<b>1,131.32</b>
Income tax paid	(364.92)	(303.89)
<b>Net cash flows generated (used in)/from operating activities (A)</b>	<b>(348.48)</b>	<b>827.43</b>
<b>B. Cash flow from investing activities</b>		
Purchase/ Sales of Property, plant and equipment (Including CWIP) and Adv for Capital Goods	(37.77)	(51.90)
Sale proceeds from sale Property, plant and equipment (Including CWIP)	–	125.41
Loans(given)/ proceeds from loans received	0.20	37.30
Term Deposits with Banks	(2,261.56)	–
<b>Net cash flows (used in)/from investing activities (B)</b>	<b>(2,299.13)</b>	<b>110.81</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from/ (Repayment of) Non current Borrowings	(977.48)	(546.34)
proceeds from short term Borrowings	105.37	409.68
Net Proceeds from issue of Share capital	10,094.83	–
Finance costs	(607.71)	(676.59)
<b>Net cash flows (used in)/from financing activities (C)</b>	<b>8,615.01</b>	<b>(813.25)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>5,967.41</b>	<b>124.99</b>
Cash and cash equivalents at the beginning of the year	257.27	132.28
<b>Cash and cash equivalents at the end of the year</b>	<b>6,224.68</b>	<b>257.27</b>
<b>Components of Cash and Cash Equivalents at the end of the year</b>		
(a) Cash on hand	80.01	56.60
(b) Current account balance with bank	6,144.67	200.67
(c) Current Borrowings	–	–
<b>Total</b>	<b>6,224.68</b>	<b>257.27</b>

# Standalone Cash Flow Statement

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Cash and Cash Equivalents include the following for Cash flow purpose

Particulars	As at 31st March 2024	As at 31st March 2023
Cash and Cash Equivalents/ Bank Balances	6,224.68	257.27
Less: Unclaim dividend		
Cash and Cash Equivalents/ Bank Balances	6,224.68	257.27

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

As per our report of even date attached  
For **NSVR & ASSOCIATES LLP**  
Chartered Accountants  
Firm Regd No. 008801S/S200060

**VENKATA RATNAM P**  
Partner  
Membership No. 230675  
UDIN: 24230675BKBIDV3094

Place: Hyderabad  
Date: 27-05-2024

For and on behalf of Board of Directors  
For **NOVA AGRITECH LIMITED**

**KIRAN KUMAR A**  
Managing Director  
(DIN: 08143781)

**RAJESH CHERUKURI**  
Director  
(DIN: 09840611)

**GUNUPUDI KAMOJI SRINIVAS**  
Chief financial officer

**SRINIVASA RAO M**  
Chief Executive Officer

**NEHA SONI**  
Company Secretary

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## 1. Summary of material accounting policies and other explanatory information

### Company Background

Nova Agritech Limited (the 'Company') is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1956 on 09<sup>th</sup> May 2007. The registered office of the company located at Sy.No.251/a/1, singannaguda village mulugu mandal siddipet, medak, Telangana 502279. The company is domiciled and incorporated in India in the state of Telangana.

Nova Agritech Limited is an agri-input manufacturer offering soil health management, crop nutrition and crop protection products focused on tech-based farmer driven solution approach, wherein we mainly offer ecologically sustainable and nutritionally balanced products based on our R&D. The Company manufactures, distributes and markets a wide range of product categories consisting of (a) soil health management products; (b) crop nutrition products; (c) bio stimulant products; (d) bio pesticide products (e) Integrated Pest Management (IPM) products; (f) new technologies; and (g) crop protection products. Currently, the crop protection products are manufactured by its subsidiary Nova Agri Sciences Private Limited.

The Company has completed its Initial Public Offer ('IPO') of its equity shares and the equity shares got listed on National Stock Exchange of India Limited ('NSE') and BSE Limited on 31<sup>st</sup> January 2024.

The company was initially incorporated with the name "Nova Agritech Private Limited" and subsequently changed its name to "Nova Agritech Limited" and converted into a public limited company.

### 1.1 Basis of preparation of Financial Statements

#### a) Statement of compliance

These Standalone Financial Statements of Nova Agritech Limited have been prepared and presented in accordance with and in compliance in all material aspects, with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read along with the Companies (Indian Accounting Standards) Rules 2015, and presentation requirements of Division II of Schedule III to the Companies Act, 2013, and as amended from time to time together with the comparative period data as at and for the year ended 31 March 2024.

These Standalone Financial Statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2024. These

Standalone Financial Statements for the year ended 31 March 2024 were approved by the Company's Board of Directors.

#### b) Basis of Measurement

These Standalone Financial Statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- Long-term borrowings are measured at amortized cost using the effective interest rate method and
- Employee defined benefit assets/(liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- Right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

#### c) Functional and presentation currency

These Standalone Financial Statements are presented in Indian rupees, which is also the functional currency of the Company. All the financial information presented in Indian rupees has been rounded to the nearest Lakhs.

#### d) Significant accounting judgements, estimates, and assumption

The preparation of the Standalone Financial Statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgment are:

## Property, plant and equipment

The depreciation of property, plant and equipment is derived on determining of an asset's expected useful life and the expected residual value at the end of its life. The residual value of Company's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end.

## Impairment of financial and non-financial assets

Significant management judgement is required to determine the amounts of impairment loss on the financial and nonfinancial assets. The calculations of impairment loss are sensitive to underlying assumptions.

## Tax provisions and contingencies

Significant management judgement is required to determine the amounts of tax provisions and contingencies. Deferred tax assets are recognised for unused tax losses and MAT credit entitlements to the extent it is probable that taxable profit will be available against which these losses and credit entitlements can be utilized. 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.

## Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined 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 for plans operated in India, the

management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of 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.

## Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## e) Current and noncurrent classification

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

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

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

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

All other assets are classified as non-current.



(All amounts are in INR lakhs except share data or unless otherwise specified)

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

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

The Company classifies all other liabilities as noncurrent.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. Deferred tax assets and liabilities are always disclosed as non-current.

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.

#### f) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet 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:

- in the principal market for the asset or liability, or
- 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, maximizing 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 Ind AS 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 Ind AS Standalone 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.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations.

External valuers are involved, wherever considered necessary. 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.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

## 1.2 Summary of Material accounting policies

On 31 March 2024, the Ministry of Corporate Affairs notified Companies (Indian Accounting Standards) Amendment Rules, 2023 amending the Companies (Indian Accounting Standards) Rules, 2015. The amendments come into force with effect from 1 April 2023, i.e., Financial Year 2023-24. One of the major changes is in Ind AS 1 'Preparation of Financial Statements, which requires companies to disclose in their financial statements 'material accounting policies' as against the erstwhile requirement to disclose 'significant accounting policies'. The word 'significant' is substituted by 'material'.

Accounting policy information is expected to be material if users of an entity's financial statements would need it to understand other material information in the financial statements.

The Company applied the guidance available under paragraph 117B of Ind AS 1, Presentation of Financial Statements in evaluating the material nature of the accounting policies.

The following are the material accounting policies for the Company:

### a. Property, plant & equipment

#### Measurement at recognition:

The cost of an item of property, plant and equipment are recognised 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.

Freehold land is carried at historical cost less any accumulated impairment losses.

Items of property, plant and equipment (including capital-work-in progress) are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of Property, plant and equipment are capitalized at cost, otherwise, such items are classified as inventories.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

### Capital work in progress and Capital advances:

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Current Assets.

### Derecognition:

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

### b. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less

accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

#### **Research & Development Expenditure:**

Revenue expenditure on Research is expensed out in the statement of profit and loss for the year. Development costs of products are charged to the statement of profit and loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised. Capital expenditure on research and development is shown as an addition to property, plant and equipment.

#### **Derecognition:**

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

#### **Depreciation:**

Depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Written Down Value method based on the expected useful life of the asset and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimated useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

The estimated useful life of items of PPE is mentioned below:

Type of Asset	Estimated Useful Life (Years)
Plant & Machinery	20
Furniture and Fittings	10
Motor Vehicles	10
Office Equipment	5
Computers And Data Processing Units	3
Electrical Installations and Equipment	10
Buildings	30

(All amounts are in INR lakhs except share data or unless otherwise specified)

Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease.

The useful lives, residual values of each part of an item of PPE and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

### **c. Financial Instruments**

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

#### **Financial Assets**

##### **Initial recognition and measurement:**

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

##### **Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- The Company's business model for managing the financial asset and
- The contractual cash flow characteristics of the financial asset.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

**Based on the above criteria, the Company classifies its financial assets into the following categories:**

**i. Debt instruments at amortized cost;**

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

**ii. Debt instruments at fair value through other comprehensive income (FVTOCI);**

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously

recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL);**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI and there is no subsequent reclassification of these fair value gains and losses to the statement of profit and loss. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

**Impairment of Financial Assets:**

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

In accordance with Ind AS 109, the company uses “Expected Credit Loss” (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)
- The company follows simplified approach for recognition of impairment loss allowance on trade receivables and under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated

For other assets, the company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### Financial Liabilities

#### Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the

(All amounts are in INR lakhs except share data or unless otherwise specified)

case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

#### Subsequent measurement:

The measurement of financial liabilities depends on their classification.

#### Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

#### Loans and borrowings:

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR



# Notes to the Standalone Financial Statements

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amortisation is included as finance costs in the statement of profit and loss.

## **De-recognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## **Reclassification of financial assets and liabilities:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## **Offsetting of financial assets and financial liabilities:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet wherever there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## **d. Cash & Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, and other short-term deposits. For this purpose, "short-term" means investments having maturity of three months or less from

the date of investment, and which are subject to an insignificant risk of change in value.

## **e. Inventory**

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

Cost of inventory is determined on weighted average basis. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes, cost of conversion including an appropriate share of fixed and variable production overheads and all other costs incurred in bringing the inventory to their present location and condition.

The Company considers factors like estimated shelf life, product discontinuances and ageing of inventory in determining the provision for slow moving, obsolete and other non-saleable inventory and adjusts the inventory provisions to reflect the recoverable value of inventory.

## **f. Impairment of non-financial assets**

The carrying amounts of 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.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are 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 asset or the cash-generating unit.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or groups of assets (the “cash-generating unit”).

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company’s CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

#### Reversal of Impairment of Assets

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications 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. An impairment loss is reversed 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 amortization, if no impairment loss had been recognized.

(All amounts are in INR lakhs except share data or unless otherwise specified)

#### g. Employee Benefits

##### Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid 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 obligation can be estimated reliably.

##### Defined contribution plans

The Company’s contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

##### Defined benefit plans

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in the statement of profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognized in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

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in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

## Termination benefits

Termination benefits are recognised as an expense in the statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

## Other long-term employee benefits

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognised in the statement of profit and loss in the period in which they arise.

## h. Provisions, contingent liabilities and contingent assets

### Provisions

A provision is recognized in the statement of profit and loss if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

## Contingent liabilities and contingent assets

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

## Onerous contracts

A provision for onerous contracts is recognised in the statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

## Reimbursement rights

Expected reimbursements for expenditures required to settle a provision are recognised in the statement of profit and loss only when receipt of such reimbursements is virtually certain. Such reimbursements are recognised as a separate asset in the balance sheet, with a corresponding credit to the specific expense for which the provision has been made.

## i. Revenue

Ind AS 115 recognizes revenue on transfer of the control of goods or services, either over a period of time or at a point in time, at an amount that the entity expects to be entitled in exchange for those goods or services. In order to align with Ind AS 115, the Accounting policy on revenue recognition was reviewed and revised.

The Company primarily earns revenue from manufacture, distribute and market a wide range of product categories consisting of (a) soil health management products; (b) crop nutrition products; (c) bio stimulant products; (d) bio pesticide products (e)

Integrated Pest Management (IPM) products;  
(f) new technologies.

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at transaction price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

#### **Refund Liability:**

The Company accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of actual sales returns, levels of inventory in the distribution channel, estimated shelf life, any revision in the shelf life of the product, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors. At the time of recognising the refund liability the Company also recognises an asset, (i.e., the right to the returned goods) which is included

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in inventories for the products expected to be returned. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### **j. Tax Expenses**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

#### **Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). 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.

#### **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 and assets are recognized for all taxable temporary differences and deductible temporary differences.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Deferred tax assets are recognised 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 recognised 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 period when the asset is realised 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 recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

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.

## **Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses**

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

## **k. 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.

## **The 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 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. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section of Impairment of non-financial 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 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. The Company's lease liabilities are included in Borrowings.

#### **Short-term leases and leases of low-value assets**

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). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **I. Earnings Per Share**

#### **Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### **Diluted earnings per share**

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing

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costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

#### **m. Treasury Shares:**

The Company has created an ESOP Trust (Nova Agritech employee welfare trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Company and the shares held by the ESOP trust are treated as Treasury shares. The ESOP Trust purchases Company's share from secondary market for issuance to the employees on exercise of the granted stock options. These shares are recognised at cost and are disclosed separately as reduction from Other Equity as treasury shares. No gain or loss is recognised in the Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares.

#### **n. Segment Reporting:**

The Company is engaged in the "manufacture, distribute and marketing bio pesticide products" and the same constitutes a single reportable business segment as per Ind AS 108. And hence segment reporting specified as per IND AS 108 is not applicable.

#### **o. Investment in subsidiary and associate Companies**

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost includes cash consideration paid on initial recognition, adjusted for embedded derivative and estimated contingent consideration (earn out), if any.

Contingent consideration (earn out) is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

#### **p. Foreign Currency Translation**

##### **Initial Recognition:**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

functional currency and the foreign currency at the date of the transaction.

## **Measurement of foreign currency items at reporting date:**

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of foreign exchange translations and settlements during the year are recognised in the Statement of Profit and Loss.

### **q. Borrowing Cost:**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, 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, if any. All other borrowing costs are expensed in the period in which they occur.

### **r. Events after reporting date:**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### **s. Exceptional items:**

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Company is treated as an exceptional item in the Statement of Profit and Loss account.

## **1.3 Application of New Accounting pronouncements**

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 March 31, 2023, MCA amended the Companies (Indian

Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The group does not expect this amendment to have any significant impact in its standalone financial statements.

### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The company does not expect this amendment to have any significant impact in its standalone financial statements.

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in Standalone Financial Statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in Standalone Financial Statements to be measured in a way that involves measurement uncertainty. The company does not expect this amendment to have any significant impact in its Standalone Financial Statements.

## **1.4 New Accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 2: Property plant & equipment

Particulars	Land	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Electrical equipment	Buildings	Total
<b>Gross Block</b>									
<b>As at 31<sup>st</sup> March 2022</b>	<b>445.48</b>	<b>223.56</b>	<b>28.25</b>	<b>111.66</b>	<b>10.73</b>	<b>97.29</b>	<b>39.54</b>	<b>1,029.46</b>	<b>1,985.96</b>
Additions during the year	-	21.25	20.72	-	0.87	14.08	12.25	6.69	75.85
Deductions during the year	32.94	-	-	-	-	-	-	90.80	123.74
<b>As at 31<sup>st</sup> March 2023</b>	<b>412.54</b>	<b>244.81</b>	<b>48.97</b>	<b>111.66</b>	<b>11.59</b>	<b>111.37</b>	<b>51.79</b>	<b>945.35</b>	<b>1,938.07</b>
Additions during the year	12.64	3.54	0.38	-	0.95	0.79	-	-	18.31
Deductions during the year	-	-	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>425.18</b>	<b>248.35</b>	<b>49.35</b>	<b>111.66</b>	<b>12.55</b>	<b>112.16</b>	<b>51.79</b>	<b>945.35</b>	<b>1,956.38</b>
<b>Accumulated depreciation</b>									
<b>Upto 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>101.16</b>	<b>15.06</b>	<b>36.71</b>	<b>7.50</b>	<b>67.34</b>	<b>10.07</b>	<b>258.04</b>	<b>495.89</b>
For the year	-	44.99	4.60	15.89	2.04	23.98	10.85	75.21	177.56
On deductions	-	-	-	-	-	-	-	31.43	31.43
<b>Upto 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>146.15</b>	<b>19.67</b>	<b>52.59</b>	<b>9.54</b>	<b>91.32</b>	<b>20.92</b>	<b>301.82</b>	<b>642.01</b>
For the year	-	28.42	7.65	15.29	0.96	12.99	7.99	62.70	136.00
On deductions	-	-	-	-	-	-	-	-	-
<b>Upto 31<sup>st</sup> March 2024</b>	<b>-</b>	<b>174.57</b>	<b>27.32</b>	<b>67.88</b>	<b>10.50</b>	<b>104.31</b>	<b>28.92</b>	<b>364.53</b>	<b>778.02</b>
<b>Net Block</b>									
<b>As at 31<sup>st</sup> March 2022</b>	<b>445.48</b>	<b>122.41</b>	<b>13.19</b>	<b>74.95</b>	<b>3.22</b>	<b>29.95</b>	<b>29.47</b>	<b>771.41</b>	<b>1,490.08</b>
<b>As at 31<sup>st</sup> March 2023</b>	<b>412.54</b>	<b>98.66</b>	<b>29.30</b>	<b>59.07</b>	<b>2.05</b>	<b>20.05</b>	<b>30.87</b>	<b>643.52</b>	<b>1,296.06</b>
<b>As at 31<sup>st</sup> March 2024</b>	<b>425.18</b>	<b>73.78</b>	<b>22.03</b>	<b>43.78</b>	<b>2.05</b>	<b>7.85</b>	<b>22.87</b>	<b>580.82</b>	<b>1,178.36</b>

### Notes:

- (i) Title Deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (ii) The Company has not revalued its Property, Plant and Equipment (including Right-of Use Assets).

## Other Intangible Assets

Particulars	As at 31st March 2024	As at 31st March 2023
Opening	0.38	0.38
Additions During The Year	7.29	-
Deductions During The Year	-	-
Closing	<b>7.68</b>	<b>0.38</b>
<b>Amortization</b>		
Opening	0.27	0.23
For The Year	0.75	0.04
Closing	<b>1.01</b>	<b>0.27</b>
<b>Net Block</b>	<b>6.66</b>	<b>0.12</b>

## Capital work in progress

Particulars	As at 31st March 2024	As at 31st March 2023
Opening	63.00	5.04
Additions During The Year	12.17	63.00
Deductions During The Year	-	5.04
<b>Closing</b>	<b>75.17</b>	<b>63.00</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 3: Investments

Particulars	As at 31st March 2024	As at 31st March 2023
<b>NON CURRENT INVESTMENTS</b>		
In Equity Instruments		
<i>In subsidiaries (unquoted) - measured at cost</i>		
31 March 2024:18,00,000 Shares,31 March 2023:18,00,000 Shares Equity Shares of ₹ 10 each in Nova Agri Sciences Private Limited Extent of holding :- 31 March 2024-100%, 31 March 2023-100%	180.00	180.00
31 March 2024:50,000 Shares,31 March 2023:50,000 Shares Equity Shares of ₹ 10 each in Nova Agri Seeds India Private Limited Extent of holding :- 31 March 2024-100%, 31 March 2023-100%	5.00	5.00
<i>In other companies (unquoted) - measured at fair value through other comprehensive income</i>		
31 March 2024:100 Shares,31 March 2023:100 Shares Equity Shares of ₹ 10 each in Agri Genome Resources India Private Limited Extent of holding :- 31 March 2024-1%, 31 March 2023-1%	0.01	0.01
<b>Total</b>	<b>185.01</b>	<b>185.01</b>

## Note 4: Loans

Particulars	As at 31st March 2024	As at 31st March 2023
Inter corporate Deposits & Other Advances	154.96	155.16
<b>Less:-</b>		
Allowance for doubtful advances	149.63	149.63
<b>Total</b>	<b>5.33</b>	<b>5.53</b>

## Note 5: Other financial assets

Particulars	As at 31st March 2024	As at 31st March 2023
Security Deposits	97.77	25.82
<b>Total</b>	<b>97.77</b>	<b>25.82</b>

## Note 6: Deferred tax asset (net)

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred Tax Asset	630.63	278.12
<b>Total</b>	<b>630.63</b>	<b>278.12</b>

## Note 7: Inventories (at lower of cost or net realisable value)

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Closing Stock of:</b>		
Raw material	756.55	653.33
Finished Goods	2,260.51	1,861.63
Packing Material	742.96	422.90
<b>Total</b>	<b>3,760.02</b>	<b>2,937.86</b>

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 8: Trade receivables

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Sundry Debtors:</b>		
Others	7,960.61	7,176.89
(-)-Allowance for doubtful receivables	947.29	671.24
<b>Total in</b>	<b>7,013.32</b>	<b>6,505.65</b>

### (a) Trade receivables ageing:

Particulars	As on 31-03-2024					Total
	<6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered as good	4,955.28	1,929.47	338.62	348.46	-	7,571.82
Disputed Trade Receivables - Considered as good	-	-	-	-	388.79	388.79
Less :- Loss Allowance On Debtors	-	-	-	-	-	947.29
<b>Total</b>	<b>4,955.28</b>	<b>1,929.47</b>	<b>338.62</b>	<b>348.46</b>	<b>388.79</b>	<b>7,013.32</b>

Particulars	As on 31-03-2023					Total
	<6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables - Considered as good	4,654.94	1,766.69	168.04	126.99	-	6,716.66
Disputed Trade Receivables - Considered as good	-	-	-	-	460.23	460.23
Less :- Loss Allowance On Debtors	-	-	-	-	-	671.24
<b>Total</b>	<b>4,654.94</b>	<b>1,766.69</b>	<b>168.04</b>	<b>126.99</b>	<b>460.23</b>	<b>6,505.65</b>

### (b) Movement in the allowance for trade receivables for the year ended 31 March 2024 and 31 March 2023 is as follows:

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Loss allowance for doubtful debtors</b>		
Opening	671.24	851.75
Current year	301.52	131.48
Bad debts written off	25.48	311.99
<b>Closing</b>	<b>947.29</b>	<b>671.24</b>

## Note 9: Cash & cash equivalents

Particulars	As at 31st March 2024	As at 31st March 2023
<b>a Cash-in-Hand</b>		
Cash Balance	80.01	56.60
<b>b Bank Balance</b>		
Balanaces with Current Accounts	6,144.67	200.67
<b>Total [a + b]</b>	<b>6,224.68</b>	<b>257.27</b>



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 10: Bank balances other than (note 10) above

Particulars	As at 31st March 2024	As at 31st March 2023
Term Deposits With Banks*	2,261.56	-
<b>Total</b>	<b>2,261.56</b>	<b>-</b>

### \*Note:

- Fixed deposit with Union Bank of India maturing on March 28, 2025.
- Fixed deposit with ICICI maturing on March 29, 2025.

## Note 11: Other financial assets

Particulars	As at 31st March 2024	As at 31st March 2023
Security Deposits	1.93	1.93
Loans & Advances to Wholly owned subsidiaries*	917.83	-
<b>Total</b>	<b>919.75</b>	<b>1.93</b>

\* Loan advance in wholly owned subsidiary Nova Agri Sciences Private Limited.

## Note 12: Other current assets

Particulars	As at 31st March 2024	As at 31st March 2023
Advances to Employees	21.91	41.21
Balance with revenue Authorities	430.10	35.67
Other Advances	437.03	143.77
Advances to Material Suppliers	89.29	106.64
Advance For Capital Assets	133.44	179.36
Prepaid Insurance	35.22	19.11
<b>Total</b>	<b>1,147.00</b>	<b>525.75</b>

## Note 13 (a): Share capital

Particulars	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	Number	Amount
<b>AUTHORIZED CAPITAL</b>				
10,00,00,000 Equity Shares of ₹ 2/- each.	10,00,00,000	2,000.00	10,00,00,000	2,000.00
<b>TOTAL</b>	<b>10,00,00,000</b>	<b>2,000.00</b>	<b>10,00,00,000</b>	<b>2,000.00</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b>				
6,27,02,740 Equity Shares of ₹ 2/- each,	6,27,02,740	1,254.05	6,27,02,740	1,254.05
<b>Shares Issued During Year:</b>				
2,73,17,073 Equity Shares of ₹ 2/- each	2,73,17,073	546.34	-	-
<b>Treasury Shares:</b>				
25,00,000 Equity shares of ₹ 2 /- each*	25,00,000	50.00	25,00,000	50.00
Less : Treasury shares*	(25,00,000)	(50.00)	(25,00,000)	(50.00)
<b>Total in</b>	<b>9,00,19,813</b>	<b>1,800.40</b>	<b>6,27,02,740</b>	<b>1,254.05</b>

\* 25,00,000 Equity Shares of face value of ₹ 2 each held by the Nova Agritech employee welfare trust pursuant to employee stock option plan are treated as treasury share till the time of exercise of options of employees in accordance with Ind As 102. These treasury are not considered in the paid up capital and also not considered in the calculation of EPS.

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Reconciliation of Number of Shares

Equity Shares	As at 31st March 2024		As at 31st March 2023	
	Number	Amount	No of shares	Amount
Balance as at the beginning of the year	6,27,02,740	1,254.05	1,25,40,548	1,254.05
Add: Shares issued during the Year	2,73,17,073	546.34	-	-
Add: Treasury Shares	25,00,000	50.00	25,00,000	50.00
Less : Treasury shares	(25,00,000)	(50.00)	(25,00,000)	(50.00)
Add : On split of shares	-	-	6,27,02,740	1,254.05
<b>Balance as at the end of the year</b>	<b>9,00,19,813</b>	<b>1,800.40</b>	<b>6,27,02,740</b>	<b>1,254.05</b>

## Details of Shareholders Holding more than 5% of shares in the company

Particulars	As at 31st March 2024		As at 31st March 2023	
	No of shares	% of holding in the class	No of shares	% of holding in the class
<b>Equity Shares:</b>				
<b>Name of the Share Holder</b>				
Siripurapu Malathi	84,21,620	9.36%	84,21,620	13.43%
Suraksha Agri Retail (India) Private Limited	1,53,88,040	17.09%	1,53,88,040	24.54%
Yeluri Family Trust	3,11,34,360	34.59%	3,11,34,360	49.65%
NV subba rao	-	-	77,58,620	12.37%
<b>TOTAL</b>	<b>5,49,44,020</b>	<b>61.04%</b>	<b>6,27,02,640</b>	<b>100.00%</b>

## Details of Promoter Shareholding

Name of the promoter*	As at 31st March 2024		As at 31st March 2023	
	No of shares	% of holding in the class	No of shares	% of holding in the class
Siripurapu Malathi	84,21,620	9.36%	84,21,620	13.43%
Suraksha Agri Retail (India) Private Limited	1,53,88,040	17.09%	1,53,88,040	24.54%
Yeluri Family Trust	3,11,34,360	34.59%	3,11,34,360	49.65%
<b>TOTAL</b>	<b>5,49,44,020</b>	<b>61.04%</b>	<b>5,49,44,020</b>	<b>87.63%</b>

\* Details of promoters are identified based on information submitted in the Annual Returns, filed in accordance with the provisions of Section 92 of the Companies Act, 2013.

### a. Rights attached to Equity Shares:

The company has only one class of Equity shares having a par value of ₹ 2/- each. The shareholders have equal rights per share in terms of dividend, voting & Assets of the company.

Pursuant to a resolution of our Board dated January 18, 2023 and Shareholders' resolution dated February 11, 2023, wherein each Equity Share of our Company of face value of ₹ 10 each, fully paid-up, was sub-divided into five Equity Shares of our Company of face value of ₹ 2 each and accordingly, 1,25,40,548 equity shares of our Company of face value of ₹ 2 each were sub-divided into 6,27,02,740 Equity Shares of face value of ₹ 2 each.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 13 (b): Other equity

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Securities Premium</b>		
Opening Balance	-	-
Add: Shares issued during the year	10,653.66	-
Less: IPO Expenses	1,105.17	-
Less: Bonus shares issued out of Securities Premium	-	-
<b>Closing Balance</b>	<b>9,548.49</b>	<b>-</b>
<b>Surplus (Profit &amp; Loss Account)</b>	<b>4,546.18</b>	<b>2,693.06</b>
Balance brought forward from previous year	2,693.06	1,833.02
Add: Profit for the period	1,860.31	842.46
Less: Re-measurement gains/(losses) on account of OCI	(7.18)	17.58
Less: Bonus shares issued during the year	-	-
<b>Total</b>	<b>14,094.66</b>	<b>2,693.06</b>

### Retained Earnings:

Retained earnings are the profits that the Company has earned till date, less any dividends or other distribution to the shareholders.

## Note 14: Long term borrowings

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Secured Loans</b>		
Vehicle Loan From Banks On Hypothecation of Vehicles	19.73	24.58
Corporation loan	168.82	423.02
<b>Long Term portion of Borrowings</b>	<b>188.55</b>	<b>447.60</b>
<b>Unsecured Loans</b>		
Term Loan From Sri Ram City Finance	159.19	535.97
From Directors	55.77	208.09
Vehicle loans	-	0.65
Term Loan From India Infoline Finance Limited	-	-
<b>Total</b>	<b>403.51</b>	<b>1,192.32</b>

Bank	Amount	ROI	Repayment Amount	Security	Amount outstanding
Corporation Bank Loan	₹ 480 Lakhs	7.50% p.a	Repayable in 48 monthly equal instalments of ₹ 1493100/- each	Secured by hypothecation of Factory building	203.23
Shriram City	₹ 1000 Lakhs	17.50% p.a (IRR is 26.68%)	Repayable in 60 monthly equal instalments of ₹ 3041667/- each	Secured by hypothecation of Factory building	439.32
Corporation UGELC	₹ 240 Lakhs	7.50% p.a	Repayable in 60 monthly equal instalments of ₹ 666666/- each	Secured by hypothecation of Factory building	213.33
Union Bank of India Loan	₹ 16 Lakhs	7.30% pa	Repayable in 84 monthly equal instalments of ₹ 24384/- each	Secured by hypothecation of Vehicle purchased amounting to ₹ 9.05 lakhs	11.92
Union Bank of India Loan	₹ 16 Lakhs	7.30% p.a	Repayable in 84 monthly equal instalments of ₹ 24384/- each	Secured by hypothecation of Vehicle purchased amounting to ₹ 9.05 lakhs	11.92

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 15: Other financial liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Security Deposits from Dealers	32.69	33.05
Other Payable	2.75	31.25
<b>Total</b>	<b>35.44</b>	<b>64.30</b>

## Note 16: Long term provisions

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Provision for employee retirement benefits</b>		
Provision for Gratuity	82.84	74.68
<b>Total</b>	<b>82.84</b>	<b>74.68</b>

## Note 17: Short term borrowings

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Secured Loans repayable on demand</b>		
From Corporation Bank CC	2,950.69	2,968.60
Current Maturities of Long Term Borrowings	531.97	319.32
<b>Unsecured Loans</b>		
Credit Cards	10.03	99.39
<b>Total</b>	<b>3,492.69</b>	<b>3,387.31</b>

Name of bank	Amount sanctioned	Date of sanction	Security	DP Limit	ROI	Amount outstanding
Corporation Bank	₹3000 lakhs	13 <sup>th</sup> Feb 2023	Secured by Hypothecation of Stock, Trade receivables & all other current assets of the company	3000 Lakhs	11.65%	2,950.69
ICICI Bank	₹100 lakhs	11 <sup>th</sup> Nov 2019	-	100 Lakhs	-	10.03

## Note 18: Trade payables

Particulars	As at 31st March 2024	As at 31st March 2023
Total outstanding dues of micro enterprises and small enterprises (MSME)	488.73	764.79
Total outstanding dues of creditors other than micro enterprises and small enterprises (others)	2,088.85	1,628.22
<b>Total</b>	<b>2,577.58</b>	<b>2,393.01</b>

### (a) Trade payables ageing for the year ended 31 March 2024

Particulars	As on 31-03-2024				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. Un disputed MSME creditors	488.73	-	-	-	488.73
ii. Un disputed other than MSME creditors	2,039.12	49.73	-	-	2,088.85
<b>Total</b>	<b>2,527.85</b>	<b>49.73</b>	<b>-</b>	<b>-</b>	<b>2,577.58</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## (b) Trade payables ageing for the year ended 31 March 2023

Particulars	As on 31-03-2023				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i. Un disputed MSME creditors	764.79	-	-	-	764.79
ii. Un disputed other than MSME creditors	1,589.45	38.77	-	-	1,628.22
<b>Total</b>	<b>2,354.24</b>	<b>38.77</b>	<b>-</b>	<b>-</b>	<b>2,393.01</b>

**Note: There are no outstanding disputed dues payables as at 31 March 2024 and 31 March 2023**

- (c) The creditors covered by Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act, 2006") have been identified on the basis of information available with the Company. Disclosures in respect of the amounts payable to such parties are given below:

### Dues to micro small and medium :

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
The amounts remain unpaid to micro and small supplies at the end of the year :-		
- Principal	488.73	764.79
- Interest	-	-
The amount of interest paid by the buyer on terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the 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 295 as a deductible expenditure under section 23 of the MSMED Act	-	-

## Note 19: Other financial liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Expense payable	243.18	431.85
<b>Total</b>	<b>243.18</b>	<b>431.85</b>

## Note 20: Other current liabilities

Particulars	As at 31st March 2024	As at 31st March 2023
Statutory Dues Payables	119.66	152.96
<b>Total</b>	<b>119.66</b>	<b>152.96</b>

## Note 21: Short term provisions

Particulars	As at 31st March 2024	As at 31st March 2023
Provision for Gratuity	18.80	12.63
Provision for Sales Returns	103.02	61.02
Provision for CSR	-	-
<b>Total</b>	<b>121.82</b>	<b>73.65</b>



(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 22: Current tax liability

Particulars	As at 31st March 2024	As at 31st March 2023
Provision For Taxation (Net of TDS & Advance Tax)	533.47	364.92
<b>Total</b>	<b>533.47</b>	<b>364.92</b>

## Note 23: Revenue from operations

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Revenue from operations	17,984.46	11,674.81
<b>Total (A)</b>	<b>17,984.46</b>	<b>11,674.81</b>
Other operating income		
Interest Income	-	-
Rental Income	-	-
Packing Income	-	-
Sale of Scrap	-	-
<b>Total in</b>	<b>17,984.46</b>	<b>11,674.81</b>

## Note 24: Other income

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Other Income	22.56	41.81
Gain on Foreign Exchange fluctuation	-	-
Discount received	-	-
Misc. Income	0.26	-
<b>Total in</b>	<b>22.82</b>	<b>41.81</b>

## Note 25: Purchases

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Raw material</b>		
Opening	653.33	319.49
Closing	756.55	653.33
Purchases (Net)	12,460.42	6,442.78
<b>Sub-total(a)</b>	<b>12,357.19</b>	<b>6,108.95</b>
<b>Packing Material</b>		
Opening	422.90	407.20
Closing	742.96	422.90
<b>Sub-total (b)</b>	<b>(320.06)</b>	<b>(15.70)</b>
<b>Total</b>	<b>12,037.14</b>	<b>6,093.25</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 26: Changes in inventories of finished goods

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Finished goods</b>		
Opening Stock	1,861.63	2,134.37
Closing Stock	2,260.51	1,861.63
<b>Total</b>	<b>(398.87)</b>	<b>272.73</b>

Components of inventory consists of the cost of materials, finished goods and packing materials as follows.

Particulars	Raw Materials	Packing Materials	Finished Goods
Opening	653.33	422.90	1,861.63
Closing	756.55	742.96	2,260.51
Change In Inventory	<b>(103.22)</b>	<b>(320.06)</b>	<b>(398.87)</b>

## Note 27: Employee benefit expenses

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries and Wages	1,302.91	1,533.96
Contribution to provident fund and other funds	60.89	78.44
Staff welfare expenses	32.82	36.06
<b>Total</b>	<b>1,396.62</b>	<b>1,648.46</b>

## Note 28: Finance cost

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest on CC	348.81	293.20
Interest On Terms Loans	193.87	343.50
Other Borrowing Costs	65.03	39.89
<b>Total</b>	<b>607.71</b>	<b>676.59</b>

## Note 29: Depreciation & amortization

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Depreciation on Fixed Assets	136.75	177.60
<b>Total in</b>	<b>136.75</b>	<b>177.60</b>

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 30: Other expenses

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Power & Fuel	28.10	38.43
Rental Expense	4.89	3.02
Repairs & Maintenance	68.07	58.15
Research & Development Expenses	108.52	50.54
Transport Charges	736.93	561.87
Travelling Expense	318.36	327.07
Office Maintenance	33.18	38.78
Marketing Expenses	205.34	103.62
Subscriptions & Renewals	1.46	2.98
Insurance Expenses	18.35	40.78
Rates & Taxes	41.80	33.70
Consultancy Charges	106.81	103.94
Loading & Unloading Expenses	14.86	19.40
Postage & Courier Charges	1.33	2.87
Printing & Stationary Expenses	8.31	9.17
Allowance for Doubtful debts	301.52	131.48
Telephone & Internet Charges	8.15	21.00
Other Expenses	58.14	14.08
Loss on Foreign exchange	90.62	54.57
CSR Expenses	16.92	9.69
Payment to Auditor*:		
For Statutory Audit	8.60	6.00
For Tax Audit	4.00	1.00
<b>Total in</b>	<b>2,184.25</b>	<b>1,632.13</b>

\* Excluding INR 50.00 Lakhs towards attest services in connection with Initial Public Offering.

## Note 31: Changes in liabilities arising from financing activities

### For the year ended 31 March 2024

Particulars	Current Borrowings	Non-current Borrowings
<b>As at 1 April 2023</b>	<b>3,068.00</b>	<b>1,511.64</b>
Borrowings made during the year	-	-
Borrowings repaid during the year	(107.28)	(576.16)
Effect of changes in foreign exchange rates	-	-
Recognition of right of use liability during the year	-	-
Payment of lease liability	-	-
<b>As at 31 March 2024</b>	<b>2,960.72</b>	<b>935.48</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## For the year ended 31 March 2023

Particulars	Current Borrowings	Non-current Borrowings
<b>As at 1 April 2022</b>	2,658.32	2,057.98
Borrowings made during the year	409.68	-
Borrowings repaid during the year	-	(546.34)
Effect of changes in foreign exchange rates	-	-
Recognition of right of use liability during the year	-	-
Payment of lease liability	-	-
<b>As at 31 March 2023</b>	<b>3,068.00</b>	<b>1,511.64</b>

## Note 32: Payments to auditor\*

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
For Statutory Audit	8.60	5.00
For Tax Audit	4.00	2.00
<b>Total</b>	<b>12.60</b>	<b>7.00</b>

\*Excluding INR 50.00 Lakhs towards attest services in connection with Initial Public Offer.

## Note 33: Earnings per share (eps)

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
<b>Earnings:</b>		
Profit / (Loss) attributable to equity shareholders of the Company.	1,860.31	842.46
<b>Shares:</b>		
Weighted average number of equity shares outstanding during the year – Basic	6,73,42,900	6,27,02,740
Weighted average number of equity shares outstanding during the year – Diluted	6,73,42,900	6,27,02,740
Restated earnings per Equity share of par value of Rs. 2 – <b>Basic (₹)</b>	2.76	1.34
Restated earnings per Equity share of par value of Rs. 2 – <b>Diluted (₹)</b>	2.76	1.34

- Pursuant to a resolution of our Board dated January 18, 2023 and Shareholders' resolution dated February 11, 2023, wherein each Equity Share of our Company of face value of ₹ 10 each, fully paid-up, was sub-divided into five Equity Shares of our Company of face value of ₹ 2 each and accordingly, 1,30,40,548 equity shares of our Company of face value of ₹ 10 each were sub-divided into 6,52,02,740 Equity Shares of face value of ₹ 2 each.
- 25,00,000 Equity Shares of face value of ₹ 2 each held by the **Nova Agritech employee welfare trust** pursuant to employee stock option plan are treated as treasury shares till the time of exercise of options of employees in accordance with Ind AS 102. These treasury Shares are not considered in the paid up capital and also not considered in the calculation of EPS.

In a Capitalisation or bonus issue or a share split, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 34: Income tax:-

### a) Amount recognized in the Statement of Profit and Loss

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Current Tax	533.47	364.92
Deferred tax attributable to temporary differences	(350.10)	8.48
<b>Tax Expense for the year</b>	<b>183.37</b>	<b>373.40</b>

### b) Amount recognized in Other Comprehensive Income

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Re-measurement gains/ (losses) on defined benefit plans	(9.60)	17.58
Deferred tax on re-measurement losses on defined benefit plans	2.42	(4.42)

### c) Reconciliation of Effective tax rate

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Accounting profit before income tax	2,043.68	1,215.86
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting profit before income tax At India's statutory income tax rate of 25.17% (31 March 2024: 25.17%)</b>	<b>514.39</b>	<b>306.03</b>
<b>Deductible expenses for tax purposes:</b>		
Depreciation allowable under Income tax Act	40.03	39.45
IPO Expenses	278.17	-
Bad debts Written off	6.41	-
<b>At the effective income tax rate of 25.17% (31 March 2024: 25.17%)</b>	<b>324.62</b>	<b>39.45</b>
<b>Effect of Non-deductible expenses for tax purposes:</b>		
Depreciation debited to Profit & Loss	34.42	44.70
CSR Expenses	4.26	2.44
Gratuity	1.19	4.00
Others	(46.27)	55.70
<b>At the effective income tax rate of 25.17% (31 March 2024: 25.17%)</b>	<b>(6.41)</b>	<b>106.85</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>183.37</b>	<b>373.40</b>
	8.97%	30.71%



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Deferred tax relates to the following

### Balance Sheet

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Deferred tax assets:</b>		
WDV as per Companies Act	1,185.02	1,296.17
WDV as per IT Act	1,472.79	1,449.50
<b>Difference</b>	<b>(287.77)</b>	<b>(153.32)</b>
Provision for gratuity	(101.64)	(87.31)
Allowance for doubtful debts	(1,096.92)	(820.88)
Provision For credit sales	(103.02)	(61.02)
Leave Encashment	(32.00)	-
IPO Expenses	(884.14)	-
<b>Net Difference</b>	<b>(2,505.49)</b>	<b>(1,122.53)</b>
Tax Rate	25.17%	25.17%
Deferred tax	<b>(630.63)</b>	<b>(282.54)</b>
Opening Differed tax	<b>(278.12)</b>	<b>(286.60)</b>
Transferred to Statement of Profit and Loss	(352.51)	8.48
<b>Deferred tax as on 31/03/2024</b>	<b>(630.63)</b>	<b>(278.12)</b>

### Reflected in the balance sheet as follows:

Particulars	As at 31st March 2024	As at 31st March 2023
Deferred Tax Assets (continuing operations)	(630.63)	(278.12)
Deferred Tax Liabilities:	-	-
<b>Deferred Tax Liabilities/(Assets), Net</b>	<b>(630.63)</b>	<b>(278.12)</b>

## Note 35: Employee benefits:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries and Wages	1,302.91	1,533.96
Contribution to provident fund and other funds	60.89	78.44
Staff welfare expenses	32.82	36.06
<b>Total</b>	<b>1,396.62</b>	<b>1,648.46</b>

### Notes:

- The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final rules/interpretation have not yet been notified/issued. The Company is in the process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.
- The Company operates defined benefit plan i.e., gratuity for its employees. 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. The fund has the form of a trust and it is governed by the Board of Trustees who is responsible for the administration of the plan assets and for the definition of the investment strategy.

(All amounts are in INR lakhs except share data or unless otherwise specified)

During the period the Company has recognized the following amounts in the Statement of profit and loss.

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Employer's Contribution to Provident fund	26.60	38.67
Employer's Contribution to Employee State Insurance Fund	1.63	3.48
<b>Total</b>	<b>28.23</b>	<b>42.15</b>

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31<sup>st</sup> March 2024 and 2023 consist of the following:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Current service cost	11.35	11.57
Interest on net defined benefit liability/(asset)	6.55	6.45
Expected Return on plan Assets	-	-
<b>Components of defined benefit costs recognized instatement of profit or loss - (A)</b>	<b>17.90</b>	<b>18.02</b>
Actuarial (gain) / loss on plan obligations	9.60	(17.58)
<b>Components of defined benefit costs recognized in other comprehensive income - (B)</b>	<b>9.60</b>	<b>(17.58)</b>
<b>Total (A+B)</b>	<b>27.50</b>	<b>0.44</b>

The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Current-Liability (Short Term)	18.80	12.63
Non-Current Liability (Long Term)	82.84	74.68
<b>Total Liability</b>	<b>101.64</b>	<b>87.31</b>

Movement in the present value of the defined benefit obligation is as follows:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Defined benefit obligations at the beginning of the year	87.31	88.98
Benefits Paid	(13.17)	(2.11)
<b>Expenses Recognised in statement of Profit &amp; Loss</b>	<b>17.90</b>	<b>18.02</b>
Current service cost	11.35	11.57
Interest on defined obligations	6.55	6.45
<b>Expenses Recognised in statement of OCI</b>	<b>9.60</b>	<b>(17.58)</b>
Actuarial loss/(gain) due to change in assumptions	-	-
Actuarial loss/(gain) due to experience changes	9.60	(17.58)
<b>Defined benefit obligations at the end of the year</b>	<b>101.64</b>	<b>87.31</b>

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Summary of Actuarial Assumptions

The actuarial assumptions used to determine benefit obligations in accounting for the Gratuity Plan are as follows:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Discount rate	7.25%	7.50%
Rate of increase in compensation	5.00%	5.00%
Expected Average Remaining Service	20.08%	20.08%

## Note 36: Related party transactions:

List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Nature of Relationship	Name of the Related Parties
Directors of the Company	<b>Ramesh Babu Nemani</b> (W.E.F 23/03/2022)
	<b>Kiran Kumar Atukuri</b> (W.E.F 09/07/2018)
	<b>Swapna Kandula</b> (W.E.F 19/03/2020)
	<b>Adabala Seshagiri Rao</b> (W.E.F 25/10/2022)
	<b>Kiran Kumar Adapa</b> (W.E.F 17/03/2021)
	<b>Cherukuri Rajesh</b> (W.E.F 02/04/2024)
Whole Time Directors	<b>Malathi Siripurapu</b> (W.E.F 17/03/2021)
Key Managerial Persons	<b>Kiran kumar Atukuri</b> Managing Director (W.E.F 09/07/2018)
	<b>Malathi Siripurapu</b> (W.E.F 17/03/2021)
	<b>Neha Soni</b> (Company Secretary) (W.E.F 22/10/2020)
	<b>Gunupudi Kamoji Srinivas</b> (Chief Financial Officer) (W.E.F. 03/01/2023)
	<b>Mandalapu Srinivasa Rao</b> (Chief Executive Officer) (W.E.F 16/03/2024)
Enterprises having significant influence over the company:	Suraksha Agri Retails (India) Private Limited.
	Nova FertiCare Private limited.
	Nova Dairy Tech India Private limited.
	Nova Health sciences Private Limited.
	Agri Genome Resources India private limited. AIC Nova Foundation for Agricultural Innovation and research.

(All amounts are in INR lakhs except share data or unless otherwise specified)

### Related Party transactions details:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Managerial Remuneration to KMP*</b>		
Malathi S	271.82	271.82
Sreekanth yenigalla	53.16	53.16
Kiran kumar atukuri	53.56	53.56
Basanth kumar nadella	33.11	33.11
Neha soni	12.00	6.00
Bhargavi kandula	-	11.52
Gunupudi kamoji srinivas	24.00	5.48
<b>Total</b>	<b>447.65</b>	<b>434.66</b>
<b>Outstanding balance of loan taken by the company:</b>		
Malathi S	55.77	179.20
Sreekanth yenigalla	-	2.22
Kiran kumar atukuri	-	17.31
Basanth kumar nadella	-	9.37
<b>Total</b>	<b>55.77</b>	<b>208.09</b>

### Transactions with Subsidiaries:

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Nova Agri Sciences Private Limited</b>		
Sales to subsidiary	1,825.48	268.80
Purchases from subsidiary	2,077.96	1,219.77
Receivable from subsidiary	-	-
Payables to subsidiary	945.77	648.82
Investment in subsidiary	180.00	180.00
Loans & Advances in Subsidiary	905.62	-
Income from lease to subsidiary	9.80	4.00
<b>Nova Agri Seeds India Private Limited</b>		
Investment in subsidiary	5.00	5.00

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 37: Financial instruments and fair value

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, as below, 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 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability.

### Financial assets and liabilities: As on 31 March 2024

Particulars	Fair value	Total Carrying value
<b>Assets</b>		
Investments	185.01	185.01
Loans	5.33	5.33
Trade receivables	7,013.32	7,013.32
Cash & cash equivalents	6,224.68	6,224.68
Other Bank Balances	2,261.56	2,261.56
Other financial assets	1,017.52	1,017.52
<b>Total</b>	<b>16,707.42</b>	<b>16,707.42</b>
<b>Liabilities</b>		
Non current borrowings	403.51	403.51
Current borrowings	3,492.69	3,492.69
Trade payables	2,577.58	2,577.58
Other financial Liabilities	278.62	278.62
<b>Total</b>	<b>6,752.40</b>	<b>6,752.40</b>

### Financial assets and liabilities: As on 31 March 2023

Particulars	Fair value	Total Carrying value
<b>Assets</b>		
Investments	185.01	185.01
Loans	5.53	5.53
Trade receivables	6,505.65	6,505.65
Cash & cash equivalents	257.27	257.27
Other financial assets	27.74	27.74
<b>Total</b>	<b>6,981.21</b>	<b>6,981.21</b>
<b>Liabilities</b>		
Non current borrowings	1,192.32	1,192.32
Current borrowings	3,387.31	3,387.31
Trade payables	2,393.01	2,393.01
Other financial Liabilities	496.15	496.15
<b>Total</b>	<b>7,468.79</b>	<b>7,468.79</b>

There have been no transfers between levels during the year. The management has assessed that the carrying values of financial assets and financial liabilities for which fair values are disclosed, reasonably approximate their fair values because these instruments have short-term maturities.

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 38: Financial risk management objectives and policies

The Company's principal financial liabilities comprise 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, trade and other receivables, cash and cash equivalents, bank balances and security deposits.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk.

### a. Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, derivatives financial instruments and trade payables.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, without considering impact of derivatives not designated as hedges, as follows:

The exposure of the company's borrowings to interest rate changes at the end of the year are as follows:-

Particulars	Increase/ decrease in basis points	Effect on profit before tax
<b>31-Mar-24</b>		
INR	100	(40.84)
INR	(100)	40.84
<b>31-Mar-23</b>		
INR	100	(43.72)
INR	(100)	43.72

#### Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency borrowings and trade payables.

Unhedged foreign currency exposure as at balance sheet date (all amounts are payable in US dollars stated in Indian rupees)

Particulars	As at 31st March 2024	As at 31st March 2023
Imports	900.06	1,524.14
<b>Total</b>	<b>900.06</b>	<b>1,524.14</b>

#### Sensitivity

Particulars	As at 31st March 2024	As at 31st March 2023
Impact on standalone profit or loss		
<b>Sensitivity</b>		
1% Increase in FCER	(9.00)	(15.24)
1% Decrease in FCER	9.00	15.24



# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## b. Credit Risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments if counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and scheduled banks and hence, the Company does not expect any credit risk with respect to these financial assets.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

### Details of financial assets – not due, past due and impaired

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as of 31 March 2024. The Company's credit period for trade and other receivables payable by its customers generally ranges from 30 – 90 days.

The ageing of trade and other receivables is given below:

Particulars	As at 31st March 2024	As at 31st March 2023
Neither past due nor impaired		
Past due but not impaired		
Less than 365 days	6,884.75	6,421.63
More than 365 days	1,075.86	755.27
	<b>7,960.61</b>	<b>7,176.89</b>
Less : Allowance for expected credit losses	947.29	671.24
<b>Total</b>	<b>7,013.32</b>	<b>6,505.65</b>

### Reconciliation of impairment of trade receivables and other assets

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Impairment of Trade receivable</b>		-
Balance at the beginning of the year	671.24	851.75
Add: Provision made during the year	301.52	131.48
Less: Reversal of earlier years provisions	-	
Less: Bad debts written off from earlier years provisions	25.48	(311.99)
<b>Balance at the end of the year</b>	<b>947.29</b>	<b>671.24</b>

## c. Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(All amounts are in INR lakhs except share data or unless otherwise specified)

The table below summarises the maturity profile of the Company's financial liabilities on undiscounted basis:

Maturities	Upto 1 year	1-5 Years	Above 5 Years	Total
<b>31-Mar-24</b>				
Non-current borrowings	-	403.51	-	403.51
Current borrowings	3,492.69	-	-	3,492.69
Trade payables	2,527.85	49.73	-	2,577.58
Other financial liabilities	278.62	-	-	278.62
<b>Total</b>	<b>6,299.16</b>	<b>453.24</b>	<b>-</b>	<b>6,752.40</b>
Maturities	Upto 1 year	1-5 Years	Above 5 Years	Total
<b>31-03-2023</b>				
Non-current borrowings	319.32	1,192.32	-	1,511.64
Current borrowings	3,068.00	-	-	3,068.00
Trade payables	2,354.24	38.77	-	2,393.01
Other financial liabilities	64.30	-	-	64.30
<b>Total</b>	<b>5,805.85</b>	<b>1,231.08</b>	<b>-</b>	<b>7,036.93</b>

### Note 39: Details of CSR expenditure:

As required by Section 135 read with Schedule VII of the Companies Act 2013, corporate social responsibility (CSR) expenditure required to be spent by the Company during the year, computed at 2% of its average net profit before tax for the immediately preceding three financial years.

Particulars	As at 31st March 2024	As at 31st March 2023
i) Amount required to be spent by the company during the year	16.92	9.69
ii) Amount required to be set off for the financial year, if any	-	-
iii) Total CSR obligation for the financial year	<b>16.92</b>	<b>9.69</b>
iv) Amount of expenditure incurred		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	16.92	9.69
v) Shortfall/ (Pre spent) at the end of the year ((iii)-(iv))		-
vi) Total of previous years shortfall	-	-
vii) Reason for shortfall	-	-
viii) Nature of CSR activities	Eradicating hungry, poverty and malnutrition and Promoting health care including preventive health care and sanitation	
ix) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	N.A
x) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	N.A

### Note 40: Other statutory information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with struck off companies.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

5. The Company 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
  - a) 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
  - b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Company 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 Company shall
  - a) 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
  - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. The Company has not entered in to any 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).
8. The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
9. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
10. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
11. The Company have borrowings from banks or financial institutions against security of its current assets.
12. The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

## Note 41: Issue of shares

### Issue of Equity shares through IPO

The Company has completed Initial Public Offer of 3,50,75,693 Equity Shares of the face value of ₹ 2 each at an issue price of ₹ 41 per Equity Share, comprising offer for sale of 77,58,620 shares by selling shareholders aggregating to ₹ 3,181.03 Lakhs and fresh issue of 2,73,17,073 shares aggregating to ₹ 11,200 Lakhs. The Equity Shares of the Company were listed on January 31, 2024 on BSE Limited and the National Stock Exchange of India Limited.

### IPO Expenses

The total IPO related expenses belongs to the company is ₹ 1,105.17 Lakhs has been adjusted against securities premium account.

### Utilisation of proceeds from IPO:

The details of utilization of proceeds from IPO (net of Offer Expenses) are as follows:

Particulars	Total Amount (In Lakhs)	Utilized Upto 31st March 2024 (In Lakhs)
a. Investment in our subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant	1,420.11	-
b. Funding Capital Expenditure by our Company, towards expansion of our existing formulation plant	1,048.95	-
c. Funding of working capital requirement of Our Company	2,665.47	477.27
d. Investment in our subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements.	4,335.85	905.62
e. General corporate purposes	624.45	623.02
	<b>10,094.83</b>	<b>2,005.91</b>

Unutilised IPO Proceeds as at March 31, 2024 are available as fixed deposit with banks and with escrow account.

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 42: Ratios

Ratio	Numerator	Denominator	As at 31st March 2024	As at 31st March 2023	% Change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	3.01	1.50	100.13	*1
Debt- Equity Ratio	Total Debt	Shareholders Equity	0.48	2.06	(76.77)	*2
Debt Service Coverage Ratio	Net profit (Earning after taxes) + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed Asset etc.	Interest & lease payments + principal repayments	3.06	1.76	74.28	*3
Return on Equity Ratio	Net profit after taxes-preference dividend (if any)	Net Worth/ Equity Shareholders Funds (Average Shareholders Equity)	0.19	0.24	(21.72)	-
Inventory Turnover Ratio	COGS/Net sales (Net Sales=Total sales - Sales returns)	Average Inventory	5.37	4.03	33.37	*4
Trade Receivable Turnover Ratio	Net credit sales = gross credit sales - sales return	Average Trade Receivables	2.66	1.70	56.92	*5
Trade Payable Turnover Ratio	Net credit purchases = gross credit purchase – purchase return	Average Trade Payables	5.01	2.10	138.24	*6
Net Capital Turnover Ratio	Sales/ Cost of Goods Sold	Net Assets = (Current Assets – Current Liabilities)	1.26	3.41	(62.95)	*7
Net Profit Ratio	Net Profit after Tax	Net sales = Total sales – sales return	0.10	0.07	43.35	*8
Return on Capital Employed	Earnings before interest and taxes (EBIT)	Capital employed = Equity + Long Term Debt	0.16	0.36	(54.95)	*9
Return on Investment	Return/Profit/Earnings	Investment	10.06	4.55	120.82	*10

1. Increase in Current Assets due to IPO resulting to increase in Current Ratio.
2. Increase in Reserves & Surplus (other equity) due to securities premium from IPO resulting to decrease in debt-equity ratio.
3. Increase in Revenue from operations (Sales) resulting to increase in Debt Service Coverage Ratio.
4. Increase in Revenue from operations (Sales) resulting to increase in inventory turnover ratio.
5. Increase in Revenue from operations (Sales) resulting to increase in trade receivables turnover ratio.
6. Increase in Purchases resulting to increase in trade payable turnover ratio.
7. Increase in Revenue from operations (Sales) & Increase in Current Assets due to IPO resulting to decrease in net capital turnover ratio.
8. Increase in Revenue from operations (Sales) resulting to increase in net profit ratio.
9. Increase in Reserves & Surplus (other equity) due to securities premium from IPO resulting to decrease in return on capital employed ratio.
10. Increase in Revenue from operations (Sales) resulting to increase in return on investment.

## Note 43: Capital management

The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

# Notes to the Standalone Financial Statements

for the year ended 31st March, 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Gearing Ratio:

Particulars	As at 31st March 2024	As at 31st March 2023
Current and non current borrowings	4,294.48	4,579.63
Less: Cash and bank balances	6,224.68	257.27
<b>Net Debt (A)</b>	<b>(1930.20)</b>	<b>4,322.36</b>
<b>Total Equity (B)</b>	<b>15,895.70</b>	<b>3,947.11</b>
<b>Net Debt to equity Ratio (A/B)</b>	<b>(0.12)</b>	<b>1.10</b>

## Note 44: Contingent liabilities/assets:

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Corporate Guarantees</b>	800.00	800.00
<b>Capital Commitments:</b>		
i) Contract to be executed (net of advance)	251.26	251.26
ii) Claims against the company not acknowledged as debts	19.63	19.63
<b>Total</b>	<b>1,070.89</b>	<b>1070.89</b>

\*The Company vide its 0042 Board meeting had approved for purchase of land in Karnataka of 10 acre at Kadechur Industrial Area, Yadagir district, dated on 02-12-2021. Accordingly, as at 31<sup>st</sup> March 2023 the company had paid an advance amounting to ₹ 123.74 lakhs towards purchase of 33% out of total consideration payable of ₹ 375.00 lakhs accordingly as at 31<sup>st</sup> March 2023, balance of ₹ 251.26 lakhs is disclosed as commitment.

## Note 45: Research expenses recognised in the statement of profit and loss account

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Others	108.52	50.54
<b>Total</b>	<b>108.52</b>	<b>50.54</b>

## Note 46: Previous period/year figures have been regrouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended schedule iii to the companies act, 2013.

For **NSVR & ASSOCIATES LLP**  
Chartered Accountants  
Firm Regd No. 008801S/S200060

**VENKATA RATNAM P**  
Partner  
Membership No. 230675  
UDIN: 24230675BKBDV3094

Place: Hyderabad  
Date: 27-05-2024

On behalf of Board of Directors  
For **NOVA AGRITECH LIMITED**

**KIRAN KUMAR A**  
Managing Director  
(DIN: 08143781)

**RAJESH CHERUKURI**  
Director  
(DIN: 09840611)

**GUNUPUDI KAMOJI SRINIVAS**  
Chief financial officer

**SRINIVASA RAO M**  
Chief Executive Officer

**NEHA SONI**  
Company Secretary

# Independent Auditor's Report

To

The members of  
Nova Agritech Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying Consolidated Financial Statements of Nova Agritech Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2024 and 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 ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as on 31<sup>st</sup> March 2024, and its profit(including other comprehensive income), its cash flows and the changes in equity for year ended on that date.

### Basis for Opinion

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs) 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 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 Consolidated financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

### Key Audit Matters

1. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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.

2. We have determined the matters described below as the Key audit matters to be communicated in our report.

Key audit matter	Auditor's Response
<b>1. Trade Receivables :</b> Net Trade Receivables amounting to Rs. 12,342.77 lakhs Trade receivables are recognized at their anticipated realized value, which is the Original invoice amount less estimated value of allowance. Trade receivables are considered as key audit matters in the audit due to size of Trade receivables balance and the high level of management judgment used in determining the provision.	To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors, amongst others, include the following: <ul style="list-style-type: none"> <li>• We obtained balance confirmations from customers on sample basis;</li> <li>• We analyzed the aging of trade receivables; and</li> <li>• We obtained a list of long outstanding receivables, and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.</li> </ul>



## Independent Auditor's Report (Contd.)

Key audit matter	Auditor's Response
<p><b>2. Revenue recognition – Sale of Goods:</b> (Refer Note 22 of the consolidated financial statements)</p> <p><i>Revenue recognition – Sale of goods</i></p> <p>Refer note on "Revenue Recognition" of the Consolidated Financial Statements under Material Accounting Policies. Revenue from sale of goods is recognized when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at transaction price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.</p>	<p>We have performed the following principal audit procedures in relation to revenue recognized which include a combination of testing internal controls and substantive testing as under:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 and testing thereof.</li> <li>Evaluating the integrity of the general information and technology ("IT") control environment and testing the operating effectiveness of key IT application controls.</li> <li>Understanding the revenue recognition process, evaluating the design and implementation of Company's controls in respect of revenue recognition.</li> <li>Testing the effectiveness of such controls over revenue cut-off at year end. Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued subsequent to the year end to determine whether revenue was recognised in correct period.</li> <li>Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.</li> </ul>

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the yearly report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon. The other information as stated above 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 do 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.

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation

of these Consolidated Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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 SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

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 company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated 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 Consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions

of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, The Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 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 Consolidated Financial Statements of the Company and the operating effectiveness of such controls, refer to

## Independent Auditor's Report (Contd.)

our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to Consolidated Financial Statements.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of the section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements.
  - ii. The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. management has represented to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including

foreign entities ("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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company hasn't declared any Dividend for the current period.
- vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended 31<sup>st</sup> March, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

For **NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm's Registration No.: 008801S/S200060

**P Venkata Ratnam**

Partner

Membership No.: 230675

UDIN: 24230675BKBIDS3711

Place: Hyderabad

Date: 27-05-2024

# Annexure – A to the Independent Auditors’ Report

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

## Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to Consolidated Financial Statements of Nova Agritech Limited (“the Company”) as at 31<sup>st</sup> March, 2024 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their

operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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.

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 Consolidated Financial Statements.

### Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Consolidated Financial Statements.

### Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

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

## Annexure – A to the Independent Auditors' Report (Contd.)

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at 31<sup>st</sup> March, 2024, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm's Registration No.: 008801S/S200060

**P Venkata Ratnam**

Partner

Membership No.: 230675

UDIN: 24230675BKBIDS3711

Place: Hyderabad

Date: 27-05-2024.



## Annexure – B to the Independent Auditors' Report

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

There are no Adverse or Qualification remarks in the Independent Auditors' Report of subsidiaries to be indicated under Consolidated Independent Auditors' Report.

For **NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm Registration. No: 008801S/S200060

**P Venkata Ratnam**

Partner

Membership No: 230675

UDIN: 24230675BKBIDS3711

Place: Hyderabad

Date: 27-05-2024



# Consolidated Balance sheet

as on 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Particulars	Note No.	As on 31st March 2024	As on 31st March 2023
<b>I Assets</b>			
<b>1. Non-current Assets</b>			
(a) Property, Plant and Equipment	2	1,432.69	1,557.63
(b) Good will	2	116.15	116.15
(c) Intangible assets	2	13.75	11.83
(d) Capital Work In Progress	2	75.17	63.00
(e) Financial Assets			
(i) Investments	3	0.01	0.01
(ii) Other financial assets	4	103.09	31.35
(f) Deferred Tax Assets (Net)	5	856.85	457.31
<b>Total Non-current Assets</b>		<b>2,597.72</b>	<b>2,237.28</b>
<b>2. Current Assets</b>			
(a) Inventories	6	4,957.75	4,172.10
(b) Financial Assets			
(i) Trade Receivables	7	12,342.77	10,567.64
(ii) Cash and Cash Equivalents	8	6,284.31	335.19
(iii) Bank balances other than (ii) above	9	2,261.56	-
(iv) Other financial assets	10	3.68	3.71
(c) Other Current Assets	11	1,351.40	762.41
<b>Total Current Assets</b>		<b>27,201.46</b>	<b>15,841.03</b>
<b>Total Assets</b>		<b>29,799.18</b>	<b>18,078.34</b>
<b>II Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity Share Capital	12(a)	1,800.40	1,254.05
(b) Other Equity	12(b)	17,509.98	5,133.92
<b>Total Equity</b>		<b>19,310.37</b>	<b>6,387.97</b>
<b>Liabilities</b>			
<b>1. Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Long Term Borrowings	13	797.33	1,635.73
(ii) Other financial liabilities	14	41.58	71.11
(b) Provisions	15	98.47	89.18
(c) Deferred Tax Liabilities (Net)		-	-
<b>Total Non-current Liabilities</b>		<b>937.37</b>	<b>1,796.02</b>
<b>2. Current liabilities</b>			
(a) Financial Liabilities			
(i) Short Term Borrowings	16	5,322.76	5,459.78
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	17	922.46	682.01
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	1,678.06	2,045.59
(iii) Other financial liabilities	18	377.09	595.29
(b) Other current liabilities	19	146.14	171.35
(c) Provisions	20	182.89	128.79
(d) Current Tax Liabilities (Net)	21	922.02	811.51
<b>Total Current Liabilities</b>		<b>9,551.43</b>	<b>9,894.34</b>
<b>Total Equity and Liabilities</b>		<b>29,799.18</b>	<b>18,078.33</b>

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

As per our report of even date attached  
For **NSVR & Associates LLP.**,  
Chartered accountants  
Firm Reg no: 00801S/S200060

**Venkata Ratnam P**  
Partner  
M.NO : 230675  
UDIN : 24230675BKBIDS3711

For and on behalf of Board of Directors  
**Nova Agritech Limited**

**KIRAN KUMAR A**  
Managing Director  
(DIN: 08143781)

**RAJESH CHERUKURI**  
Director  
(DIN: 09840611)

**K.SRINIVAS GUNUPUDI**  
Chief Financial Officer

**SRINIVASA RAO M**  
Chief Executive Officer

**NEHA SONI**  
Company Secretary

Place: Hyderabad  
Date: 27-05-2024

# Consolidated Statement of Profit & Loss

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Particulars	Note No.	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Income</b>			
<b>I. Revenue from operations</b>			
(a) Revenue	22	25,247.36	21,055.54
(b) Other operating income	22	-	-
<b>II. Other income</b>	23	3.56	37.82
<b>III. Total Income (I+II)</b>		<b>25,250.92</b>	<b>21,093.35</b>
<b>IV. Expenses</b>			
Cost of Material Consumed	24	16,306.38	11,994.18
Changes in inventories of finished goods	24	(632.52)	139.84
Employee benefits expenses	25	2,268.46	2,730.80
Finance costs	26	902.60	880.14
Depreciation and Amortisation expenses	27	196.34	236.09
Other expenses	28	2,873.39	2,295.95
<b>Total expenses (IV)</b>		<b>21,914.65</b>	<b>18,277.00</b>
<b>V. Profit/(loss) before exceptional items and tax from continuing operations (I-IV)</b>		<b>3,336.27</b>	<b>2,816.35</b>
<b>VI. Exceptional Items</b>			
<b>VII. Profit/(loss) before tax from continuing operations (V-VI)</b>		<b>3,336.27</b>	<b>2,816.35</b>
<b>VIII. Tax expense:</b>			
(a) Current tax		903.90	807.21
(b) Deferred tax		(398.45)	(39.81)
<b>IX. Profit/(Loss) for the year from continuing operations</b>		<b>2,830.81</b>	<b>2,048.96</b>
<b>X. Profit/(loss) from discontinued operations (after tax)</b>		-	-
<b>XI. Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans		(4.34)	19.90
Tax impact on above items		1.09	(5.01)
(ii) Items that will be reclassified to profit or loss			
<b>Other comprehensive income for the year, net of tax</b>		<b>(3.25)</b>	<b>14.89</b>
<b>XII. Total Comprehensive Income for the year, net of tax (IX+X+XI)</b>		<b>2,827.57</b>	<b>2,063.85</b>
<b>XIII. Earnings per equity share</b>			
<b>(Nominal value per equity share of ₹ 2 each)</b>			
(1) Basic Earnings per Equity share		4.20	3.27
(2) Diluted Earnings per Equity share		4.20	3.27

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

As per our report of even date attached  
For **NSVR & Associates LLP.**,  
Chartered accountants  
Firm Reg no: 00801S/S200060

**Venkata Ratnam P**  
Partner  
M.NO : 230675  
UDIN : 24230675BKBIDS3711

Place: Hyderabad  
Date: 27-05-2024

For and on behalf of Board of Directors  
**Nova Agritech Limited**

**KIRAN KUMAR A**  
Managing Director  
(DIN: 08143781)

**RAJESH CHERUKURI**  
Director  
(DIN: 09840611)

**K.SRINIVAS GUNUPUDI**  
Chief Financial Officer

**SRINIVASA RAO M**  
Chief Executive Officer

**NEHA SONI**  
Company Secretary

# Statement of Changes in Equity

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Particulars	Equity share capital		Other components of equity			Total
	No of Shares	Amount	Retained earnings	Other comprehensive income	Securities Premium	
<b>As on 01-04-2022</b>	6,27,02,740	1,254.05	3,009.73	55.34	-	3,065.07
Adjustment	-	-	-	-	-	-
Adjusted balances as on 01-04-2022	6,27,02,740	1,254.05	3,009.73	55.34	-	3,065.07
Profit or loss for the year	-	-	2,048.95	-	-	2,048.95
Other comprehensive income	-	-	-	19.90	-	19.90
Total comprehensive income	-	-	-	-	-	-
<b>As on 01-04-2023</b>	<b>6,27,02,740</b>	<b>1,254.05</b>	<b>5,058.68</b>	<b>75.24</b>	<b>-</b>	<b>5,133.92</b>
Adjustment	-	-	-	-	-	-
Adjusted balance as on 01-04-2023	6,27,02,740	1,254.05	5,058.68	75.24	-	5,133.92
Add:Shares Issued During the Year	2,73,17,073	546.34	-	-	-	-
Profit or loss for the year	-	-	2,830.81	-	-	2,830.81
Securities Premium	-	-	-	-	9,548.49	9,548.49
Other comprehensive income	-	-	-	-3.25	-	-3.25
Total comprehensive income	-	-	-	-	-	-
<b>As on 01-04-2024</b>	<b>9,00,19,813</b>	<b>1,800.40</b>	<b>7,889.49</b>	<b>72.00</b>	<b>9,548.49</b>	<b>17,509.98</b>

As per our report of even date attached  
For **NSVR & Associates LLP,**  
Chartered accountants  
Firm Reg no: 00801S/S200060

**Venkata Ratnam P**  
Partner  
M.NO : 230675  
UDIN : 24230675BKBIDS3711

Place: Hyderabad  
Date: 27-05-2024

For and on behalf of Board of Directors  
**Nova Agritech Limited**

**KIRAN KUMAR A**  
Managing Director  
(DIN: 08143781)

**RAJESH CHERUKURI**  
Director  
(DIN: 09840611)

**K.SRINIVAS GUNUPUDI**  
Chief Financial Officer

**SRINIVASA RAO M**  
Chief Executive Officer

**NEHA SONI**  
Company Secretary

# Consolidated Cash Flow Statement

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>A. Cash flows from operating activities</b>		
<b>Net Profit Before Tax</b>	<b>3,336.27</b>	<b>2,816.35</b>
<b>Adjustments for :</b>		
Depreciation and amortization expenses	196.34	236.09
(Profit)/Loss on sale of Fixed Assets	-	(33.10)
Provision for expenses and expected credit loss	455.61	268.50
Finance costs	902.60	880.14
<b>Operating profit before working capital changes</b>	<b>4,890.81</b>	<b>4,167.98</b>
<b>Movements in Working Capital</b>		
(Increase)/Decrease in operating assets:		
Trade receivables	(2,230.74)	(1,537.55)
Other financial assets	(71.92)	(0.36)
Inventories	(785.65)	(492.49)
Other current assets	(679.06)	(93.17)
Trade payables	(37.01)	(520.54)
Other current liabilities	(25.21)	(76.25)
Non current provisions	4.95	(3.80)
Current provisions	54.10	51.36
Other financial liabilities	(247.73)	(111.80)
<b>Changes in Working Capital</b>	<b>(4,018.26)</b>	<b>(2,784.59)</b>
<b>Cash generated from operations</b>	<b>872.55</b>	<b>1383.39</b>
Income tax paid	(793.40)	(815.55)
<b>Net cash flows generated (used in)/from operating activities (A)</b>	<b>79.15</b>	<b>567.84</b>
<b>B. Cash flows from investing activities</b>		
Purchase/ Sales of Property, plant and equipment (Including CWIP) and Adv for Capital Goods	(85.49)	(352.22)
Sale proceeds from sale Property, plant and equipment (Including CWIP)	-	125.41
Loans (given)/ proceeds from loans received	0.20	41.12
Term Deposits with Banks	(2,261.56)	-
<b>Net cash flows (used in)/from investing activities (B)</b>	<b>(2,346.85)</b>	<b>(185.69)</b>
<b>C. Cash flows from Financing Activities</b>		
Proceeds from/ (Repayment of) Long Term Borrowings	(623.71)	701.65
Proceeds from/ (Repayment of) Short Term Borrowings	(351.71)	(32.69)
Finance costs	(902.60)	(880.14)
Net Proceeds from issue of Share capital	10,094.83	-
<b>Net cash flows (used in)/from financing activities (C)</b>	<b>8,216.81</b>	<b>(211.17)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A) + (B) + (C)</b>	<b>5,949.12</b>	<b>170.98</b>
Cash and Cash equivalents at the beginning of the year	335.19	164.21
<b>Cash and Cash equivalents at the ending of the year</b>	<b>6,284.31</b>	<b>335.19</b>

# Consolidated Cash Flow Statement

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Cash and Cash Equivalents include the following for Cash flow purpose

Particulars	As at	As at
	31st March 2024	31st March 2023
Cash and Cash Equivalents/ Bank Balances	6,284.31	335.19
Less: Unclaim dividend		
Cash and Cash Equivalents/ Bank Balances	6,284.31	335.19

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

As per our report of even date attached  
For **NSVR & Associates LLP.**,  
Chartered accountants  
Firm Reg no: 00801S/S200060

**Venkata Ratnam P**  
Partner  
M.NO : 230675  
UDIN : 24230675BKBIDS3711

Place: Hyderabad  
Date: 27-05-2024

For and on behalf of Board of Directors  
**Nova Agritech Limited**

**KIRAN KUMAR A**  
Managing Director  
(DIN: 08143781)

**RAJESH CHERUKURI**  
Director  
(DIN: 09840611)

**K.SRINIVAS GUNUPUDI**  
Chief Financial Officer

**SRINIVASA RAO M**  
Chief Executive Officer

**NEHA SONI**  
Company Secretary

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## 1. Summary of Material Accounting Policies and Other Explanatory Information

### Company Background

Nova Agritech Limited (the 'Company') is a public limited company domiciled and incorporated in India under the Indian Companies Act, 1956 on 09<sup>th</sup> May 2007. The registered office of the company located at Sy.No.251/a/1, singannaguda village mulugu mandal siddipet, medak, Telangana 502279. The company is domiciled and incorporated in India in the state of Telangana.

Nova Agritech Limited is an agri-input manufacturer offering soil health management, crop nutrition and crop protection products focused on tech-based farmer driven solution approach, wherein we mainly offer ecologically sustainable and nutritionally balanced products based on our R&D. The Company manufactures, distributes and markets a wide range of product categories consisting of (a) soil health management products; (b) crop nutrition products; (c) bio stimulant products; (d) bio pesticide products (e) Integrated Pest Management (IPM) products; (f) new technologies; and (g) crop protection products. Currently, the crop protection products are manufactured by its subsidiary Nova Agri Sciences Private Limited.

The Company has completed its Initial Public Offer ('IPO') of its equity shares and the equity shares got listed on National Stock Exchange of India Limited ('NSE') and BSE Limited on 31<sup>st</sup> January 2024.

The company was initially incorporated with the name "Nova Agritech Private Limited" and subsequently changed its name to "Nova Agritech Limited" and converted into a public limited company.

### 1.1 Basis of preparation of Financial Statements

#### a) Statement of compliance

These Consolidated Financial Statements of Nova Agritech Limited have been prepared and presented in accordance with and in compliance in all material aspects, with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read along with the Companies (Indian Accounting Standards) Rules 2015, and presentation requirements of Division II of Schedule III to the Companies Act, 2013, and as amended from time to time together with the comparative period data as at and for the year ended 31 March 2024.

These Consolidated Financial Statements have been prepared by the Company as a going concern on the basis of relevant

Ind AS that are effective at the Company's annual reporting date, 31 March 2024. These Consolidated Financial Statements for the year ended 31 March 2024 were approved by the Company's Board of Directors.

#### b) Basis of Measurement

These Consolidated Financial Statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
- Long-term borrowings are measured at amortized cost using the effective interest rate method and
- Employee defined benefit assets/ (liability) are recognized as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligation, and
- Right-of-use the assets are recognised at the present value of lease payments that are not paid at that date. This amount is adjusted for any lease payments made at or before the commencement date, lease incentives received and initial direct costs, incurred, if any.

### 1.2 Scope of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and entities controlled by the Company and its subsidiaries as at 31<sup>st</sup> March 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.
- The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the Consolidated Financial Statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Company, i.e., period ended on 31<sup>st</sup> March 2024. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

## Consolidation procedure:

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Consolidated Financial Statements at the acquisition date.

- b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income are attributed to the equity holder of the parent of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Recognizes that distribution of shares of subsidiary to Group in Group's capacity as owners
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities

### Details of entities controlled by the company are as under:

Name of the enterprises	Country of Incorporation	Nature of business	Shareholding/Controlling interest
Nova Agri sciences private limited	India	Engaged in the business of Manufacturing and Marketing of wide range of plant protection products agricultural, horticultural and home gardens.	100%
Nova Agri seeds India Private Limited	India	Production of crop seeds	100%

## 1.3 Summary of Material Accounting Policies

### a. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying

(All amounts are in INR lakhs except share data or unless otherwise specified)

economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments,

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair 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 recognised 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 recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

## b. Current and noncurrent classification

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

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

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

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

(All amounts are in INR lakhs except share data or unless otherwise specified)

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

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

The Company classifies all other liabilities as noncurrent.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. Deferred tax assets and liabilities are always disclosed as non-current.

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.

#### c. Functional and presentation currency

These Consolidated Financial Statements are presented in Indian rupees, which is also the functional currency of the Company. All the financial information presented in Indian rupees has been rounded to the nearest Lakhs.

#### d. Fair value measurement

The Company measures financial instruments at fair value at each balance sheet 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:

- in the principal market for the asset or liability, or
- 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, maximizing 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 Ind AS 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 Ind AS Consolidated 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.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

External valuers are involved, wherever considered necessary. 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.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

## e. Foreign Currency Translation

### *Initial Recognition:*

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

### *Measurement of foreign currency items at reporting date:*

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of foreign exchange translations and settlements during the year are recognised in the Statement of Profit and Loss.

## f. Property, plant & equipment

### *Measurement at recognition:*

The cost of an item of property, plant and equipment are recognised 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.

Freehold land is carried at historical cost less any accumulated impairment losses.

Items of property, plant and equipment (including capital-work-in progress) are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, duties and taxes applicable and other expenses related to acquisition and installation. The cost of self-constructed assets includes the cost of materials and other costs directly attributable to bringing the asset to a working condition for its intended use. Borrowing costs that are directly attributable to the construction or production of a qualifying asset are capitalized as part of the cost of that asset.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Items of stores and spares that meet the definition of Property, plant and equipment are capitalized at cost, otherwise, such items are classified as inventories.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Items of property, plant and equipment acquired through exchange of non-monetary assets are measured at fair value, unless the exchange transaction lacks commercial substance or the fair value of either the asset received or asset given up is not reliably measurable, in which case the asset exchanged is recorded at the carrying amount of the asset given up.

### *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

### **Capital work in progress and Capital advances:**

Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work in progress. Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Current Assets.



### Derecognition:

The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in the Statement of Profit and Loss when the item is derecognised.

### g. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

### Depreciation:

Depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Written down Value method based on the expected useful life of the asset and is charged to the Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimated useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

The estimated useful life of items of PPE is mentioned below:

Type of Asset	Estimated Useful Life(Years)
Plant & Machinery	20
Furniture and Fittings	10
Motor Vehicles	10
Office Equipment	5
Computers And Data Processing Units	3
Electrical Installations and Equipment	10
Buildings	30

Freehold land is not depreciated. Leasehold improvements are amortised over the period of the lease.

The useful lives, residual values of each part of an item of PPE and the depreciation methods are reviewed at the end of each financial

(All amounts are in INR lakhs except share data or unless otherwise specified)

year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

### h. Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Company's share of identifiable net assets acquired.

Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying value of the equity accounted investee.

### i. Research & Development Expenditure:

Revenue expenditure on Research is expensed out in the statement of profit and loss for the year. Development costs of products are charged to the statement of profit and loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised. Capital expenditure on research and development is shown as an addition to property, plant and equipment.

### Derecognition:

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the Derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

### j. Financial Instruments

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

### Financial Assets

#### Initial recognition and measurement:

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

or loss (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price.

Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the Statement of Profit and Loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical asset (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or level 2 input as mentioned above, the difference between the fair value and transaction price is deferred appropriately and recognised as a gain or loss in the Statement of Profit and Loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

## **Subsequent measurement:**

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i. The Company's business model for managing the financial asset and
- ii. The contractual cash flow characteristics of the financial asset.

**Based on the above criteria, the Company classifies its financial assets into the following categories:**

### **i. Debt instruments at amortized cost;**

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

### **ii. Debt instruments at fair value through other comprehensive income (FVTOCI);**

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

### **iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL);**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI and there is no subsequent reclassification of these fair value gains and losses to the statement of profit and loss. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

**Impairment of Financial Assets:**

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

In accordance with Ind AS 109, the company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);

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- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)
- The company follows simplified approach for recognition of impairment loss allowance on trade receivables and under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated

For other assets, the company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

**Financial Liabilities**

**Initial recognition and measurement:**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

**Subsequent measurement:**

The measurement of financial liabilities depends on their classification.

**Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated

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upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

## *Loans and borrowings:*

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

## *De-recognition:*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

## *Reclassification of financial assets and liabilities:*

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

## *Offsetting of financial assets and financial liabilities:*

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet wherever there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## **k. Cash & Cash Equivalents**

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, and other short-term deposits. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment, and which are subject to an insignificant risk of change in value.

## **l. Inventory**

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in-trade are carried at the lower of cost and net realisable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

Cost of inventory is determined on weighted average basis. Cost of inventory comprises all costs of purchase, non-refundable duties and taxes, cost of conversion including an appropriate share of fixed and variable production overheads and all other costs incurred in bringing the inventory to their present location and condition.

The Company considers factors like estimated shelf life, product discontinuances and ageing of inventory in determining the provision for slow moving, obsolete and other non-saleable inventory and adjusts the inventory provisions to reflect the recoverable value of inventory.

#### m. Impairment of non-financial assets

The carrying amounts of 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.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are 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 asset or the cash-generating unit.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or groups of assets (the "cash-generating unit").

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate

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can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

#### *Reversal of Impairment of Assets*

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications 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. An impairment loss is reversed 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 amortization, if no impairment loss had been recognized.

#### n. Employee Benefits

##### *Short term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid 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 obligation can be estimated reliably.

##### *Defined contribution plans*

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

##### *Defined benefit plans*

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of

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the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. The current service cost of the defined benefit plan, recognised in the statement of profit and loss in employee benefit expense, reflects the increase in the defined benefit obligation resulting from employee service in the current year, benefit changes, curtailments and settlements. Past service costs are recognised immediately in the statement of profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognized in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

## *Termination benefits*

Termination benefits are recognised as an expense in the statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

## *Other long-term employee benefits*

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognised in the statement of profit and loss in the period in which they arise.

## *Compensated absences*

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

## **o. Provisions, Contingent Liabilities and Contingent Assets**

### *Provisions*

A provision is recognized in the statement of profit and loss if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### *Contingent liabilities and contingent assets*

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.

#### **Onerous contracts**

A provision for onerous contracts is recognised in the statement of profit and loss when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

#### **Reimbursement rights**

Expected reimbursements for expenditures required to settle a provision are recognised in the statement of profit and loss only when receipt of such reimbursements is virtually certain. Such reimbursements are recognised as a separate asset in the balance sheet, with a corresponding credit to the specific expense for which the provision has been made.

### **p. Revenue**

Ind AS 115 recognizes revenue on transfer of the control of goods or services, either over a period of time or at a point in time, at an amount that the entity expects to be entitled in exchange for those goods or services. In order to align with Ind AS 115, the Accounting policy on revenue recognition was reviewed and revised.

The Company primarily earns revenue from manufacture, distribute and market a wide range of product categories consisting of (a) soil health management products; (b) crop nutrition products; (c) bio stimulant products; (d) bio pesticide products (e) Integrated Pest Management (IPM) products; (f) new technologies.

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are

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fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

Revenue is measured at transaction price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Our customers have the contractual right to return goods only when authorised by the Group. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

#### **Refund Liability:**

The Company accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of actual sales returns, levels of inventory in the distribution channel, estimated shelf life, any revision in the shelf life of the product, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors. At the time of recognising the refund liability the Company also recognises an asset, (i.e., the right to the returned goods) which is included in inventories for the products expected to be returned. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover



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the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

## q. Dividend and Interest Income

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee and term deposits.

Interest income or expense is recognised using the effective interest method (EIR).

Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

## r. Tax Expenses

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

### *Current tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). 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.

### *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 and assets are recognized for all taxable temporary differences and deductible temporary differences.

Deferred tax assets are recognised 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 recognised 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 period when the asset is realised 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 recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

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.

### *Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses*

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

#### s. 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.

##### *The 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 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. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section of Impairment of non-financial 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

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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 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. The Company's lease liabilities are included in Borrowings.

##### *Short-term leases and leases of low-value assets*

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). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### t. Earnings Per Share

##### *Basic earnings per share*

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

## *Diluted earnings per share*

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

## *Treasury Shares:*

The Company has created an ESOP Trust (Nova Agritech employee welfare trust) which acts as a vehicle to execute its ESOP plan. The ESOP trust is considered as an extension of the Company and the shares held by the ESOP trust are treated as Treasury shares. The ESOP Trust purchases Company's share from secondary market for issuance to the employees on exercise of the granted stock options. These shares are recognised at cost and are disclosed separately as reduction from Other Equity as treasury shares. No gain or loss is recognised in the Statement of Profit and Loss on purchase, sale, issuance, or cancellation of treasury shares.

## *Share capital:*

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

### **a. Segment Reporting:**

The Company is engaged in the "manufacture, distribute and marketing bio pesticide products" and the same constitutes a single reportable business segment as per Ind AS 108. And hence segment reporting specified as per IND AS 108 is not applicable.

### **b. Investment in subsidiary and associate Companies**

The Company has elected to recognise its investments in subsidiary and associate companies at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost includes cash consideration paid on initial recognition, adjusted for embedded derivative and estimated contingent consideration (earn out), if any.

Contingent consideration (earn out) is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Statement of Profit and Loss.

### **c. Borrowing Cost:**

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs, if any, 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, if any. All other borrowing costs are expensed in the period in which they occur.

### **d. Events after reporting date:**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the Financial Statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### **e. Exceptional items:**

An ordinary item of income or expense which by its size, nature, occurrence or incidence requires a disclosure in order to improve understanding of the performance of the Company is treated as an exceptional item in the Statement of Profit and Loss account.

## **1.4 Material Accounting Judgements, Estimates, and Assumption**

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that

affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgment are:

#### Property, plant and equipment

The depreciation of property, plant and equipment is derived on determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

#### Impairment of financial and non-financial assets

Significant management judgement is required to determine the amounts of impairment loss on the financial and nonfinancial assets. The calculations of impairment loss are sensitive to underlying assumptions.

#### Tax provisions and contingencies

Significant management judgement is required to determine the amounts of tax provisions and contingencies. Deferred tax assets are recognised for unused tax losses and MAT credit entitlements to the extent it is probable that taxable profit will be available against which these losses and credit entitlements can be utilized. 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.

#### Defined benefit plans

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation

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and its long-term nature, a defined 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 for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of 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.

#### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

### 1.5 New standards adopted by the company

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets: 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.

This amendment is essentially clarification and had there is no significant impact on the consolidated financial statements.

Amendments to Ind AS 16- Property, Plant and Equipment: Proceeds before Intended Use

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

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The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the consolidated financial statements.

## **Amendments to Ind AS 103, Business Combinations: Reference to the Conceptual Framework**

This amendment added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

In accordance with the transitional provisions, the company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated financial statements of the Group as there were no transactions within the scope of these amendments that arose during the period.

## **1.6 Application of New Accounting pronouncements**

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 March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information,

together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The group does not expect this amendment to have any significant impact in its Consolidated Financial Statements.

### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The company does not expect this amendment to have any significant impact in its Consolidated Financial Statements.

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in Consolidated Financial Statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in Consolidated Financial Statements to be measured in a way that involves measurement uncertainty. The company does not expect this amendment to have any significant impact in its Consolidated Financial Statements.

## **1.7 New Accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 2: Property plant and equipment

Particulars	Land	Building	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Electrical equipment	Total
<b>Gross Block</b>									
<b>As at 31<sup>st</sup> March 2022</b>	<b>516.23</b>	<b>1,029.44</b>	<b>408.41</b>	<b>24.19</b>	<b>149.01</b>	<b>16.60</b>	<b>120.61</b>	<b>43.10</b>	<b>2,307.59</b>
Additions during the year	-	6.69	48.67	20.72	96.81	0.87	15.12	12.25	201.13
Deductions during the year	32.94	90.80	-	-	-	-	-	-	123.74
<b>As at 31<sup>st</sup> March 2023</b>	<b>483.29</b>	<b>945.33</b>	<b>457.08</b>	<b>44.91</b>	<b>245.82</b>	<b>17.47</b>	<b>135.73</b>	<b>55.35</b>	<b>2,384.98</b>
Additions during the year	12.64	-	20.83	1.88	29.37	0.95	0.79	-	66.46
Deductions during the year	-	-	-	-	-	-	-	-	-
<b>As at 31<sup>st</sup> March 2024</b>	<b>495.93</b>	<b>945.33</b>	<b>477.91</b>	<b>46.79</b>	<b>275.19</b>	<b>18.42</b>	<b>136.52</b>	<b>55.35</b>	<b>2,451.44</b>
<b>Accumulated depreciation</b>									
<b>Upto 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>258.04</b>	<b>211.92</b>	<b>16.21</b>	<b>36.71</b>	<b>11.39</b>	<b>79.17</b>	<b>11.77</b>	<b>625.20</b>
For the year	-	75.21	72.12	4.81	36.06	2.74	31.30	11.33	233.58
On deductions	-	31.43	-	-	-	-	-	-	31.43
<b>Upto 31<sup>st</sup> March 2023</b>	<b>-</b>	<b>301.82</b>	<b>284.04</b>	<b>21.02</b>	<b>72.77</b>	<b>14.13</b>	<b>110.47</b>	<b>23.10</b>	<b>827.36</b>
For the year	-	62.70	48.97	8.19	45.16	1.35	16.29	8.35	191.00
On deductions	-	-	-	-	-	-	-	-	-
<b>Upto 31<sup>st</sup> March 2024</b>	<b>-</b>	<b>364.52</b>	<b>333.02</b>	<b>29.21</b>	<b>118.32</b>	<b>15.48</b>	<b>126.75</b>	<b>31.45</b>	<b>1,018.75</b>
<b>Net Block</b>									
<b>As at 31<sup>st</sup> March 2022</b>	<b>516.23</b>	<b>771.40</b>	<b>196.49</b>	<b>7.98</b>	<b>112.30</b>	<b>5.21</b>	<b>41.44</b>	<b>31.33</b>	<b>1,682.39</b>
<b>As at 31<sup>st</sup> March 2023</b>	<b>483.29</b>	<b>643.51</b>	<b>173.04</b>	<b>23.89</b>	<b>173.05</b>	<b>3.33</b>	<b>25.26</b>	<b>32.25</b>	<b>1,557.63</b>
<b>As at 31<sup>st</sup> March 2024</b>	<b>495.93</b>	<b>580.80</b>	<b>144.90</b>	<b>17.58</b>	<b>156.88</b>	<b>2.94</b>	<b>9.77</b>	<b>23.90</b>	<b>1,432.69</b>

### Capital work in progress

Particulars	As at 31st March 2024	As at 31st March 2023
Opening Balance	63.00	5.04
Add:- Additions during The Year	12.17	63.00
Less:- Capitalisations during the Year	-	5.04
<b>Closing Balance</b>	<b>75.17</b>	<b>63.00</b>

### Capital Working In Progress as on 31 March 2024

	Amount in CWIP				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects In Progress	75.17	-	-	-	75.17

### Capital Working In Progress as on 31 March 2023

	Amount in CWIP				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	
Projects In Progress	63.00	-	-	-	63.00



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Goodwill

Particulars	As at 31st March 2024	As at 31st March 2023
Opening	116.15	116.15
Additions During The Year	-	-
Deductions During The Year	-	-
Closing	116.15	116.15
<b>Impairment</b>	-	-
Opening	-	-
For The Year	-	-
Closing	-	-
<b>Net Block</b>	<b>116.15</b>	<b>116.15</b>

## Intangible Assets

Particulars	As at 31st March 2024	As at 31st March 2023
Opening	18.79	7.55
Additions During The Year	7.29	11.24
Deductions During The Year	-	-
Closing	26.08	18.79
<b>Amortization</b>	-	-
Opening	6.95	4.44
For The Year	5.34	2.51
Closing	12.33	6.95
<b>Net Block</b>	<b>13.75</b>	<b>11.83</b>

## Note 3: Non Current Investments

Particulars	As on 31st March 2024	As on 31st March 2023
<b>Investments measured at FVTPL</b>		
<b>In Equity shares of other than subsidiary companies :-</b>		
31 March 2024:100 Shares, 31 March 2023:100 Shares Equity Shares of ₹ 10 each in Agri Genome Resources India Private Limited Extent of holding:-		
31 March 2024-1%, 31 March 2023-1%	0.01	0.01
<b>Total of Investments measured at FVTPL</b>	<b>0.01</b>	<b>0.01</b>

## Note 4: Other Non Current Financial Assets

Particulars	As on 31st March 2024	As on 31st March 2023
Security deposits with other agencies	97.77	25.82
Inter corporate deposits	154.96	155.16
	<b>252.73</b>	<b>180.98</b>
<b>Less: Allowance for doubtful advances</b>	149.63	149.63
<b>Total</b>	<b>103.09</b>	<b>31.35</b>

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 5: Deffered Tax Assets (Net)

Particulars	As on 31st March 2024	As on 31st March 2023
Deferred tax asset	856.85	457.31
<b>Deferred tax assets (net)</b>	<b>856.85</b>	<b>457.31</b>

## Note 6: Inventories

Particulars	As on 31st March 2024	As on 31st March 2023
<b>Closing Stock of :</b>		
Raw material	1,122.17	1,171.34
Finished goods	2,889.94	2,257.42
Packing material	945.64	743.33
<b>Total</b>	<b>4,957.75</b>	<b>4,172.10</b>

## Note 7: Trade Receivables

Particulars	As on 31st March 2024	As on 31st March 2023
Trade receivables considered good-unsecured	13,876.30	11,690.41
<b>Less:</b> Allowance for doubtful debts	<b>1,533.53</b>	<b>1,122.78</b>
<b>Total</b>	<b>12,342.77</b>	<b>10,567.64</b>

### (a) Trade receivables ageing:

#### Trade receivables ageing schedule for the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered Good	7,707.34	4,439.25	543.41	563.02	-	13,253.03
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered Doubtful	-	-	-	-	623.28	623.28
Disputed Trade Receivables - considered good	-	-	-	-	-	-
<b>Less:</b> Allowance for credit loss	-	-	-	-	-	1,533.53
<b>Total trade receivables Current</b>	<b>7,707.34</b>	<b>4,439.25</b>	<b>543.41</b>	<b>563.02</b>	<b>623.28</b>	<b>12,342.77</b>

#### Trade receivables ageing schedule for the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 Months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered Good	6,777.69	3,512.94	560.43	181.77	-	11,032.84
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered Doubtful	-	-	-	-	657.57	657.57
Disputed Trade Receivables - considered good	-	-	-	-	-	-
<b>Less:</b> Allowance for credit loss	-	-	-	-	-	1,122.78
<b>Total trade receivables Current</b>	<b>6,777.69</b>	<b>3,512.94</b>	<b>560.43</b>	<b>181.77</b>	<b>657.57</b>	<b>10,567.63</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## (b) Movement in the allowance for trade receivables for the year ended 31 March 2024 and 31 March 2023 is as follows:

Particulars	As on 31st March 2024	As on 31st March 2023
Opening balance	1,122.78	1,169.37
Current year	455.61	268.50
Bad debts written off	44.86	315.09
<b>Closing balance</b>	<b>1,533.53</b>	<b>1,122.78</b>

## Note 8: Cash and Cash Equivalents

Particulars	As on 31st March 2024	As on 31st March 2023
<b>Cash on hand</b>		
Cash	139.34	107.16
<b>Balance with banks</b>		
Current account	6,144.96	228.03
<b>Total</b>	<b>6,284.31</b>	<b>335.19</b>

## Note 9: Bank balances other than above

Particulars	As on 31st March 2024	As on 31st March 2023
Term Deposits with banks*	2,261.56	-
<b>Total</b>	<b>2,261.56</b>	<b>-</b>

### \*Note:

1. Fixed deposit with Union Bank of India maturing on March 28, 2025.
2. Fixed deposit with ICICI maturing on March 29, 2025.

## Note 10: Other financial assets(Current)

Particulars	As on 31st March 2024	As on 31st March 2023
Security and Other Deposits	3.68	3.71
<b>Total</b>	<b>3.68</b>	<b>3.71</b>

## Note 11: Other Current Assets

Particulars	As on 31st March 2024	As on 31st March 2023
Balance with revenue authorities	583.34	76.16
Other advances	492.80	209.75
Advance to capital goods	89.29	179.36
Advance to material suppliers	150.75	278.03
Prepaid Insurance	35.22	19.11
<b>Total</b>	<b>1,351.40</b>	<b>762.41</b>

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 12 (a): Share Capital

Particulars	2023-24		2022-23	
	No. of shares	Amount	No. of shares	Amount
<b>Equity Share Capital:</b>				
<b>Authorised share capital:</b>				
10,00,00,000 Equity Shares of ₹ 2/- each.	100,000,000	2,000.00	100,000,000	2,000.00
<b>Total</b>	<b>100,000,000</b>	<b>2,000.00</b>	<b>100,000,000</b>	<b>2,000.00</b>
<b>Issued, Subscribed and Fully Paid Up Capital</b>				
6,27,02,740 Equity Shares of ₹ 2/- each,	62,702,740	1,254.05	62,702,740	1,254.05
<b>Shares Issued During Year:</b>				
2,73,17,073 Equity Shares of ₹ 2/- each	27,317,073	546.34	-	-
<b>Treasury Shares:</b>				
25,00,000 Equity shares of ₹ 2/-each	2,500,000	50.00	2,500,000	50.00
Less : Treasury shares	(2,500,000)	(50.00)	(2,500,000)	(50.00)
<b>Total</b>	<b>90,019,813</b>	<b>1,800.40</b>	<b>62,702,740</b>	<b>1,254.05</b>

## Reconciliation of Shares outstanding as at beginning and the end of the financial year

	2023-24		2022-23	
	No of shares	Amount	No of shares	Amount
Balance as at the beginning of the year	62,702,740	1,254.05	12,540,548	1,254.05
Add : On split of shares	-	-	62,702,740	1,254.05
<b>Shares issued:</b>				
Add: Shares issued during the Year	27,317,073	546.34	-	-
<b>Treasury Shares:</b>				
Treasury Shares	2,500,000	50.00	2,500,000	50.00
Less : Treasury shares	(2,500,000)	(50.00)	(2,500,000)	(50.00)
<b>*Balance as at the end of the year</b>	<b>90,019,813</b>	<b>1,800.40</b>	<b>62,702,740</b>	<b>1,254.05</b>

## Details of Shareholders Holding more than 5% of shares in the company

	2023-24		2022-23	
	No of shares	% of holding in the class	No of shares	% of holding in the class
<b>Equity Shares:</b>				
<b>Name of the Share Holder</b>				
Siripurapu Malathi	8,421,620	9.36%	8,421,620	13.43%
Suraksha Agri Retail (India) Private Limited	15,388,040	17.09%	15,388,040	24.54%
Yeluri Family Trust	31,134,360	34.59%	31,134,360	49.65%
NV subba rao	-	0.00%	7,758,620	12.37%
	<b>54,944,020</b>	<b>61.04%</b>	<b>62,702,640</b>	<b>100.0%</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Shares held by Promoters at the end of the year

Name of the Promoter	As at 31st March 2024		As at 31st March 2023	
	No of shares	% of shares	No of shares	% of shares
<b>1. Promoters</b>				
Siripurapu Malathi	8,421,620	9.36%	8,421,620	13.43%
Suraksha Agri Retail (India) Private Limited	15,388,040	17.09%	15,388,040	24.54%
Yeluri Family Trust	31,134,360	34.59%	31,134,360	49.65%
	<b>54,944,020</b>	<b>61.04%</b>	<b>54,944,020</b>	<b>87.63%</b>

### a. Rights Attached to Equity Shares:

The company has only one class of Equity shares having a par value of ₹ 2/- each. The shareholders have equal rights per share in terms of dividend, voting & Assets of the company.

During the FY 2022-23 as on 6 January 2023 the company has allotted the 5,00,000 equity shares of ₹ 10/- each at fair value of ₹ 25/- each to the Nova Agritech Limited Employee Welfare Trust under the Nova Agritech Limited Share Based Employee Benefit Scheme 2022. The same were considered as treasury shares and not included in paid up capital of the company.

Pursuant to a resolution of our Board dated January 18, 2023 and Shareholders' resolution dated February 11, 2023, wherein each Equity Share of our Company of face value of ₹ 10 each, fully paid-up, was sub-divided into five Equity Shares of our Company of face value of ₹ 2 each and accordingly, 1,25,40,548 equity shares of our Company of face value of ₹ 2 each were sub-divided into 6,27,02,740 Equity Shares of face value of ₹ 2 each.

### b. In the period of last five years immediately preceding to 31 March 2024

Nil

## Note 12(b): Other Equity

Particulars	As on 31st March 2024				As on 31st March 2023			
	Surplus in the statement of P&L	Other compre- hensive income	Securities Premium	Total	Surplus in the statement of P&L	Other compre- hensive income	Securities Premium	Total
Opening Balance	5,058.67	75.24	-	5,133.92	3,009.73	55.34	-	3,065.07
Additions during the year	2,830.81	-3.25	9,548.49	12,376.06	2,048.95	19.90	-	2,068.85
<b>Closing Balance</b>	<b>7,889.49</b>	<b>72.00</b>	<b>9,548.49</b>	<b>17,509.98</b>	<b>5,058.67</b>	<b>75.24</b>	<b>-</b>	<b>5,133.92</b>

### Securities Premium:

Securities premium account is utilised in accordance with the provisions of the Companies Act, 2013.

Total Securities Premium amount on issue of shares is ₹ 10,653.66 Lakhs, out of this ₹ 1,105.17 lakhs adjusted as IPO offer Expenses

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 13: Long Term Borrowings

Particulars	As on	
	31st March 2024	31st March 2023
<b>Secured Loans</b>		
Vehicle loans from banks	172.72	116.75
Term loan from banks	168.82	505.07
<b>Long Term portion of Borrowings</b>	<b>341.54</b>	<b>621.82</b>
<b>Unsecured Loans</b>		
Term loan from Shriram city union finance limited	159.19	535.97
Vehicle loans	9.39	15.93
From Directors and Related Parties	287.21	462.02
<b>Total</b>	<b>797.33</b>	<b>1,635.73</b>

Bank	Amount	ROI	Repayment Schedule	Security	Amount O/S
Corporation Bank Loan	₹ 480 Lakhs	7.50% p.a	Repayable in 48 monthly equal instalments of ₹ 1493100/- each	Secured by hypothecation of Factory building	203.23
Shriram City	₹ 1000 Lakhs	17.50% p.a (IRR is 26.68%)	Repayable in 60 monthly equal instalments of ₹ 3041667/- each	Secured by hypothecation of Factory building	439.32
Corporation UGELC	₹ 240 Lakhs	7.50% p.a	Repayable in 60 monthly equal instalments of ₹ 666666/- each	Secured by hypothecation of Factory building	213.33
Union Bank of India Loan	₹ 16 Lakhs	7.30% pa	Repayable in 84 monthly equal instalments of ₹ 24384/- each	Secured by hypothecation of Vehicle purchased amounting to ₹ 9.05 lakhs	11.92
Union Bank of India Loan	₹ 16 Lakhs	7.30% p.a	Repayable in 84 monthly equal instalments of ₹ 24384/- each	Secured by hypothecation of Vehicle purchased amounting to ₹ 9.05 lakhs	11.92
Union Bank of India	₹ 35 Lakhs		Repayable in 84 monthly equal instalments of ₹ 56312 each	Secured by hypothecation of Factory building	35.00
Union Bank of India	₹ 105 Lakhs	7.50% p.a.	Repayable in 36 monthly equal installments of ₹ 3,26,616	EM of factory land and buildings/sheds	44.45
ICICI Bank	₹ 35 Lakhs	7.50% p.a.	Repayable in 60 equal installments of ₹ 70293	Exclusive first charge on the entire fixed assets of the company by way of Hypothecation of moveable assets/ machinaries proposed to be purchased	16.82
Union bank of India	₹ 53 Lakhs	10% p.a.	Repayable in 33 equal installments of ₹ 3,23,250	EM of factory land and buildings/sheds	46.35
Union Bank of India	₹ 49 Lakhs	7.60% p.a.	Repayable in 84 monthly equal instalments of ₹ 75400 each	Secured by hypothecation of Factory building	40.10
UBI bank tractor loan	₹ 8.2Lakhs	11.15% p.a.	Repayable in 37 instalments	Secured by hypothecation of Factory building	6.83
UBI Bank Volva loan	₹ 50 Lakhs	8.35% p.a.	Repayable in 84 monthly equal instalments of ₹ 78806 each	Secured by hypothecation of Factory building	42.29
UBI kia vehicleloan	₹ 15.50 lakhs	8.45% pa	Repayable in 84 monthly instalments of ₹ 24507 each	Secured by hypothecation of Factory building	13.31



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 14: Other Financial Liabilities (Non Current)

Particulars	As on 31st March 2024	As on 31st March 2023
Security Deposits	41.58	71.11
<b>Total</b>	<b>41.58</b>	<b>71.11</b>

## Note 15: Non Current Provisions

Particulars	As on 31st March 2024	As on 31st March 2023
Provision for gratuity	98.47	89.18
<b>Total</b>	<b>98.47</b>	<b>89.18</b>

## Note 16: Short Term Borrowings

Particulars	As on 31st March 2024	As on 31st March 2023
<b>Secured Loan</b>		
From Corporation Bank	4,697.99	4,960.33
Current maturities	614.75	400.06
<b>Unsecured Loan</b>		
Credit cards	10.03	99.39
<b>Total</b>	<b>5,322.76</b>	<b>5,459.78</b>

Bank	Amount	Date	Security	Amount O/s (lakhs)
Corporation Bank	₹ 3000 lakhs	13 <sup>th</sup> Feb 2023	Secured by Hypothecation of Stock, Trade receivables & all other current assets of the company	2,950.69
Corporation Bank	₹ 2000 lakhs	15 <sup>th</sup> Nov 2023	Secured by Hypothecation of Stock, Trade receivables & all other current assets of the company	1,747.30
ICICI Bank	₹ 100 Lakhs	11 <sup>th</sup> Nov 2019	-	10.03

## Note 17: Trade Payables

Particulars	As on 31st March 2024	As on 31st March 2023
Total outstanding dues of micro enterprises and small enterprises (MSME)	2,600.53	2,727.61
Total outstanding dues of creditors other than micro enterprises and small enterprises (others)		
<b>Total</b>	<b>2,600.53</b>	<b>2,727.61</b>

### (a) Trade payables ageing

#### Trade payables ageing for the year ended 31 March 2024

Particulars	Outstanding for following periods from due date of payment				Total
	<1 year	1-2 years	2-3 years	>3 years	
(i) MSME	922.46	-	-	-	922.46
(ii) Others	1,623.11	54.95	-	-	1,678.06
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>2,545.57</b>	<b>54.95</b>	<b>-</b>	<b>-</b>	<b>2,600.53</b>

(All amounts are in INR lakhs except share data or unless otherwise specified)

### Trade payables ageing for the year ended 31 March 2023

Particulars	Outstanding for following periods from due date of payment				Total
	<1 year	1-2 years	2-3 years	>3 years	
(i) MSME	682.01	-	-	-	682.01
(ii) Others	2,002.76	42.84	-	-	2,045.59
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>2,684.77</b>	<b>42.84</b>	<b>-</b>	<b>-</b>	<b>2,727.61</b>

### Dues to Micro, Small and Medium Enterprises

The information as required to be disclosed Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (Act) is as given below and the information mentioned in Balance Sheet. Trade Payables dues to Micro and Small Enterprises, has been determined on the basis of information available with the Company and relied on by the auditors:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
The amounts remain unpaid to micro and small supplies at the end of the year :-		
- Principal	922.46	682.01
- Interest	-	-
The amount of interest paid by the buyer on terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the 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 section 23 of the MSMED Act	-	-

### Note 18: Other Financial Liabilities(Current)

Particulars	As on 31st March 2024	As on 31st March 2023
Expenses payable	377.09	595.29
<b>Total</b>	<b>377.09</b>	<b>595.29</b>

### Note 19: Other Current Liabilities

Particulars	As on 31st March 2024	As on 31st March 2023
Statutory Dues Payables	146.14	171.35
<b>Total</b>	<b>146.14</b>	<b>171.35</b>

### Note 20: Current Provisions

Particulars	As on 31st March 2024	As on 31st March 2023
Provision for gratuity	19.57	12.88
Provision for sales returns	163.32	115.91
<b>Total</b>	<b>182.89</b>	<b>128.79</b>

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 21: Current tax Liability

Particulars	As on 31st March 2024	As on 31st March 2023
Current tax liability (net)	922.02	811.51
<b>Total</b>	<b>922.02</b>	<b>811.51</b>

## Note 22: Revenue From Operations

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
a) Revenue from operations	25,247.36	21,055.54
<b>Total (A)</b>	<b>25,247.36</b>	<b>21,055.54</b>
b) Other operating income		
Interest Income	-	-
Rental Income	-	-
Sale of Scrap	-	-
<b>Total (B)</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>25,247.36</b>	<b>21,055.54</b>

## Note 23: Other Income

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Gain on Foreign Exchange fluctuation	2.74	-
Discount received	-	-
Miscellaneous Income	0.26	-
Other Income	0.55	37.82
<b>Total</b>	<b>3.56</b>	<b>37.82</b>

## Note 24: Cost of Material Consumed

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>Raw material</b>		
Opening stock of raw material	1,171.34	795.00
Closing stock of raw material	1,122.17	1,171.34
Purchases (Net)	16,459.51	12,626.51
<b>Packing material</b>		
Opening stock of packing material	743.33	487.34
Closing stock of packing material	945.64	743.33
<b>Total</b>	<b>16,306.38</b>	<b>11,994.18</b>

## Note 24: Changes in Inventories of Finished Goods

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>Finished Goods</b>		
Opening stock of finished goods	2,257.42	2,397.26
Closing stock of finished goods	2,889.94	2,257.42
<b>Total</b>	<b>(632.52)</b>	<b>139.84</b>

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 25: Employee Benefit Expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Salaries and Wages	2,108.69	2,550.49
Contribution to provident and other funds	125.99	138.50
Staff welfare expenses	33.79	41.81
<b>Total</b>	<b>2,268.46</b>	<b>2,730.80</b>

## Note 26: Finance Costs

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Interest On CC	602.42	453.75
Interest On Term Loans	214.42	360.19
Other borrowing costs	85.75	66.20
<b>Total</b>	<b>902.60</b>	<b>880.14</b>

## Note 27: Depreciation and Amortization Expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Depreciation on property plant and equipment	196.34	236.09
<b>Total</b>	<b>196.34</b>	<b>236.09</b>

## Note 28: Other Expenses

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Power & Fuel	55.66	64.80
Rental Expense	7.29	5.49
Repairs & Maintenance	78.30	92.77
Research & Development Expenses	126.17	65.67
Transport Charges	856.07	683.91
Travelling Expense	495.24	462.23
Office Maintenance	34.69	41.18
Marketing Expenses	272.12	131.01
Subscriptions & Renewals	4.55	9.52
Insurance Expenses	27.63	62.92
Rates & Taxes	41.80	33.70
Consultancy Charges	128.07	117.16
Loading & Unloading Expenses	14.86	19.40
Postage & Courier Charges	1.33	2.87
Printing & Stationary Expenses	13.55	12.45
Allowance for Doubtful debts	455.61	268.50
Telephone & Internet Charges	19.14	37.40
General Office Expenses	92.55	29.18
Loss on Foreign exchange	90.62	121.04
CSR Expenses	38.10	21.65
Payment to Auditor*:		
For Statutory Audit	14.05	11.11
For Tax Audit	6.00	2.00
<b>Total</b>	<b>2,873.39</b>	<b>2,295.95</b>

\* Excluding INR 50.00 Lakhs towards attest services in connection with Initial Public Offering.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 29: Changes in Liabilities arising from Financing Activities

### For the year ended 31 March 2024

Particulars	Current Borrowings	Non-current Borrowings
<b>As at 1 April 2023</b>	5,059.73	2,035.79
Borrowings made during the year	-	-
Borrowings repaid during the year	351.72	623.72
Effect of changes in foreign exchange rates	-	-
Recognition of right of use liability during the year	-	-
Payment of lease liability	-	-
<b>As at 31 March 2024</b>	<b>4,708.01</b>	<b>1,412.07</b>

### For the year ended 31 March 2023

Particulars	Current Borrowings	Non-current Borrowings
<b>As at 1 April 2022</b>	3,630.02	2,796.52
Borrowings made during the year	1,429.71	-
Borrowings repaid during the year	-	760.73
Effect of changes in foreign exchange rates	-	-
Recognition of right of use liability during the year	-	-
Payment of lease liability	-	-
<b>As at 31 March 2023</b>	<b>5,059.73</b>	<b>2,035.79</b>

## Note 30: Payments to Auditor\*

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
For Statutory Audit	14.05	11.11
For Tax Audit	6.00	2.00
<b>Total</b>	<b>20.05</b>	<b>13.11</b>

\*Excluding INR 50.00 Lakhs towards attest services in connection with Initial Public Offer.

## Note 31: Earnings per Share (EPS)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>Earnings:</b>		
Profit / (Loss) attributable to equity shareholders of the Company.	2,830.81	2,048.95
<b>Shares:</b>		
Weighted average number of equity shares outstanding during the year – Basic	6,73,42,900	6,27,02,740
Weighted average number of equity shares outstanding during the year – Diluted	6,73,42,900	6,27,02,740
Restated earnings per Equity share of par value of ₹ 2 – <b>Basic</b> (₹)	4.20	3.27
Restated earnings per Equity share of par value of ₹ 2 – <b>Diluted</b> (₹)	4.200	3.27

- Pursuant to a resolution of our Board dated January 18, 2023 and Shareholders' resolution dated February 11, 2023, wherein each Equity Share of our Company of face value of ₹ 10 each, fully paid-up, was sub-divided into five Equity Shares of our Company of face value of ₹ 2 each and accordingly, 1,30,40,548 equity shares of our Company of face value of ₹ 10 each were sub-divided into 6,52,02,740 Equity Shares of face value of ₹ 2 each.
- 25,00,000 Equity Shares of face value of ₹ 2 each held by the **Nova Agritech employee welfare trust** pursuant to employee stock option plan are treated as treasury shares till the time of exercise of options of employees in accordance with Ind AS 102. These treasury Shares are not considered in the paid up capital and also not considered in the calculation of EPS.

(All amounts are in INR lakhs except share data or unless otherwise specified)

In a Capitalisation or bonus issue or a share split, the number of ordinary shares outstanding is increased without an increase in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented.

## Note 32: Income Tax :-

### a) Amount recognized in the Statement of Profit and Loss

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Tax	903.90	807.21
Deferred tax attributable to temporary differences	(398.45)	(39.81)
<b>Tax Expense for the year</b>	<b>505.45</b>	<b>767.41</b>

### b) Amount recognized in Other Comprehensive Income

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Re-measurement gains/ (losses) on defined benefit plans	(4.34)	19.90
Deferred tax on re-measurement losses on defined benefit plans	1.09	(5.01)

### c) Reconciliation of Effective tax rate

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2024 and 31 March 2023:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Accounting profit before income tax	3,336.27	2,816.36
Profit/(loss) before tax from a discontinued operation	-	-
<b>Accounting profit before income tax At India's statutory income tax rate of 25.17% (31 March 2024: 25.17%)</b>	<b>839.74</b>	<b>708.88</b>
<b>Deductible expenses for tax purposes:</b>		
Depreciation allowable under Income tax Act	61.05	56.91
IPO Expenses	278.17	-
Bad debts Written off	11.29	0.78
<b>At the effective income tax rate of 25.17% (31 March 2024: 25.17%)</b>	<b>350.51</b>	<b>57.69</b>
<b>Effect of Non-deductible expenses for tax purposes:</b>		
Depreciation debited to Profit & Loss	51.03	60.09
CSR Expenses	9.59	5.45
Gratuity	3.03	6.14
Others	(47.42)	44.60
<b>At the effective income tax rate of 25.17% (31 March 2024: 25.17%)</b>	<b>16.23</b>	<b>116.29</b>
<b>Income tax expense reported in the statement of profit and loss</b>	<b>505.45</b>	<b>767.41</b>
	15.15%	27.25%

### Deferred tax relates to the following

#### Balance Sheet

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Deferred tax assets:</b>		
WDV differences of assets as per books and tax laws	(67.56)	(58.29)
Provision for gratuity	(24.59)	(25.69)
Allowance for doubtful debts	(423.65)	(320.27)



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

Particulars	As at 31st March 2024	As at 31st March 2023
Provision For credit sales	9.97	(29.17)
Remeasurement Loss on defined benefit obligations	(8.26)	4.42
IPO Expenses	(224.54)	-
Inventory	(17.59)	(15.29)
Others	(102.64)	(13.02)
<b>Net Deferred Tax (Assets)/Liabilities</b>	<b>(856.85)</b>	<b>(457.31)</b>

Reflected in the balance sheet as follows:

Particulars	As at 31st March 2024	As at 31st March 2024
Deferred Tax Assets (continuing operations)	(856.85)	(457.31)
<b>Deferred Tax Liabilities/(Assets), Net</b>	<b>(856.85)</b>	<b>(457.31)</b>

## Note 33: Employee Benefits:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2024
Salaries and Wages	2,108.69	2,550.49
Contribution to provident fund and other funds	125.99	138.50
Staff welfare expenses	33.79	41.81
<b>Total</b>	<b>2,268.46</b>	<b>2,730.80</b>

### Notes:

- The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final rules/interpretation have not yet been notified/issued. The Company is in the process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.
- The Company operates defined benefit plan i.e., gratuity for its employees. 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. The fund has the form of a trust and it is governed by the Board of Trustees who is responsible for the administration of the plan assets and for the definition of the investment strategy.

During the period the Company has recognized the following amounts in the Statement of profit and loss.

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Employer's Contribution to Provident fund	65.50	82.54
Employer's Contribution to Employee State Insurance Fund	6.95	11.15
<b>Total</b>	<b>72.45</b>	<b>93.69</b>

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31<sup>st</sup> March 2024 and 2023 consist of the following:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current service cost	17.54	19.47
Interest on net defined benefit liability/(asset)	7.66	7.07
Expected Return on plan Assets	-	-
<b>Components of defined benefit costs recognized instatement of profit or loss - (A)</b>	<b>25.20</b>	<b>26.54</b>
Actuarial (gain) / loss on plan obligations	4.34	(19.91)
<b>Components of defined benefit costs recognized in other comprehensive income - (B)</b>	<b>4.34</b>	<b>(19.91)</b>
<b>Total (A+B)</b>	<b>29.53</b>	<b>6.63</b>

(All amounts are in INR lakhs except share data or unless otherwise specified)

The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current-Liability (Short Term)	19.57	12.88
Non-Current Liability (Long Term)	98.57	89.18
<b>Total Liability</b>	<b>118.04</b>	<b>102.06</b>

**Movement in the present value of the defined benefit obligation is as follows:**

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Defined benefit obligations at the beginning of the year	102.06	97.54
Benefits Paid	(13.56)	(2.11)
<b>Expenses Recognised in statement of Profit &amp; Loss</b>	<b>25.20</b>	<b>26.54</b>
Current service cost	17.54	19.47
Interest on defined obligations	7.66	7.07
<b>Expenses Recognised in statement of OCI</b>	<b>4.34</b>	<b>(19.91)</b>
Actuarial loss/(gain) due to change in assumptions	-	-
Actuarial loss/(gain) due to experience changes	4.34	(19.91)
<b>Defined benefit obligations at the end of the year</b>	<b>118.04</b>	<b>102.06</b>

### Summary of Actuarial Assumptions

The actuarial assumptions used to determine benefit obligations in accounting for the Gratuity Plan are as follows:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Discount rate	7.25%	7.50%
Rate of increase in compensation	5.00%	5.00%
Expected Average Remaining Service	20.08%	20.08%

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 34: Related Party Transactions:

List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Nature of Relationship	Name of the Related Parties
Directors of the Company	<b>Ramesh Babu Nemani</b> (W.E.F 23/03/2022)
	<b>Kiran Kumar Atukuri</b> (W.E.F 09/07/2018)
	<b>Swapna Kandula</b> (W.E.F 19/03/2020)
	<b>Adabala Seshagiri Rao</b> (W.E.F 25/10/2022)
	<b>Kiran Kumar Adapa</b> (W.E.F 17/03/2021)
	<b>Cherukuri Rajesh</b> (W.E.F 02/04/2024)
Whole Time Directors	<b>Malathi Siripurapu</b> (W.E.F 17/03/2021)
Key Managerial Persons	<b>Kiran kumar Atukuri</b> Managing Director (W.E.F 09/07/2018)
	<b>Malathi Siripurapu</b> (W.E.F 17/03/2021)
	<b>Neha Soni</b> (Company Secretary) (W.E.F 22/10/2020)
	<b>Gunupudi Kamoji Srinivas</b> (Chief Financial Officer) (W.E.F. 03/01/2023)
	<b>Mandalapu Srinivasa Rao</b> (Chief Executive Officer) (W.E.F 16/03/2024)
Enterprises having significant influence over the company:	Suraksha Agri Retails (India) Private Limited.
	Nova FertiCare Private limited.
	Nova Dairy Tech India Private limited.
	Nova Health sciences Private Limited.
	Agri Genome Resources India private limited.
	AIC Nova Foundation for Agricultural Innovation and research.

(All amounts are in INR lakhs except share data or unless otherwise specified)

### Related Party transactions details:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>Managerial Remuneration to KMP*</b>		
Malathi S	271.82	271.82
Sreekanth yenigalla	53.16	53.16
Kiran kumar atukuri	53.56	53.56
Basanth kumar nadella	33.11	33.11
Neha soni	12.00	6.00
Bhargavi kandula	-	11.52
Gunupudi kamoji srinivas	24.00	5.48
<b>Total</b>	<b>447.65</b>	<b>434.66</b>
<b>Outstanding balance of loan taken by the company:</b>		
Malathi S	84.50	295.59
Sreekanth yenigalla	-	2.21
Kiran kumar atukuri	170.71	154.85
Rajesh Cherukuri	32.00	-
Basanth kumar nadella	-	9.37
<b>Total</b>	<b>287.21</b>	<b>462.02</b>

### Transactions with Subsidiaries:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>Nova Agri Sciences Private Limited</b>		
Sales to subsidiary	1,825.48	268.80
Purchases from subsidiary	2,077.96	1,219.77
Receivable from subsidiary	-	-
Payables to subsidiary	945.77	684.82
Investment in subsidiary	180.00	180.00
Loans & Advances in Subsidiary	905.62	-
Income from lease to subsidiary	9.80	4.00
<b>Nova Agri Seeds India Private Limited</b>		
Investment in subsidiary	5.00	5.00

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 35: Financial instruments and fair value

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, as below, 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 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 - inputs that are unobservable for the asset or liability.

### Financial assets and liabilities: As on 31 March 2024

Particulars	Fair value	Total Carrying value
<b>Assets</b>		
Investments	0.01	0.01
Loans	106.77	106.77
Trade receivables	12,342.77	12,342.77
Cash & cash equivalents	6,284.31	6,284.31
Other Bank Balances	2,261.56	2,261.56
<b>Total</b>	<b>20,995.42</b>	<b>20,995.42</b>
<b>Liabilities</b>		
Non current borrowings	797.33	797.33
Current borrowings	5,322.76	5,322.76
Trade payables	2,600.53	2,600.53
Other financial Liabilities	418.67	418.67
<b>Total</b>	<b>9,139.29</b>	<b>9,139.29</b>

### Financial assets and liabilities: As on 31 March 2023

Particulars	Fair value	Total Carrying value
<b>Assets</b>		
Investments	0.01	0.01
Loans	35.06	35.06
Trade receivables	10,567.63	10,567.63
Cash & cash equivalents	335.18	335.18
<b>Total</b>	<b>10,937.88</b>	<b>10,937.88</b>
<b>Liabilities</b>		
Non current borrowings	1,635.73	1,635.73
Current borrowings	5,459.78	5,459.78
Trade payables	2,727.61	2,727.61
Other financial Liabilities	595.29	595.29
<b>Total</b>	<b>10,418.41</b>	<b>10,418.41</b>

There have been no transfers between levels during the year. The management has assessed that the carrying values of financial assets and financial liabilities for which fair values are disclosed, reasonably approximate their fair values because these instruments have short-term maturities.

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 36: Financial Risk management objectives and policies

The Company's principal financial liabilities comprise 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, trade and other receivables, cash and cash equivalents, bank balances and security deposits.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk.

### a. Market Risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, derivatives financial instruments and trade payables.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, without considering impact of derivatives not designated as hedges, as follows:

The exposure of the company's borrowings to interest rate changes at the end of the year are as follows:-

Particulars	Increase/ decrease in basis points	Effect on profit before tax
<b>31-Mar-24</b>		
INR	100	(59.79)
INR	(100)	59.79
<b>31-Mar-23</b>		
INR	100	(66.34)
INR	(100)	66.34

#### Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency borrowings and trade payables.

Unhedged foreign currency exposure as at balance sheet date (all amounts are payable in US dollars stated in Indian rupees)

Particulars	As at 31st March 2024	As at 31st March 2023
Imports	1,059.98	3,339.93
<b>Total</b>	<b>1,059.98</b>	<b>3,339.93</b>

#### Sensitivity

Particulars	As at 31st March 2024	As at 31st March 2023
Impact on standalone profit or loss		
<b>Sensitivity</b>		
1% Increase in FCER	(10.60)	(33.40)
1% Decrease in FCER	10.60	33.40



# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## b. Credit Risk:

Credit risk is the risk of loss that may arise on outstanding financial instruments if counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and scheduled banks and hence, the Company does not expect any credit risk with respect to these financial assets.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

### Details of financial assets – not due, past due and impaired

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as of 31 March 2024. The Company's credit period for trade and other receivables payable by its customers generally ranges from 30 – 90 days.

The ageing of trade and other receivables is given below:

Particulars	As at 31st March 2024	As at 31st March 2023
Neither past due nor impaired		
Past due but not impaired		
Less than 365 days	12,146.60	10,290.63
More than 365 days	1,729.71	1,399.78
	<b>13,876.31</b>	<b>11,690.41</b>
Less : Allowance for expected credit losses	1,533.53	1,122.78
<b>Total</b>	<b>12,342.78</b>	<b>10,567.63</b>

### Reconciliation of impairment of trade receivables and other assets

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Impairment of Trade receivable</b>		
Balance at the beginning of the year	1,122.78	1,169.37
Add: Provision made during the year	455.61	268.50
Less: Reversal of earlier years provisions	-	
Less: Bad debts written off from earlier years provisions	44.86	315.09
<b>Balance at the end of the year</b>	<b>1,533.53</b>	<b>1,122.78</b>

## c. Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

(All amounts are in INR lakhs except share data or unless otherwise specified)

The table below summarises the maturity profile of the Company's financial liabilities on undiscounted basis:

Maturities	Upto 1 year	1-5 Years	Above 5 Years	Total
<b>31-Mar-24</b>				
Non-current borrowings	614.75	838.91	-	1,453.65
Current borrowings	4,708.01	-	-	4,708.01
Trade payables	2,545.57	54.95	-	2,600.53
Other Current Liabilities	146.14	-	-	146.14
Other financial liabilities	418.67	-	-	418.67
<b>Total</b>	<b>8,433.15</b>	<b>893.86</b>	<b>-</b>	<b>9,327.01</b>
Maturities	Upto 1 year	1-5 Years	Above 5 Years	Total
<b>31-03-2023</b>				
Non-current borrowings	400.06	1,706.84	-	2,106.90
Current borrowings	5,059.73	-	-	5,059.73
Trade payables	2,684.77	42.84	-	2,727.61
Other Current Liabilities	171.35	-	-	171.35
Other financial liabilities	666.40	-	-	666.40
<b>Total</b>	<b>8,982.31</b>	<b>1,749.68</b>	<b>-</b>	<b>10,731.98</b>

### Note 37: Details of CSR expenditure:

As required by Section 135 read with Schedule VII of the Companies Act 2013, corporate social responsibility (CSR) expenditure required to be spent by the Company during the year, computed at 2% of its average net profit before tax for the immediately preceding three financial years.

Particulars	As at 31st March 2024	As at 31st March 2023
i) Amount required to be spent by the company during the year	38.10	18.54
ii) Amount required to be set off for the financial year, if any	(3.11)	-
iii) Total CSR obligation for the financial year	<b>34.99</b>	<b>18.54</b>
iv) Amount of expenditure incurred		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above	38.10	21.65
v) Shortfall/ (Pre spent) at the end of the year ((iii)-(iv))	(3.11)	(3.11)
vi) Total of previous years shortfall	-	-
vii) Reason for shortfall	-	-
viii) Nature of CSR activities	Eradicating hungry, poverty and malnutrition and Promoting health care including preventive health care and sanitation	
ix) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	N.A
x) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision	NA	N.A

### Note 38: Other statutory information

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company does not have any transactions with struck off companies.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

5. The Company 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
  - a) 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
  - b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Company 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 Company shall
  - a) 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
  - b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. The Company has not entered in to any 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).
8. The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
9. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
10. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
11. The Company have borrowings from banks or financial institutions against security of its current assets.
12. The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.

## Note 39: Issue Of Shares

### Issue of Equity shares through IPO

The Company has completed Initial Public Offer of 3,50,75,693 Equity Shares of the face value of ₹ 2 each at an issue price of ₹ 41 per Equity Share, comprising offer for sale of 77,58,620 shares by selling shareholders aggregating to ₹ 3,181.03 Lakhs and fresh issue of 2,73,17,073 shares aggregating to ₹ 11,200 Lakhs. The Equity Shares of the Company were listed on January 31, 2024 on BSE Limited and the National Stock Exchange of India Limited.

### IPO Expenses

The total IPO related expenses belongs to the company is ₹ 1,105.17 Lakhs has been adjusted against securities premium account.

### Utilisation of proceeds from IPO:

The details of utilization of proceeds from IPO (net of Offer Expenses) are as follows:

Particulars	Total Amount (In Lakhs)	Utilized Upto 31st March 2024 (In Lakhs)
a. Investment in our subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant	1,420.11	-
b. Funding Capital Expenditure by our Company, towards expansion of our existing formulation plant	1,048.95	-
c. Funding of working capital requirement of Our Company	2,665.47	477.27
d. Investment in our subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements.	4,335.85	905.62
e. General corporate purposes	624.45	623.02
	<b>10,094.83</b>	<b>2,005.91</b>

Unutilised IPO Proceeds as at March 31, 2024 are available as fixed deposit with banks and with escrow account.

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Note 40: Ratios

Ratio	Numerator	Denominator	As at 31st March 2024	As at 31st March 2023	% Change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	2.85	1.60	77.88	*1
Debt- Equity Ratio	Total Debt	Shareholders Equity	0.54	1.83	(70.32)	*2
Debt Service Coverage Ratio	Net profit (Earning after taxes) + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed Asset etc.	Interest & lease payments + principal repayments	3.30	2.56	28.68	*3
Return on Equity Ratio	Net profit after taxes-preference dividend(if any)	Net Worth/ Equity Shareholders Funds(Average Shareholders Equity)	0.22	0.38	(42.44)	*4
Inventory Turnover Ratio	COGS/Net sales (Net Sales=Total sales - Sales returns)	Average Inventory	5.53	5.36	3.12	-
Trade Receivable Turnover Ratio	Net credit sales = gross credit sales - sales return	Average Trade Receivables	2.20	2.12	3.98	-
Trade Payable Turnover Ratio	Net credit purchases = gross credit purchase – purchase return	Average Trade Payables	6.18	4.23	46.20	*5
Net Capital Turnover Ratio	Sales/ Cost of Goods Sold	Net Assets = (Current Assets – Current Liabilities)	1.43	3.54	(59.60)	*6
Net Profit Ratio	Net Profit after Tax	Net sales = Total sales – sales return	0.11	0.10	15.22	-
Return on Capital Employed	Earnings before interest and taxes(EBIT)	Capital employed = Equity + Long Term Debt	0.21	0.45	(53.65)	*7

1. Increase in Current Assets due to IPO resulting to increase in Current Ratio.
2. Increase in Reserves & Surplus (other equity) due to securities premium from IPO resulting to decrease in debt-equity ratio.
3. Increase in Revenue from operations (Sales) resulting to increase in Debt Service Coverage Ratio.
4. Increase in Reserves & Surplus (other equity) due to securities premium from IPO resulting to decrease in Return on Equity Ratio.
5. Increase in Purchases resulting to increase in trade payable turnover ratio.
6. Increase in Revenue from operations (Sales) & Increase in Current Assets due to IPO resulting to decrease in net capital turnover ratio.
7. Increase in Reserves & Surplus (other equity) due to securities premium from IPO resulting to decrease in return on capital employed ratio.

## Note 41: CAPITAL MANAGEMENT

The primary objective of the company's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The company determines the amount of capital required on the basis of annual planning and budgeting and its plan for working capital and long-term borrowings. The funding requirements are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

# Notes to the Consolidated Financial Statements

for the year ended 31st March 2024

(All amounts are in INR lakhs except share data or unless otherwise specified)

## Gearing Ratio:

Particulars	As at 31st March 2024	As at 31st March 2023
Current and non current borrowings	6,120.09	7,095.52
Less: Cash and bank balances	6,284.31	335.19
<b>Net Debt (A)</b>	<b>(164.22)</b>	<b>6,760.33</b>
<b>Total Equity (B)</b>	<b>19,310.37</b>	<b>6,387.97</b>
<b>Net Debt to equity Ratio (A/B)</b>	<b>(0.01)</b>	<b>1.06</b>

## Note 42: Contingent Liabilities/Assets:

(₹ million)		
Particulars	As at 31st March 2024	As at 31st March 2023
<b>Corporate Guarantees</b>	800.00	800.00
<b>Capital Commitments:</b>		
i) Contract to be executed (net of advance)	251.26	251.26
ii) Claims against the company not acknowledged as debts	19.63	19.63
<b>Total</b>	<b>1,070.89</b>	<b>1070.89</b>

\*The Company vide its 0042 Board meeting had approved for purchase of land in Karnataka of 10 acre at Kadechur Industrial Area, Yadagir district, dated on 02-12-2021. Accordingly, as at 31<sup>st</sup> March 2023 the company had paid an advance amounting to ₹ 123.74 lakhs towards purchase of 33% out of total consideration payable of ₹ 375.00 lakhs accordingly as at 31<sup>st</sup> March 2023, balance of ₹ 251.26 lakhs is disclosed as commitment.

## Note 43: Research expenses recognised in the statement of profit and loss account

(₹ million)		
Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Others	126.17	65.67
<b>Total</b>	<b>126.17</b>	<b>65.67</b>

## Note 44: Previous period/year figures have been regrouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.

For **NSVR & ASSOCIATES LLP.**,  
Chartered Accountants  
Firm Reg No. 008801S/S200060

**VENKATA RATNAM P**  
Partner  
Membership No. 230675  
UDIN: 24230675BKBIDS3711

Place: Hyderabad  
Date: 27-05-2024

On behalf of Board of Directors  
For **NOVA AGRITECH LIMITED**

**KIRAN KUMAR A**  
Managing Director  
(DIN: 08143781)

**RAJESH CHERUKURI**  
Director  
(DIN: 09840611)

**GUNUPUDI KAMOJI SRINIVAS**  
Chief Financial Officer

**SRINIVASA RAO M**  
Chief Executive Officer

**NEHA SONI**  
Company Secretary







**Nova Agritech Limited**

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