(Please scan this QR Code to view the RHP)

NOVA AGRITECH LIMITED
(Formerly known as Nova Agritech Private Limited)

RED HERRING PROSPECTUS
Dated January 12, 2024
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

NOVA AGRITECH LIMITED

CORPORATE IDENTITY NUMBER: U01119TG2007PLC053901

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	E-MAIL AND TELEPHONE	WEBSITE
Sy.No.251/A/1, Singannaguda Village, Mulugu Mandal, Siddipet, Medak, Telangana – 502279	Neha Soni Company Secretary and Compliance Officer	Tel: +91 84 54253446 E-mail: ipo@novaagri.in	www.novaagri.in

PROMOTERS OF OUR COMPANY: SURAKSHA AGRI RETAILS (INDIA) PRIVATE LIMITED, YELURI FAMILY TRUST, MALATHI S AND KIRAN KUMAR ATUKURI

DETAILS OF THE OFFER

TYPE	FRESH OFFER	OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY
Fresh Offer and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 11,200.00 Lakhs	Up to 77,58,620 Equity Shares aggregating up to ₹ [●] Lakhs	Up to ₹ [●] Lakhs	The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. For further details, see "Other Regulatory and Statutory Disclosures – Eligibility for the Offer" on page 382. For details in relation to share reservation among QIBs, NIIs and RIBs, please see the section entitled "Offer Structure" on page 400.

DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDER

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF SHARES OFFERED	AVERAGE COST OF ACQUISITION (INR ₹)
Nutalapati Venkatasubbarao	Selling Shareholder	Up to 77,58,620 Equity Shares aggregating up to ₹ [●] Lakhs	2.32

**As per the certificate dated December 26, 2023 issued by Statutory Auditor.*

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 2/- each. The Floor Price, the Offer Price or the Price Band (determined by our Company and the Selling Shareholder in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 114), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section entitled "*Risk Factors*" on page 29.

ISSUER AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Company and this Offer which is material in the context of this Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Selling Shareholder, accepts responsibility for and confirms that the statements specifically made or confirmed by the Selling Shareholder in this Red Herring Prospectus solely to the extent of information specifically pertaining to himself and his respective portion of the Equity Shares offered by him in the Offer for Sale, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**"). For the purposes of the Offer, BSE Limited is the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGERS

NAME OF THE BOOK RUNNING LEAD MANAGERS AND LOGO	CONTACT PERSON	EMAIL AND TELEPHONE
Keynote Financial Services Limited KEYNOTE	Radha Kirthivasan / Sunu Thomas	**Email**: mbd@keynoteindia.net **Telephone**: +91 22 6826 6000
Bajaj Capital Limited BajajCapital	P. Balraj	**Email**: info@bajajcapital.com **Telephone**: +(91) 11 4169 3000

REGISTRAR TO THE OFFER

NAME OF REGISTRAR	CONTACT PERSON	EMAIL AND TELEPHONE
Bigshare Services Pvt. Ltd.	Jibu John	**Email**: ipo@bigshareonline.com **Telephone**: +91 22 6263 8200

BID/OFFER PROGRAMME

ANCHOR INVESTOR BIDDING PERIOD	FRIDAY, JANUARY 19, 2024	BID/OFFER OPENS ON	MONDAY, JANUARY 22, 2024	BID/OFFER CLOSES ON	WEDNESDAY, JANUARY 24, 2024*

** Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. UPI mandate end time and date shall be at 5.00 pm on the Bid/ Offer Closing Date.*

NOVA AGRITECH LIMITED (Formerly known as Nova Agritech Private Limited)

RED HERRING PROSPECTUS
Dated January 12, 2024
Please read Section 32 of the Companies Act, 2013
100% Book Built Offer

NOVA AGRITECH LIMITED

Our Company was incorporated as a private limited company under the provisions of the Companies Act, 1956 on May 9, 2007 at Hyderabad, Andhra Pradesh as "*Nova Agritech Private Limited*". The name of our Company was subsequently changed to '*Nova Agritech Limited*', upon conversion into a public company, pursuant to a shareholders' resolution dated September 08, 2018. and a fresh certificate of change of name was issued by the Registrar of Companies, Hyderabad ("**RoC**") on September 24, 2018. For further details in relation to change in name and Registered Office of our Company, please see the section titled "*History and Certain Corporate Matters*" on page 221 .

Corporate Identity Number: U01119TG2007PLC053901
Registered and Corporate Office: Sy.No.251/A/1, Singannaguda Village, Mulugu Mandal, Siddipet, Medak, Telangana – 502279;
Tel: +91 84 54253446
Contact Person: Neha Soni, Company Secretary and Compliance Officer; **Tel**: +91 84 54253446
E-mail: ipo@novaagri.in; **Website**: www.novaagri.in;

OUR PROMOTERS: SURAKSHA AGRI RETAILS (INDIA) PRIVATE LIMITED, YELURI FAMILY TRUST, MALATHI S AND KIRAN KUMAR ATUKURI

INITIAL PUBLIC OFFERING OF UPTO [●] EQUITY SHARES OF FACE VALUE OF ₹ 2/- EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UPTO ₹ [●] LAKHS(THE "OFFER") COMPRISING A FRESH OFFER OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹ 11, 200.00 LAKHS BY OUR COMPANY (THE "FRESH OFFER") AND AN OFFER FOR SALE OF UP TO 77,58,620 EQUITY SHARES AGGREGATING UP TO ₹ [●]LAKHS BY NUTALAPATI VENKATASUBBARAO (SELLING SHAREHOLDER) (AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDER THE "OFFER FOR SALE"). THE OFFER WOULD CONSTITUTE [●] % OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE "OFFER FOR SALE" AND TOGETHER WITH THE FRESH OFFER, THE "OFFER".

THE PRICE BAND AND MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BRLMS AND WILL BE ADVERTISED IN ALL EDITIONS OF FINANCIAL EXPRESS, AN ENGLISH NATIONAL DAILY NEWSPAPER, ALL EDITIONS OF JANSATTA, A HINDI NATIONAL DAILY NEWSPAPER AND THE HYDERABAD EDITION OF SURYA, A TELUGU NEWSPAPER (TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE") ('NSE' TOGETHER WITH 'BSE', THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholder may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLMs and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank, as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**"), read with Regulation 31 of the SEBI ICDR Regulations. This Offer is being made through the Book Building Process in terms of Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("QIBs and such portion, the "**QIB Portion**"). Our Company and the Selling Shareholder, may in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"), in accordance with SEBI ICDR Regulations, In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders out of which (a) one third of such portion shall be reserved for applicants with application size of more than ₹ 2.00 lakhs and upto ₹ 10.00 lakhs; and (b) two third of such portion shall be reserved for applicants with application size of more than ₹ 10.00 lakhs, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of non-institutional investors*and not less than 35% of Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, (expect Anchor Investors), are mandatorily required to participate in the Offer through the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Accounts (as defined hereinafter) including UPI ID in case of RIBs in which the Bid Amount will be blocked by the Self Certified Syndicate Banks ("**SCSBs**") or by the Sponsor Banks under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For further details, please see the chapter titled "Offer Procedure" beginning on page 404.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 2/- each. The Floor Price, the Offer Price or the Price Band (determined by our Company and the Selling Shareholder in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 114), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 29.

OUR COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholder accepts responsibility for, and confirms, that the statements made or confirmed by him in this Red Herring Prospectus to the extent that the statements and information specifically pertain to himself and the Equity Shares offered by him under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholder assumes no responsibility for any other statements, including, inter alia, any of the statements made by or relating to our Company.

LISTING

The Equity Shares, once offered through this Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated June 01, 2023 and May 31, 2023, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be BSE Limited. A copy of this Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of this Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 447**.**

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
KEYNOTE **Keynote Financial Services Limited** The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W), Mumbai – 400 028 **Tel:** +91 22 6826 6000 **E-mail:** mbd@keynoteindia.net; **Website:** www.keynoteindia.net **Investor grievance e-mail:** investors@keynoteindia.net **Contact person:** Radha Kirthivasan/ Sunu Thomas **SEBI Registration No:** INM000003606	BajajCapital **Bajaj Capital Limited** Mezzanine Floor, Bajaj House, 97, Nehru Place, New Delhi -110019, India **Tel:** +91 11 4169 3000 **E-mail:** info@bajajcapital.com; **Website:** www.bajajcapital.com **Investor grievance e-mail:** info@bajajcapital.com **Contact person:** P. Balraj **SEBI Registration No:** INM000010544	Bigshare Services Pvt. Ltd. **Bigshare Services Private Limited** Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093, India **Tel**: +91 22 6263 8200; **Facsimile**: +91 22 6263 8280 **Email**: ipo@bigshareonline.com; **Website**: www.bigshareonline.com **Investor grievance email**: investor@bigshareonline.com **Contact Person**: Jibu John; **SEBI Registration Number**: INR000001385

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	**MONDAY, JANUARY 22, 2024***
BID/OFFER CLOSES ON	**WEDNESDAY, JANUARY 24, 2024***

**Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations. UPI mandate end time and date shall be at 5.00 pm on the Bid/ Offer Closing Date*

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Further, the Offer related terms used but not defined in this Red Herring Prospectus shall have the meaning ascribed to such terms under the General Information Document. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

Notwithstanding the foregoing, terms in "Industry Overview", Key Regulations and Policies", "Statement of Special Tax Benefits", "Financial Information", "Basis of Offer Price", "Outstanding Litigation and Other Material Developments", "Restriction on Foreign Ownership of Indian Securities" and "Description of Equity Shares and Terms of Articles of Association", on pages 125, 211, 121, 260, 114, 363, 422 and 423, respectively, will have the meaning ascribed to such terms in those respective sections.

General Terms

Term	Description
"our Company", "the Company" or "the Offeror"	Nova Agritech Limited, a company incorporated under the Companies Act, 1956 and having the CIN U01119TG2007PLC053901 and its Registered Office at Sy.No.251/A/1., Singannaguda Village, Mulugu Mandal, Siddipet, Medak, Telangana – 502279.
"we", "us", or "our"	Unless the context otherwise indicates or implies, our Company together with subsidiaries, on a consolidated basis.

Company related terms

Term	Description
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended from time to time.
"Audit Committee"	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations and as described in "*Our Management*" on page 237.
"Auditor`s" or "Statutory Auditors"	The current statutory auditor of our Company, being NSVR & Associates LLP, Chartered Accountants.
"Board" or "Board of Directors"	The board of directors of our Company, as constituted from time to time or any constituted committee thereof. For details see "Our Management – Board of Directors" on page 230.
"Ca N"	Calcium Nitrate
"C&F"/ "C&F Agent(s)"	Carrying and Forwarding Agent(s).
"CS"	Capsule Suspension
"CWDG"	Controlled Water Dispersible Granules
"Chairperson"	The Chairperson of our Board, being Adabala Seshagiri Rao.
"Chartered Engineer"	The chartered engineer, being V. Vishwanath Murthy.
"Chief Financial Officer"	The chief financial officer of our Company, being Gunupudi Kamoji Srinivas.
"Company Secretary and Compliance Officer"	The company secretary and compliance officer of our Company, being Neha Soni.
"Corporate Promoter"	Suraksha Agri Retails (India) Private Limited

"Corporate Social Responsibility Committee"	The corporate social responsibility committee of our Board constituted in accordance with the Companies Act, 2013 as described in "*Our Management*" on page 245.
"Director(s)"	Director(s) on the Board of our Company, as appointed from time to time.
"Equity Shares"	Equity shares of our Company of face value of ₹ 2/- each.
"ESOP Scheme 2022"	The employee stock option scheme of our company namely, "NOVA AGRITECH LIMITED SHARE BASED EMPLOYEE BENEFIT SCHEME – 2022".
"Executive Directors" or "Whole-time Director(s)"	The Executive director(s) or Whole-time Director(s) on our Board.
"Group Companies"	Our Group Companies, namely Nova Ferticare Private Limited, Nova Dairy Tech India Private Limited, Nova Health Sciences Private Limited, Agri Genome Resources India Private Limited and AIC- Nova Foundation for Agriculture Innovation and Research. For details see "*Group Companies*" on page 256
"IPO Committee"	The IPO committee of our Board of Directors
"Independent Director"	A non-executive, independent Director appointed as per the Companies Act, 2013 and the Listing Regulations.
"IPM"	Integrated Pest Management
"KMP" or "Key Managerial Personnel"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, as disclosed in "*Our Management*" on page 247
"KPIs" or "Key Performance Indicators"	Key Performance Indicators
"MAP"	Mono Ammonium Phosphate
"Managing Director"	The managing director of our Company, being Kiran Kumar Atukuri
"Materiality Policy"	The materiality policy of our Company adopted pursuant to a resolution of our Board dated February 27, 2023 for identification of the material (a) outstanding litigation proceedings; (b) Group Companies; and (c) dues to material creditors, pursuant to the requirements of the SEBI ICDR Regulations
"Memorandum" or "Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended from time to time
"MKP"	Mono Potassium Phosphate
"MOP"	Murate of Potash
"Mobile Applications"	The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIIs to submit Bids using the UPI Mechanism.
"NASPL" / "Material Subsidiary"	Nova Agri Sciences Private Limited
"NATL"	Nova Agritech Limited
"NKSK"	Nova Kisan Seva Kendra
"Nomination, and Remuneration Committee"	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in "*Our Management*" on page 239
"Non – executive Director(s)"	A Director, not being an Executive Director appointed as per the Companies Act, 2013 and the SEBI Listing Regulations as described in section entitled "*Our Management*" on page 230
"NPK"	Nitrogen, Phosphorous and Potassium Fertilizers
"Peer Review Auditor"	NVSR & Associates, LLP
"PGRs"	Plant Growth Regulators
"Promoters"	Promoters of our Company namely, Suraksha Agri Retails (India) Private Limited, Yeluri Family Trust, Malathi S and Kiran Kumar Atukuri. For further details, see "*Our Promoters and Promoter Group*" on page 249
"Promoter Group"	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see "*Our Promoters and Promoter Group*" on page 255
"REACH"	Research for industrial and academic collaborations to reach new Heights

"Registered Office"	The registered office of our Company situated at Sy.No.251/A/1, Singannaguda Village, Mulugu Mandal, Siddipet, Medak, Telangana – 502279
"Registrar of Companies" or "RoC"	Registrar of Companies, Telangana at Hyderabad
"Restated Financial Information"/ "Restated Financial Statement"/ "Consolidated Financial Statements"	The restated consolidated financial information of our Company, along with our Subsidiaries, comprising of the restated consolidated statement of assets and liabilities as at six month period ended September 30, 2023, and for the financials years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the restated rconsolidated statements of profits and losses (including other comprehensive income), and cash flow statement and statement of changes in equity and for the six month period ended September 30, 2023 and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, together with its notes, annexures and schedules are derived from our audited consolidated financial statements for the six month period ended September 30, 2023 and for the financial years ended March 31, 2023,March 31, 2022 and March 31, 2021, and prepared in accordance with Ind AS, and restated in accordance with requirements of Section 26 of Part I of Chapter III of Companies Act, SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by ICAI, as amended from time to time, read with the general directions dated October 28, 2021 received from SEBI, as applicable.
"Risk Management Committee"	Risk Management Committee determined in accordance with the applicable provisions of the SEBI Listing Regulation. For further details see "*Our Management*" on page 241
"Selling Shareholder"	the selling shareholder being Nutalapati Venkatasubbarao
"Senior Management"	Senior Management of our Company in terms of Regulation 2(1) (bbbb) of the SEBI ICDR Regulations as disclosed in "*Our Management*" on page 247
"Shareholder(s)"	The holders of the Equity Shares, from time to time
"Stakeholders' Relationship Committee"	The stakeholders' relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in "*Our Management*" on page 240
Subsidiaries	Nova Agri Sciences Private Limited and Nova Agri Seeds India Private Limited. For details, see "*Our Subsidiaries*" on page 227
"SC"	Suspension Concentrate
"SE"	Suspo Emulsion
"Technical"	Technical represents material containing the active ingredient which is combined with solvents/surfactants/adjuvants/additives to develop the finished goods known as formulation.
"WDG"	Water Dispersible Granules
"QC/QA"	Quality Control/ Quality Assurance

Offer Related Terms

Term	Description
"Abridged Prospectus"	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
"Acknowledgement Slip"	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allotment", "Allot" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares offered pursuant to the Fresh Offer and transfer of the Offered Shares offered by the Selling Shareholder pursuant to the Offer for Sale to the successful Bidders
"Allotment Advice"	A note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
"Allottee"	A successful Bidder to whom the Equity Shares are Allotted
"Anchor Investor"	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and this Red Herring Prospectus and who has Bid for an amount of at least ₹1000.00 lakhs
"Anchor Investor Allocation Price"	The price at which Equity Shares will be allocated to Anchor Investors on the Anchor Investor Bidding Date in terms of this Red Herring Prospectus and the Prospectus which will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs
"Anchor Investor Application Form"	Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of this Red Herring Prospectus and the Prospectus
"Anchor Investor Bidding Date"	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed.
"Anchor Investor Offer Price"	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of this Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs
"Anchor Investor Pay – in Date"	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date
"Anchor Investor Portion"	Up to 60% of the QIB Portion, which may be allocated by our Company and the Selling Shareholder, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Applications Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism
"ASBA Account"	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by an RIB linked to a UPI ID, which will be blocked in relation to a Bid by a RIB Bidding through the UPI Mechanism
"ASBA Bidders"	All Bidders except Anchor Investors
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus
"Bajaj Capital"/ "BCL"	Bajaj Capital Limited

"Banker(s) to the Offer" or "Refund Banker to the Offer" or "Public Offer Bank"	The Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank, in this case being Axis Bank Limited.
"Basis of Allotment"	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in "Offer Procedure" on page 404
"Bid"	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of an Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly.
"Bidder" or "Applicant"	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor.
"Bid Amount"	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable.
"Bidding Centres"	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires
"Bid Lot"	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
"Bid/Offer Closing Date"	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being Wednesday, January 24, 2024, which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and the Hyderabad edition of Surya, a Telugu newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation. In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the BRLMs and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank, as required under the SEBI ICDR Regulations. Our Company and the Selling Shareholder, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the website of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations.
"Bid/Offer Opening Date"	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being Monday, January 22, 2024, which shall also be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and the Hyderabad edition of Surya, a Telugu newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation.
"Bid/Offer Period"	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all

	categories of Bidders, other than Anchor Investors. Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise of Working Days only
"Book Building Process"	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely Keynote Financial Services Limited ("Keynote") and Bajaj Capital Limited ("Bajaj Capital"/ "BCL")
"Broker Centre"	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that RIBs may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time.
"CAN" or "Confirmation of Allocation Note"	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date
"Cap Price"	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted Cap Price shall be at least 105% of the Floor Price and shall not exceed 120% of the Floor Price.
"Cash Escrow and Sponsor Bank Agreement"	The agreement to be entered into amongst our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Banker(s) to the Offer, *inter alia*, the appointment of the Sponsor Bank in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
"Client ID"	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time.
"Cut-off Price"	The Offer Price, as finalized by our Company and the Selling Shareholder, in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price.
"Demographic Details"	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable.
"Designated SCSB Branches"	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time.
"Designated CDP Locations"	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com).
"Designated Date"	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of this Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board

	of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the Offer.
"Designated Intermediaries"	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
"Designated RTA Locations"	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time.
"Designated Stock Exchange"	BSE Limited
"Draft Red Herring Prospectus" or "DRHP"	The draft red herring prospectus dated March 03, 2023 issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be allotted and the size of the Offer, and includes any addenda or corrigenda thereto.
"Eligible FPIs"	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby.
"Eligible NRIs"	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, on a non-repatriation basis, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus will constitute an invitation to purchase the Equity Shares.
"Escrow Account(s)"	Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid.
"Escrow Collection Bank(s)"	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being Axis Bank Limited.
"First Bidder"	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names.
"Floor Price"	The lower end of the Price Band, i.e., ₹ [●] subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids, will be accepted.
"Fresh Offer"	The fresh offer comprising of an issuance of up to [•] Equity Shares at ₹ [•] per Equity Share (including a premium of ₹ [•] per Equity Share) aggregating up to ₹ 11,200.00 lakhs by our Company.
"General Information Document" or "GID"	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs.
"Gross Proceeds"	The Offer proceeds from the Fresh Offer.
"Keynote"	Keynote Financial Services Limited
"Mutual Fund"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
"Mutual Fund Portion"	Up to 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
"Monitoring Agency"	Monitoring Agency appointed pursuant to the Monitoring Agency Agreement dated December 28, 2023, namely CARE Ratings Limited
"Monitoring Agency Agreement"	Agreement to be entered between our Company and Monitoring Agency,

	as applicable.
"Net Offer"	Net Offer means the offer of specified securities to the public but does not include reservations and promoters' contribution brought in as part of the issue.
"Net Proceeds"	The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Offer. For further details about use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 94
"Net QIB Portion"	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Investors" or "NII(s)" or "Non-Institutional Bidders" or "NIB(s)"	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 2.00 lakhs (but not including NRIs other than Eligible NRIs)
"Non-Institutional Portion"	The portion of the Offer being not less than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors on a proportionate basis, subject to valid Bids being received at or above the Offer Price in the following manner: a. one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more ₹2.00 lakhs up to ₹10.00 lakhs; b. two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than exceeding ₹10.00 lakhs: Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Bidders.
"Non-Resident" or "NR"	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs.
"Offer"/ "Offer Size"	Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] lakhs consisting of a Fresh Offer of up to [●] Equity Shares aggregating up to ₹ 11,200.00 lakhs by our Company and an offer for sale of up to 77,58,620 Equity Shares aggregating up to ₹ [●] lakhs, by the Selling Shareholder.
"Offer Agreement"	The agreement dated February 28, 2023 amongst our Company, the Selling Shareholder and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
"Offer for Sale"	The offer for sale up to 77,58,620 Equity Shares aggregating up to ₹ [●] lakhs by the Selling Shareholder.
"Offer Price"	₹ [●] per Equity Share, being the final price within the Price Band, at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of this Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, in accordance with the Book Building Process on the Pricing Date and in terms of this Red Herring Prospectus
"Offer Proceeds"	The proceeds of the Fresh Offer which shall be available to our Company and the proceeds of the Offer for Sale which shall be available to the Selling Shareholder. For further information about use of the Offer Proceeds, please see section entitled "*Objects of the Offer*" on page 94
"Offered Shares"	The number of Equity Shares being offered by Selling Shareholder as part of the Offer for Sale comprising of an aggregate of up to 77,58,620 Equity Shares.
"Price Band"	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and will be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and the Hyderabad edition of Surya, a Telugu newspaper (Telugu being the regional language of Telangana, where our Registered Office is located) each

	with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites.
"Pricing Date"	The date on which our Company and the Selling Shareholder, in consultation with the BRLMs, will finalise the Offer Price.
"Promoters' Contribution"	Aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company that is eligible to form part of the minimum promoters' contribution, as required under the provisions of the SEBI ICDR Regulations, held by our Promoters, which shall be locked-in for a period of 18 months from the date of Allotment.
"Prospectus"	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
"Public Offer Account Bank(s)"	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being Axis Bank Limited.
"Public Offer Account(s)"	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date.
"QIB Portion"	The portion of the Offer (including the Anchor Investor Portion) being not more than 50% of the Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholder, in consultation with the BRLMs up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price.
"Qualified Institutional Buyers" or "QIBs"	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations. In accordance with the FEMA Rules, other non-residents such as, Eligible NRIs applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Offer. For details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 422.
"Red Herring Prospectus" or "RHP"	This red herring prospectus dated January 12, 2024, including any corrigenda or addenda thereto, to be issued in accordance with section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. This red herring prospectus will be filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date.
"Refund Account(s)"	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made.
"Refund Bank(s)"	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited.
"Registered Broker"	Stock brokers registered under the SEBI (Stock Brokers) Regulations, 1992, as amended with the Stock Exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
"Registrar Agreement"	The agreement dated February 28, 2023 entered amongst our Company, the Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars.
"Registrar" or "Registrar to the Offer"	Bigshare Services Private Limited

"Resident Indian"	A person resident in India, as defined under FEMA.
"Retail Individual Bidders" or "RIB(s)" or "Retail Individual Investors" or "RII(s)"	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹2.00 lakhs in any of the Bidding options in the Offer.
"Retail Portion"	The portion of the Offer being not less than 35% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
"Revision Form"	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders Bidding in the Retail Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.
"SCORES"	Securities and Exchange Board of India Complaints Redress System, a centralized web-based complaints redressal system launched by SEBI vide circular no. CIR/OIAE/1/2014 dated December 18, 2014.
"Self-Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time.
"Specified Locations"	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time.
"Share Escrow Agent"	Escrow agent to be appointed pursuant to the Share Escrow Agreement, namely Bigshare Services Private Limited.
"Share Escrow Agreement"	The agreement to be entered into amongst our Company, the Selling Shareholder, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholder in escrow and credit of such Equity Shares to the demat account of the Allottees.
"Sponsor Bank"	The Banker to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being Axis Bank Limited.
"Stock Exchanges"	Collectively, BSE Limited and National Stock Exchange of India Limited.
"Syndicate Agreement"	Agreement to be entered into amongst our Company, the Selling Shareholder, the BRLMs, and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate.

"Syndicate Members"	Intermediaries (other than BRLMs) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer and carry out activities as an underwriter namely, Keynote Capitals Limited and Just Trade Securities Limited.
"Syndicate" or "members of the Syndicate"	Together, the BRLMs and the Syndicate Members.
"Systemically Important Non-Banking Financial Company" or "NBFC-SI"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
"Underwriters"	The agreement to be entered into amongst the Underwriters, the Selling Shareholder and our Company on or after the Pricing Date, but prior to filing of the Prospectus
"Underwriting Agreement"	The agreement to be entered into amongst the Underwriters, the Selling Shareholder and our Company on or after the Pricing Date, but prior to filing of the Prospectus.
"UPI"	Unified Payments Interface, which is an instant payment mechanism developed by NPCI.
"UPI Bidder"	Collectively, individual investors applying as (i) Retail Individual Bidders, in the Retail Portion, and (ii) Non-Institutional Bidders with an application size of up to ₹5.00 lakhs in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹5.00 lakhs shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL- 2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51dated April 20, 2022, SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 May 30, 2022 along with the circular issued by the National Stock Exchange of India Limited having reference no. 25/2022 dated August 3, 2022 and the circular issued by BSE Limited having reference no. 20220803-40 dated August 3, 2022, SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and any subsequent circulars or notifications issued by SEBI or Stock Exchanges in this regard.
"UPI ID"	ID created on UPI for single-window mobile payment system developed by the NPCI.
"UPI Mandate Request"	A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by the SCSBs on the website of SEBI and by way of an SMS directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds in the relevant ASBA Account through the UPI linked mobile application equivalent to Bid Amount and subsequent debit of funds in case of Allotment In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding

	using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40)and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
"UPI Mechanism"	The Bidding mechanism that may be used by an UPI bidder to make a Bid in the Offer in accordance with the UPI Circulars
"UPI PIN"	Password to authenticate UPI transaction
"Wilful Defaulter or a Fraudulent Borrower"	A company or person, as the case may be, categorized as wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by the RBI.
"Working Day"	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in Mumbai, as per the circulars issued by SEBI, including the SEBI UPI Circulars.

Technical/Industry Related Terms/Abbreviations

Term	Description
"Adjusted EBITDA"	Adjusted EBITDA is calculated by deducting other income from EBITDA
"CAIIB"	Certified Associate of Indian Institute of Bankers
"CAGR"	Compound annual growth rate
"CIBRC"	Central Insecticide Board and Registration Committee
"Care Report"	Report titled "Report on Crop Nutrition and Crop Protection Industry" dated January 02, 2024 commissioned by our Company and prepared by CARE Analytics and Advisory Private Limited (formerly known as CARE Risk Solutions Private Limited) pursuant to engagement with our Company.
"CGST"	Central GST
"COVID – 19"	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation
"EBITDA"	EBITDA is calculated as restated profit/(loss)for the year/ period, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses
"EBITDA Margin"	EBITDA Margin is the percentage of EBITDA divided by total income
"EBLR"	External Benchmark Lending Rate
"ERP"	Enterprise Resource Planning
"ESI"	Employees' state insurance
"FCO"	Fertilizer Control Order
"GDP"	Gross domestic product
"GSDP"	Gross state domestic product
"GST"	Goods and Services Tax
"IGST"	Inter-state GST
"ISO"	International Organization for Standardization
"MCLR"	Marginal Cost of the Fund-Based Lending Rate
"MOU"	Memorandum of understanding
"MTPA"	Metric Tonnes Per Annum
"Net Worth"	Total equity attributable to owners of the Company
"ROCE"	Return on capital employed
"ROE"	Return on equity
"SGST"	State GST

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
"AIFs"	Alternative investment funds as defined in and registered under the AIF Regulations.
"AGM"	Annual General Meeting
"AS"	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time.
"BSE"	BSE Limited
"BTI Regulations"	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
"CAGR"	Compounded Annual Growth Rate
"Calendar Year" or "year"	Unless the context otherwise requires, shall refer to the twelve months' period ending December 31.
"Category I AIF"	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations.
"Category II AIF"	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations.
"Category I FPIs"	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
"Category II FPIs"	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
"Category III AIF"	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
"CCI"	Competition Commission of India
"CIN"	Corporate Identity Number
"CDSL"	Central Depository Services (India) Limited
"Companies Act, 1956"	Erstwhile Companies Act, 1956 along with the relevant rules made thereunder
"Companies Act" / "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended and to the extent currently in force
"CIT"	Commissioner of Income Tax
"COVID – 19"	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and further declared as a pandemic on March 11, 2020
"Cr.P.C."	Code of Criminal Procedure, 1973
"CSR"	Corporate social responsibility
"Demat"	Dematerialised
"Depositories Act"	Depositories Act, 1996
"Depository" or "Depositories"	NSDL and CDSL
"DGCA"	Directorate General of Civil Aviation
"DSIR"	Department of Scientific and Industrial Research
"DIN"	Director Identification Number
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
"DP ID"	Depository Participant's Identification Number
"ECS"	Electronic Clearing System
"EGM"	Extra Ordinary General Meeting
"EPS"	Earnings Per Share
"FDI"	Foreign Direct Investment
"FDI Policy"	The consolidated FDI policy, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion).
"FEMA"	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
"FEMA Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
"Financial Year", "Fiscal", "FY" or "F.Y."	Period of twelve months' commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise.
"FIR"	First Information Report
"FPI(s)"	Foreign Portfolio Investor, as defined under the FPI Regulations

"FPI Regulations"	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
"FIPB"	The erstwhile Foreign Investment Promotion Board
"Fugitive Economic Offender"	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018.
"FVCI"	Foreign Venture Capital Investors, as defined and registered with SEBI under the FVCI Regulations.
"FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
"GAAR"	General Anti Avoidance Rules
"GDP"	Gross Domestic Product
"GoI" or "Government" or "Central Government"	Government of India
"GST"	Goods and Services Tax
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
"HUF"	Hindu Undivided Family
"IAS Rules"	Companies (Indian Accounting Standards) Rules, 2015, as amended
"ICAI"	The Institute of Chartered Accountants of India
"ICSI"	The Institute of Company Secretaries of India
"ICWAI"	The Institute of Cost & Works Accountants of India
"ICDS"	Income Computation and Disclosure Standards
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board
"India"	Republic of India
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules.
"Ind AS 24"	Indian Accounting Standard 24, "Related Party Disclosures", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules.
"Ind AS 37"	Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets", notified by the Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 read with IAS Rules.
"IGAAP" or "Indian GAAP"	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended.
"Insider Trading Regulations"	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended
"IPC"	The Indian Penal Code, 1860
"IPR"	Intellectual Property Rights
"IPO"	Initial Public Offer
"IST"	Indian Standard Time
"IT Act"	The Income Tax Act, 1961
"IT"	Information Technology
"Mutual Fund(s)"	Mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
"Listing Agreement"	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges
"Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
"MCA"	Ministry of Corporate Affairs, Government of India
"MIM"	Multiple Investment Managers
"N.A."	Not Applicable
"NACH"	National Automated Clearing House
"NAV"	Net Asset Value
"NBFC"	Non-Banking Financial Company
"NEFT"	National Electronic Fund Transfer
"NPCI"	National Payments Corporation of India
"NRE Account"	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"NRI" or "Non-Resident Indian"	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955.

"NRO Account"	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.
"NSDL"	National Securities Depository Limited
"NSE"	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer.
"P/E Ratio"	Price/Earnings Ratio
"PAN"	Permanent account number allotted under the Income Tax Act, 1961
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the U.S. Securities Act
"RTGS"	Real time gross settlement
"SCRA"	Securities Contracts (Regulation) Act, 1956
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI"	Securities and Exchange Board of India constituted under the SEBI Act
"SEBI Act"	Securities and Exchange Board of India Act, 1992
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time.
"SEBI ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
"SEBI Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1999, as amended from time to time.
"SEBI SBEB Regulations 2014"	The erstwhile Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time.
"SEBI SBEB Regulations 2021"	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time.
"SEBI VCF Regulations"	The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations.
"SICA"	The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985
"STT"	Securities Transaction Tax
"State Government"	Government of a State of India
"Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
Trademarks Act	The Trademark Act, 1999
"U.S.A"/ "U.S."/ "United States"	The United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia.
"USD" or "US$"	United States Dollars
"U.S. GAAP"	Generally Accepted Accounting Principles in the United States of America
"U.S. Securities Act"	United States Securities Act of 1933, as amended .
"VCFs"	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be.

CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION AND MARKET DATA

Certain Conventions

All references to "India" in this Red Herring Prospectus are to the Republic of India and its territories and possession and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references herein to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions.

Page Numbers

Unless stated otherwise, all references to page numbers in this Red Herring Prospectus are to the page numbers of this Red Herring Prospectus.

Financial Data

Unless stated otherwise or the context requires otherwise, the financial information and financial ratios in this Red Herring Prospectus have been derived from our Restated Financial Information.

The Restated Financial Statement included in this Red Herring Prospectus, the restated Ind AS summary consolidated statement of assets and liabilities for the six month period ended September 30, 2023 and as at March 31, 2023,March 31,2022, and March 31, 2021 the restated Ind AS summary statements of profit and loss consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the six month period ended September 30, 2023 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021. Our Restated Financial Information are prepared by the Company in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, relevant provisions of the SEBI ICDR Regulations, and the Guidance Note on Reports on Company Prospectuses (Revised 2019) issued by the ICAI

For further information on our Company's financial information, see "*Restated Financial Statements*" on page 260.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year; accordingly, all references to a particular financial year or fiscal, unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Reference in this Red Herring Prospectus to the terms Financial Year or Fiscal or Fiscal Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

The degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP or IFRS requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition*" on page 62.

Unless the context otherwise requires or indicates, any percentage amounts (excluding certain operational metrics), as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 29, 175 and 324, respectively, and elsewhere in this Red Herring Prospectus have been derived from the Restated Consolidated Financial Information.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP Measures

Certain non-GAAP measures such as EBIT, EBITDA, EBITDA Margin, Gross Margin, Capital Employed, Return on Capital Employed, Return on Equity, PAT Margin, total borrowings and debt to equity ratio, total product sales to revenue from operations, Net Worth and Return on Net Worth and net asset value per equity share ("**Non-GAAP Measures**") presented in this Red Herring Prospectus are a supplemental measure of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management is of the view that they are useful to an investor in evaluating us because these are widely used measures to evaluate a company's operating performance. See "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition"* on page 62.

Currency and Units of Presentation

All references to:

1. "Rupees" or "INR" or "Rs." or "₹" are to the Indian Rupee, the official currency of India; and

2. "USD" or "US$" or "$" or "U.S. Dollar" are to the United States Dollar, the official currency of the United States of America.

Except otherwise specified, our Company has presented certain numerical information in this Red Herring Prospectus in "lakhs" and "million"" units. One lakh represents 1,00,000 and one million represents' 10 lakhs' or 10,00,000.

Figures sourced from third-party industry sources may be expressed in denominations other than lakhs or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Time

All references to time in this Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Red Herring Prospectus are to a calendar year.

Exchange Rates

This Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

Currency	For the year ended March 31, 2023 (₹)	For the year ended March 31, 2022 (₹)	For the year ended March 31, 2021 (₹)
1 USD	82.21	75.90	73.50

(Source: www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Red Herring Prospectus has been obtained or derived from the report titled "*Report on Crop Nutrition and Crop Protection Industry*" dated January 02, 2024 prepared by CARE Analytics and Advisory Private Limited ("**Care**"), who was appointed by our Company on May 11, 2022, (the "**Care Report**") and publicly available information as well as other industry publications and sources. The Care Report has been commissioned by our Company exclusively for the purposes of the Offer for an agreed fee. Further, it is clarified that Care is not related to our Company, our Promoters or our Directors. For further details in relation to risks involving the Care Report, see "*Risk Factors – Certain sections of this Red Herring Prospectus disclose information from an industry report commissioned by us from CARE Analytics and Advisory Private Limited, which is an independent third-party entity* *and is not related to the Company, its Promoters or Directors in manner whatsoever. Any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*" on page 56. The Company Commissioned Care Report is also available on the website of our Company at https://www.novaagri.in/material- contracts-documents.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy, adequacy and completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be made based on such information, although we are of the view that the industry and market data used in this Red Herring Prospectus is reliable. The excerpts of the Care Report are disclosed in the Offer Documents and there are no parts, information, data (which may be relevant for the proposed Offer), left out or changed in any manner. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 29. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

In accordance with the SEBI ICDR Regulations, the section titled "*Basis of the Offer Price*" on page 114, includes information relating to our peer group companies.

Disclaimer of Care

This report is prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). CareEdge Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in CareEdge Research's proprietary database, and other sources considered by CareEdge Research as accurate and reliable including the information in public domain. The views and opinions expressed herein do not constitute the opinion of CareEdge Research to buy or invest in this industry, sector or companies operating in this sector or industry and is also not a recommendation to enter into any transaction in this industry or sector in any manner whatsoever.

This report has to be seen in its entirety; the selective review of portions of the report may lead to inaccurate assessments. All forecasts in this report are based on assumptions considered to be reasonable by CareEdge Research; however, the actual outcome may be materially affected by changes in the industry and economic circumstances, which could be different from the projections.

Nothing contained in this report is capable or intended to create any legally binding obligations on the sender or CareEdge Research which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. CareEdge Research is also not responsible for any errors in transmission and specifically states that it, or its Directors, employees, parent company – CARE Ratings Ltd., or its Directors, employees do not have any financial liabilities whatsoever to the subscribers/users of this report. The subscriber/user assumes the entire risk of any use made of this report or data herein. This report is for the information of the authorized recipient in India only and any reproduction of the report or part of it would require explicit written prior approval of CareEdge Research.

CareEdge Research shall reveal the report to the extent necessary and called for by appropriate regulatory agencies, viz., SEBI, RBI, Government authorities, etc., if it is required to do so. By accepting a copy of this Report, the recipient accepts the terms of this Disclaimer, which forms an integral part of this Report.

FORWARD LOOKING STATEMENTS

This Red Herring Prospectus contains certain statements which are not statements of historical facts and may be described as "forward-looking statements". These forward-looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "shall", "could", "expect", "estimate", "intend", "may", "likely" "objective", "plan", "project", "propose", "seek to", "will", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations, taxes, changes in competition in our industry and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. Our business depends on the strength of our brand and reputation. Failure to maintain and enhance our brand and reputation, and any negative publicity and allegations in the media against us, may materially and adversely affect the level of market recognition of, and trust in, our services, which could result in a material adverse impact on our business, financial condition, results of operations and prospects.

2. We mainly market our products through our dealer network. If we are unable to effectively manage or expand our dealer network and operations or pursue our growth strategy and maintain healthy relations with existing dealers, our sales may be affected and we may not achieve our expected levels of profitability.

3. Our ability to successfully manage the introduction of new products.

4. Slowdown in economic growth in India or the other countries in which we operate.

5. Our ability to obtain/ renew registration of our products.

6. We do not have long-term agreements with our suppliers of raw material.

7. We may experience loss of, or a decrease in, revenue due to lower manufacturing levels.

8. We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances.

9. Any changes in government rules and policies applicable to the agri-input industry may negatively affect our operations.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk* Factors", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 29, 175, and 324, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although, the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, our Directors, our Promoters, the Selling Shareholder, the BRLMs, the Syndicate Members nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the requirements under the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of this Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholder shall ensure (through our Company and the BRLMs) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by the Selling Shareholder in the Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by the Selling Shareholder, as the case may be, in this Red Herring Prospectus shall be deemed to be statements and undertakings made by the Selling Shareholder.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the Offer, certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled "*Risk Factors*", "*The Offer*", "*Capital Structure*", "*Industry Overview*", "*Our Business*", "*Objects of the Offer*", "*Our Promoters and Promoter Group*", "*Restated Financial Statements*", "*Outstanding Litigation and Material Developments*", *"Offer Structure", "Management's Discussions and Analysis of Financial Condition and Results of Operations*" on pages 29, 65, 82, 125, 175, 94, 249, 260, 363, 400, and 324 respectively.

Primary business of our Company

We are 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 Research and Development. We 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 products; (f) new technologies; and (g) crop protection products. Currently, the crop protection products are manufactured by our subsidiary Nova Agri Sciences Private Limited.

As on November 30, 2023, we have received a total of 720 product registrations comprising of 7 registrations in the soil health management category, 176 registrations in the crop nutrition category, 4 registrations in bio pesticide category, 7 registrations in technical indigenous manufacturing and 526 registrations in the crop protection category. All of the 526 registrations in the crop protection category are in the name of Nova Agri Sciences Private Limited. Further, we have applied for 14 registrations for new products across various categories in the name of Nova Agri Sciences Private Limited and 22 new registrations in the name of Nova Agritech Limited. The details of the registrations and products manufactured by the company and its subsidiary are as given hereinbelow:

NATL		
Category	**Manufacturing Licenses**	**Products Manufactured**
Soil Health Management	7	7
Crop Nutrition	176	82
Bio-Pesticides	4	-
Technical Indigenous Manufacture	7	-
Grand Total	**194**	**89**

NASPL		
Category	**Manufacturing Licenses**	**Products Manufactured**
Crop Protection	526	102
Grand Total	**526**	**102**

We have a total dealer network comprising of approximately 11,722 dealers out of which approximately 6,769 dealers are active to whom we have distributed and sold our products during the current financial year. Our dealer network is currently spread across 16 states of India namely Andhra Pradesh, Telangana, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Odisha, West Bengal, Bihar, Gujarat, Jharkhand, Uttarakhand and Jammu & Kashmir and 02 in Nepal. We have also entered into marketing, distribution and supply agreements with certain third parties in Bangladesh, Sri Lanka and Vietnam and are currently awaiting the necessary permission to start business in these jurisdictions.

Primary industry in which our Company operates

Crop nutrition industry primarily consists fertilizers (chemical, organic and bio-fertilizers) and bio-stimulants.

Overview and types of fertilizers

Fertilizer is any material of natural or synthetic origin that is applied to plant tissues or soil to supply plant nutrients. For most modern agricultural practices, fertilization focuses on three main macro nutrients: Nitrogen , Phosphorous and Potassium. Fertilizers are mainly classified as – i. Chemical fertilizers ii. Organic fertilizers iii. Biofertilizers.

Overview and key types of bio-fertilizers

As per several studies conducted by the Centre of Science & Environment, crops no longer respond to chemical fertilizers as they used to. The fertilizer response ratio used to be 13.4 in 1970 which further reduced to 2.7 by 2015. Due to heavy subsidies provided for nitrogen, the nitrogen-phosphorous-potassium ratio has been skewed towards nitrogen. However, the continuous use of nitrogenous fertilizers adversely affected the soil health in India. The crops displayed symptoms in deficiencies of macro and micro nutrients. This became a growing concern and led to the search for alternative non-chemical choices which included biofertilizers and organic fertilizers.

Bio fertilizers contain microbes, that enhance plant nutrition or increase nutrient availability in soils.
E.g. azospirillum, rhizobium, etc. They are regulated under the Fertilizer Control Order .

Names of our Promoters

As on the date of this RHP, our Promoters are Suraksha Agri Retails (India) Private Limited, Yeluri Family Trust, Malathi S and Kiran Kumar Atukuri. For further details, see "*Our Promoter and Promoter Group*" on page 249.

Offer Size

Offer of Equity Shares(1)	Up to [●] Equity Shares, aggregating up to ₹ [●] lakhs
of which	
Fresh Offer (1)	Up to [●] Equity Shares, aggregating up to ₹ 11,200.00 lakhs
Offer for Sale(2)	Up to 77,58,620 Equity Shares, aggregating up to ₹ [●] lakhs by the Selling Shareholder

(1) *The Offer has been authorized by a resolution of our Board dated February 27, 2023 and a special resolution of our Shareholders dated March 1, 2023.*

(2) *The Selling Shareholder has authorised the sale of the Offered Shares by way of his consent letter dated February 27, 2023. The Selling Shareholder confirms that the Offered Shares have been held by him for a period of at least one year prior to filing of this Red Herring Prospectus in accordance with Regulation 8 and Regulation 8A of the SEBI ICDR Regulations and accordingly, are eligible for the Offer for Sale in accordance with the provisions of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" beginning on page 382.*

The Offer shall constitute [●] % of the post Offer paid up Equity Share capital of our Company.

For details, see "*The Offer*" and "*Offer Structure*" on pages 65 and 400, respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(*Amount In ₹ lakhs*)

Particulars	Amount which will be financed from Net Proceeds
(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
(d) Investment in our subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements.	4,335.85
Sub-total (a+b+c+d)	**9,470.38**
General corporate purposes*	[●]
Total*	[●]

**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

For further details, see "*Objects of the Offer*" on page 94. Aggregate pre-Offer shareholding of our Promoters and Promoter Group.

The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:

S No.	Name of shareholder	Pre-Offer Equity Share capital	
		Number of Equity Shares	**Percentage of total pre-Offer paid up Equity Share capital (%)**
A. Promoters			
1.	Suraksha Agri Retails (India) Private Limited	1,53,88,040	23.60
2.	Malathi S	84,21,620	12.92
3.	Kiran Kumar Atukuri	Nil	Nil
4.	Yeluri Family Trust	3,11,34,360	47.75
	Total (A)	**5,49,44,020**	**84.27**
B. Promoter Group			
5.	Siripurapu Madhuri	25	Negligible
	Total (B)	**25**	Negligible
	Grand Total (A+B)	**5,49,44,045**	**84.27**

The aggregate pre-Offer shareholding of the Selling Shareholder as a percentage of the pre-Offer paid-up Equity Share capital of the Company is set out below:-

S No.	Name of Selling shareholder	Category of Shareholder	No. of Shares Offered in OFS	Pre-Offer Equity Share capital		Post-Offer Equity Share Capital	
				Number of Equity Shares	**Percentage of total pre- Offer paid up Equity Share capital (%)**	**Number of Equity Shares**	**Percentage of total Post-Offer paid up Equity Share Capital (%)**
1.	Nutalapati Venkatasubbarao	Public	77,58,620	77,58,620	11.90	Nil*	Nil*
	Total		77,58,620	**77,58,620**	**11.90**		

**Subject to finalization of Basis of Allotment*

Summary derived from the Restated Financial Information

(In ₹ lakhs except per share data)

Particulars	For the six months period ended September 30, 2023*	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Share capital	1,254.05	1,254.05	1,254.05	1,254.05
Net Worth(1)	7,423.08	6,387.97	4,319.11	2,942.98
Revenue from Operations	10,321.60	21,055.54	18,556.77	16,057.74
Profit / (Loss) after tax	1,038.22	2,048.95	1,368.93	630.00
Earnings per share(2)				
- Basic (₹)	1.66	3.27	2.18	1.00
- Diluted (₹)	1.66	3.27	2.18	1.00
Net asset value per Equity Share (₹)(3)	11.84	10.19	6.89	4.69
Total Borrowing(4)	6,850.43	7,095.51	6,426.55	5,110.19

**not annualised*

Note:

Net worth of the Company has increased from ₹ 2942.98 lakhs in FY 2020-21 to ₹ 4,319.11 lakhs in FY 2021-22 on account of increase in Reserves and Surplus due to addition of PAT for the year.

The consolidated Profit After Tax ("PAT") increased from ₹ 630.00 lakhs in FY 2020-21 to ₹ 1368.93 lakhs in FY 2021-22 primarily owing to the substantial increase in PAT from the Company's Subsidiary, Nova Agri Sciences Private Limited ("NASPL") from ₹ 250.39 lakhs in FY 2020-21 to ₹ 903.66 lakhs in FY 2021-22. Revenue growth in NASPL from ₹ 5,149.23 lakhs in FY 2020-21 to ₹ 10,562.70 lakhs in FY 2021-2022 was achieved by addition of new products based on new registrations. Increase in profitability was on account of focus on sale of branded products with higher margin.

(1) Net Worth has been defined as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the

aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

(2) *Restated basic and diluted earnings per share (₹) = Profit for the year divided by weighted average number of Equity Shares outstanding during the year, as adjusted for sub-division.*

(3) *Restated Net Asset Value per Equity Share = Net worth divided by outstanding number of Equity Shares at the end of the year, as adjusted for sub-division*

(4) *Total Borrowings = Non – current borrowings + Current Borrowings including current maturities of long-term borrowings.*

For further details, see "Restated Financial Statements" on page 260.

Qualifications of the Statutory Auditors –

There are no qualifications included by our Statutory Auditors in the financial statements which have not been given effect to in the Restated Financial Information.

Summary of Outstanding Litigation

Except as disclosed below, there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters ("**Relevant Parties**"); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy. There are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.

For the purposes of (iv) above, the terms of the Materiality Policy have been adopted by a resolution of our Board dated February 27, 2023 and based on the materiality policy following are the pending litigations:

Type of Proceedings	Number of cases	Amount^ (In ₹ lakhs)
Cases against our Company		
Criminal proceedings	1	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	1	42.25*
Other pending material litigation proceedings	1	19.63
Total	**3**	**61.88**
Cases by our Company		
Criminal proceedings *(103 Criminal complaints under Section 138 of the Negotiable Instruments Act, 1881 in relation to the dishonor of cheques and recovery of dues)* *(1 criminal complaint under sections 408, 420 read with 34 of India Penal Code, 1860 regarding criminal breach of trust)*	103 1	595.07 39.00
Other pending material litigation proceedings *(Suit for recovery of money under section 26 read with Order VII of the Code of Civil Procedure, 1908)*	1	211.44
Total	**105**	**845.51**
Cases against our Subsidiaries		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil
Cases by our Subsidiaries		
Criminal proceedings	45	258.59
Other pending material litigation proceedings	Nil	Nil
Total	**45**	**258.59**
Cases against our Directors other than our Promoters		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil
Cases by our Directors other than our Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil

Cases against our Promoters		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Red Herring Prospectus by SEBI or any stock exchange	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil
Cases by our Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil
Cases involving our Group Companies		
Any pending litigation which has material impact on the issuer	Nil	Nil
Total	Nil	Nil

^ *To the extent quantifiable*
**The outstanding amount has been settled by the Company vide corporate tax payment challans dated February 23, 2023. There is no further communication regarding the matter from the Income Tax department, however, we await receipt of the closure order from the Income Tax Department, if any.*

As on the date of this Red Herring Prospectus, there are no criminal matters initiated by or against the Company, group companies, its subsidiary, directors and/or promoters which are at First Information Report ("FIR") stage.

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 363.

Risk Factors

Investors should see "*Risk Factors*" on page 29 to have an informed view before making an investment decision.

Summary of Contingent Liabilities of our Company

Details of the contingent liabilities (as per Ind AS 37) of our Company as at September 30, 2023 derived from the Restated Financial Information are set forth below:

(Amount In ₹ lakhs)

Particulars	
Corporate Guarantees- Given to Banks	800.00
Capital Commitment Contract to be executed (net of advance)	251.26
Claims against the company not acknowledged as debts	19.63
Total	**1070.89**

For further details of the contingent liabilities (as per Ind AS 37) of our Company as on September 30, 2023, see "*Restated Financial Statements - Contingent Liabilities/Assets*" on page 315.

Summary of Related Party Transactions

Summary of the related party transactions as per Ind AS 24-Related Party Disclosures derived from the Restated Consolidated Financial Information, is as follows:

(Amount in ₹ lakhs)

Particulars	For the six months period ended September 30, 2023		For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Amount	Percentage of revenue	Amount	Percentage of revenue	Amount	Percentage of revenue	Amount	Percentage of revenue
Managerial Remuneration to KMP								
Malathi S	135.91	1.32%	271.82	1.29%	271.82	1.46%	271.81	1.69%
Sreekanth Yenigalla	26.58	0.26%	53.16	0.25%	49.50	0.27%	38.87	0.24%
Kiran Kumar Atukuri	26.78	0.26%	53.56	0.25%	49.80	0.27%	35.09	0.22%
Basanth Kumar Nadella	16.56	0.16%	33.11	0.16%	30.83	0.17%	22.57	0.14%

Neha Soni	6.00	0.06%	6.00	0.03%	6.00	0.03%	2.50	0.02%
Bhargavi Kandula	-	-	11.52	0.06%	13.78	0.07%	13.00	0.08%
Gunupudi Kamoji Srinivas	12.00	0.12%	5.48	0.03%	-	-	-	-
Total	**223.83**	**2.17%**	**434.65**	**2.07%**	**421.73**	**2.27%**	**383.84**	**2.39%**
Loans taken by the group **O/s balance of loan taken by the group:-**								
Malathi S	228.75	2.22%	295.59	1.40%	592.39	3.19%	142.94	0.89%
Sreekanth Yenigalla	2.22	0.02%	2.21	0.01%	14.34	0.08%	15.34	0.10%
Kiran Kumar Atukuri	182.85	1.77%	154.85	0.74%	284.01	1.53%	420.13	2.61%
Basanth Kumar Nadella	8.66	0.08%	9.37	0.04%	54.87	0.30%	49.26	0.31%
Total	**422.48**	**4.09%**	**462.02**	**2.19%**	**944.61**	**5.09%**	**627.67**	**3.91%**
Purchases and Sales to Other Related Parties :-								
Sales to Suraksha Agri Retails (India) Private Limited	-	-	-	-	104.79	0.56%		
Transactions with Subsidiaries								
Nova Agri Sciences Private Limited								
Sales to subsidiary	763.19	7.39%	268.80	1.28%	2451.74	13.21%	1103.5	6.87%
Purchases from subsidiary	979.72	9.49%	1219.77	5.79%	1155.39	6.23%	481.73	3.00%
Receivable from subsidiary	-	-	-	-	--		163.63	1.02%
Payables to subsidiary	893.91	8.66%	684.82	3.25%	1910.36	10.29%	--	-
Investment in subsidiary	180.00	1.74%	180.00	0.85%	180.00	0.97%	180.00	1.12%
Income from leases from subsidiary	4.80	0.05%	4.00	0.02%	-	-	-	-
Nova Agri Seeds India Private Limited								
Investment in subsidiary	5.00	0.05%	5.00	0.02%	5.00	0.03	5.00	0.03%

Note:

Malathi S is the Promoter and Whole-Time-Director and oversees the Company's operations. With an increase in the business of the Company, the Board of Directors of the Company has increased the remuneration payable to Malathi S from ₹ 120.00 lakhs in FY 20 to ₹ 271.81 lakhs in FY 21.

Reasons for increase in loans:

Due to the seasonal nature of the business, collections of the Company usually slows down during the off season, thereby affecting liquidity. The Company has availed additional unsecured loan from Malathi S, the Promoter to meet the working capital requirements. This resulted in increase in unsecured loans from ₹ 627.67 lakhs in FY 2020-2021 to ₹ 944.61 lakhs in FY 2021-22.

Reasons for increase in transaction with NASPL:

NATL holds marketing licenses for certain products of NASPL. The products of NASPL sold under these licenses, are procured from NASPL. Similarly, some of the raw materials required by NASPL are sourced by NATL depending on the availability of working capital limits. These transactions have been recorded as sale and purchase and vice versa. The increase in business, and acceptance of company`s products in the market has given a rise to the increase in the transactions with NASPL.

The transactions between the Company and NASPL have increased during fiscals 2022 and 2021 since the sales of NASPL was increasing over the years and adequate working capital was not available in NASPL the same was met through NATL. However, the reason for decrease in sales to NASPL during FY 2022-23 was due to NASPL's cash credit limits being enhanced by ₹ 800.00 lakhs for purposes of enabling NASPL to meet fund requirements for purchases of raw material and to reduce dependence on NATL and thereby reducing sales from NATL to NASPL. The Sales/Purchase to and from NASPL during the six months period ended September 30, 2023 stood at ₹ 1,742.91 lakhs.

The details of the Sales/Purchase for the six months period ended September 30, 2023 and fiscals 2023, 2022 and 2021is as given hereinunder:

(Amount in ₹ lakhs)

Particulars	For the period ended September 30, 2023	For the FY ended March 31, 2023	For the FY ended March 31, 2022	For the FY ended March 31, 2021
Sales to NASPL	763.19	268.80	2,451.74	1103.50
Purchases from NASPL	979.72	1,219.77	1,155.39	481.73

For further details, please refer to the head "Related Party Transactions" on page 322 of this RHP.

For further details of the related party transactions, as per the requirements under Ind AS 24 'Related Party Disclosures', see "*Related Party Transactions*" on page 305.

Financing Arrangements

There have been no financing arrangements whereby our Promoters, directors of our Corporate Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase of any securities of our Company by any other person during a period of six months immediately preceding the date of this Red Herring Prospectus.

Details of pre-IPO Placement

Our Company does not contemplate any Pre-IPO Placement.

Weighted average acquisition price at which specified securities were acquired by our Promoter and the Selling Shareholder in our Company in the last one year preceding the date of this Red Herring Prospectus- NIL

Weighted average acquisition price at which specified securities were acquired by our Promoter and the Selling Shareholder in the last three years preceding the date of this Red Herring Prospectus-

Sl. No	Name of the Shareholder	Category	Date of acquisition	No. of Equity Share acquired	Weighted Average Acquisition price per Share (₹)*
1.	Suraksha Agri Retails (India) Private Limited	Promoter	March 30, 2021	6,89,656	2.00
2.	Yeluri Family Trust	Promoter	December 13, 2022	3,11,34,360	Nil^
3.	Nutalapati Venkatasubbarao	Selling Shareholder	March 30, 2021	7,58,620	2.00

**Pursuant to sub-division*

^Share transfer by way of gift

Average cost of acquisition for our Promoters and Selling Shareholder

The average cost of acquisition per Equity Share by our Promoters and Selling Shareholder, as at the date of this Red Herring Prospectus, is:

Name of the Promoters/Selling Shareholder	Number of Equity Shares held as on the date of this RHP	Average cost of acquisition per Equity Share (in ₹)
Promoters*		
Suraksha Agri Retails (India) Private Limited	1,53,88,040	0.79
Malathi S	84,21,620	1.41
Yeluri Family Trust	3,11,34,360	Nil^
Selling Shareholder		
Nutalapati Venkatasubbarao	77,58,620	2.32

**Kiran Kumar Atukuri does not hold any equity shares in our company.*

^Share transfer by way of gift

For further details of the average cost of acquisition for our Promoters, see "*Capital Structure*" at page 82.

Issue of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash, including through bonus issue, in the one year preceding the date of this Red Herring Prospectus:

Split / Consolidation of Equity Shares in the last one year

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. For further details, see "*Capital Structure*" on page 82.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

Our Company has not made any application under Regulation 300(1)(c) of the SEBI ICDR Regulations for seeking an exemption from complying with any provisions of securities laws by SEBI as on the date of this Red Herring Prospectus.

SECTION II – RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, you must rely on your own examination of our Company and the terms of the Offer, including the risks involved, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

We have described the risks and uncertainties that our management considers to be material, but these risks and uncertainties are not the only risks we face. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. To obtain a more detailed understanding of our business and operations, please read this section in conjunction with the sections titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 175 and 324, respectively, as well as other information contained in this Red Herring Prospectus.

Unless otherwise indicated, industry and market data used in this section has been derived from a report entitled "Report on Crop Nutrition and Crop Protection Industry" dated January 02, 2024, by CARE Analytics and Advisory Private Limited ("**CARE Report**") commissioned and paid for by our Company exclusively for the purpose of the Offer pursuant to the engagement letter dated May 11, 2022. Unless otherwise indicated, all financial, operational, industry and other related information derived from CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Neither we nor the BRLMs nor any other person connected with the Offer have independently verified such information. This Red Herring Prospectus contains industry information that has been extracted or derived from an industry report prepared by CARE Analytics and Advisory Private Limited, which was commissioned and paid for by our Company"**.**

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Red Herring Prospectus. For details, see "*Forward-Looking Statements*" on page 19. Unless otherwise indicated, all financial information included herein are based on our Restated Financial Information included elsewhere in this Red Herring Prospectus.

Internal Risks Related to Our Business

1. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing or thereafter.

Our revenue from operations and restated profit for Financial Year ending March 31, 2023 was ₹ 21,055.54 lakhs and ₹ 2,048.95 lakhs respectively, and our price to revenue from operations for Financial Year ending March 31, 2023 multiple is [●] times at the upper end of the Price Band. Our market capitalization to revenue from operations for Financial Year ending March 31, 2023 multiple is [●] times at the upper end of the Price Band.

The table below provides details of our price to earnings ratio and market capitalization to revenue from operations:

Particulars	**Price to Earnings Ratio***	**Market Capitalisation to Revenue from Operations***
Financial year Ending March 31, 2023	**[.]**	**[.]**

**To be populated at Prospectus stage*

The Offer Price of our Equity Shares is proposed to be determined on the basis of assessment of market demand for the Equity Shares offered through the book-building process prescribed under the SEBI ICDR Regulations, and certain quantitative and qualitative factors as set out in the section titled "Basis for Offer Price" beginning on page 114 and the Offer Price, multiples and ratios may not be indicative of the market price of the Equity Shares on listing or thereafter. Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotations do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. Accordingly, any valuation exercise undertaken for the purposes of the Offer by our Company, in consultation with the BRLMs, would not be based on a benchmark with our industry peers. The relevant financial parameters based on which the Price Band would be determined, shall be disclosed in the advertisement that would be issued for publication of the Price Band. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in our operating results, market conditions specific to the industry we operate in, developments relating to India, announcements by third parties or governmental entities of significant claims or proceedings against us, volatility in the securities markets in India and other jurisdictions, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

2. The strength of our brands is crucial to our growth and success and we may not succeed in continuing to maintain and develop our brands.

We consider our brands to be important for our business. Our business and results of operations are influenced by the strength and popularity of our brands, including the level of consumer recognition and perception of our brands in the mind of varied customers. As we cater to a particular set of consumers who are typically from the rural sector, it is imperative that the value and the trust of a brand plays a very important role in the overall growth of the business and its result of operations. The strength of our brands depends on factors such as our growth, our different line of products, the materials used to make our products, the quality of our products, the packaging, the distinct characteristics and presentation of our product packaging. Product Development activities such as promotions, offers and marketing, as well as the general perception of our business also impact our brands. Failure to manage any of the above factors or failure of our promotional and allied activities to differentiate and further strengthen our brands could adversely affect the value and perception of our brands and our ability to maintain existing customers and attract new customers, and, as a result, have a material adverse effect on our business, results of operations and financial condition.

Infringement of name, brand or trademark can have huge repercussion on the growth, viability and profitability of a brand. Our business is dependent on the trust our customers place on our brand, visibility and above all the quality of our products. Any negative publicity regarding us, our brand or our products could adversely affect our reputation and our results of operations. Our brand can be adversely affected by negative publicity or any claims concerning other businesses using the name "Nova Agritech" or similar trade names, whether or not they are part of the Promoter Group and such usage can be very deceptive in nature and can have a negative impact on our brand. While we own various trademarks, we cannot guarantee that a third party may not use such names and we may have no control over such usage (For details, see "*Our Business*" on page 175 and see "*Government and Other Approvals*" on page 369). As on date of filing of this Red Herring Prospectus the Company has not made any royalty payments to any other parties nor are there any conflicts, to the best of our knowledge, with respect to our brand. However, we may face negative brand publicity and brand dilution to the extent we fail to develop, promote and position our brands effectively and consistently in the competitive market, with respect to new products, current products, various range of offerings or any new product categories. However, there can be no assurance that our advertising or marketing efforts are or will be successful at all times and may result in increased sales. Furthermore, there can be no assurance that our marketing efforts will succeed in maintaining our brand and its perception with customers.

3. Our Company intends to utilize a portion of the Net Proceeds towards investment in our subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant and towards funding Capital Expenditure in Nova Agritech Limited for expansion of our existing formulation plant. We are yet to place orders for plant and machinery for the proposed new formulation plant and such expansion of our existing formulation plant. Such proposed utilization of the Net Proceeds may be subject to delays, cost overruns, and other risks and uncertainties. Any delay in undertaking such expansion and not adhering to the schedule of implementation could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

Our Company intends to utilize a portion of our Net Proceeds towards investment in our subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant and towards funding Capital Expenditure in our Company for expansion of our existing formulation plant at Singannaguda Village, Mulugu Mandal, Siddipet District, Telangana, wherein our existing factory is situated. as described in detail in "Objects of the Offer" beginning on page 94.

Our efforts to enhance our production capabilities by setting up a new formulation plant are subject to significant risks and uncertainties, including: (i) delays and cost overruns resulting from increase in the prices and timely availability of raw materials, shortages of skilled workforce and transportation constraints; (ii) delay or unavailability of required plant and machinery; (iii) our inability to obtain the required permits, licenses and approvals from relevant government authorities; and (v) interruptions caused by natural disasters or other unforeseen events. If we are unable to anticipate regulatory changes and address these risks and uncertainties in a timely manner and accordingly as per a specific plan, the proposed setting up of the formulation plant as described in detail in "*Objects of the Offer*" on page 94 could be delayed, adversely affecting our business, results of operation and prospects.

The total estimated funds required towards investment in our subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant is approximately ₹1420.11 lakh and capital expenditure in our Company for expansion of our existing formulation plant is ₹1048.95 lakhs. Though, we have obtained quotations for plant & machinery from various vendors, however, we have not yet purchased or placed orders for plant & machinery for the proposed new formulation plant and for expansion of our existing formulation plant. Our Company and our subsidiary, Nova Agri Sciences Private Limited depending on various factors, will finalise the vendors for the proposed object which may not be the same from whom the quotation was obtained. While we have obtained the quotations from various suppliers in relation to the plant, machinery and equipment, most of these quotations are valid for a certain period of time and may be subject to revisions. We cannot assure that we will be able to procure plant, machinery and equipment within the cost indicated by such quotations and setting-up a new formulation plant and expansion of our existing formulation plant as per our schedule of implementation. For details, see "*Objects of the Offer*" at page 94.

Further, in accordance with Sections 13(8) and 27 of the Companies Act 2013, we cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations**.**

4. Our Company had negative cash flow during certain fiscal years; details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

Our Company has incurred negative cash flows from operating, investing and financing activities in some of the years/periods during six months ended September 30, 2023 and Fiscals 2023,2022and 2021.

The following table sets forth our net cash generated from / (used in) operating, investing and financing activities and net increase / (decrease) in cash and cash equivalents during six months ended September 30, 2023 and Fiscal 2023, 2022, and 2021:-

(*Amount in ₹ lakhs*)

Particulars	For the six months period ended September 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Net Cash from (used in) Operating activities	504.28	544.94	248.18	518.13
Net Cash from (used in) Investing activities	(28.20)	(185.70)	(387.81)	(312.34)
Net Cash from (used in) Financing activities	(679.66)	(188.28)	272.28	(182.96)

Negative cash flows from investing activities for six months ended September 2023, Fiscal 2023, 2022 and 2021were mainly attributable to increase in Capital Work in Progress and purchase of fixed assets. Negative cash flows from financing activities for the six months ended September 2023, Fiscal 2023 and 2021was mainly attributable to repayment of term loans.

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans, meet enhanced working capital requirements and make new investments without raising finance from external resources. We cannot guarantee that we will not have any negative cash flows in the future arising from operating activities, investing activities and/or financing activities. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details see section titled "*Restated Financial Statements*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" beginning on page 260 and page 324 respectively, of this Red Herring Prospectus.

5. ***We are required to obtain and maintain various licences and permits for our business***.

Our business is subject to applicable government regulations and legislations and we require certain statutory and regulatory approvals, licences, registrations and permissions for operating our business in different states. These permits, licences and approvals may also be tied to numerous terms and conditions and obtaining some of them may be time consuming and may entail high cost. We are also required to obtain specific registration from the authorities in each state and its jurisdiction in which we market and distribute soil health management, crop nutrition and crop protection products and the procedural and regulatory requirements to obtain such registrations differ in each state and jurisdiction. As on November 30, 2023, our Company and our subsidiary Nova Agri Sciences Private Limited have received a total of 720 product registrations comprising of 7 registrations in the soil health management category, 176 registrations in the crop nutrition category, 4 registrations in bio pesticide category, 7 registrations under Technical Indigenous Manufacture and 526 registrations in the crop protection category. Further, we have applied for 14 registrations for new products across various categories in the name of Nova Agri Sciences Private Limited (NASPL) and 22 new registrations in the name of Nova Agritech Limited (NATL). We have also obtained the marketing licences in 16 states to market and distribute our products.

To foster our growth, our Company may consider entering into different states and their jurisdictions apart from these 16 states wherein we may require to fulfill the state-wise respective compliances, laws and regulatory norms which differ from state to state. We cannot assure that we will be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant permits, licenses, registrations and approvals. There is no assurance in the future that the permits, licenses, registrations and approvals applied for or held by us will be issued, approved or renewed in a prompt manner, or at all, under applicable laws.

Further, applications for approvals, licences, registrations and permissions for operating our business need to be made within certain timeframes and are often subject to the discretion of relevant authorities. If we are unable to make applications or renew or obtain necessary permits, licences and approvals on acceptable terms, in a timely manner, at a reasonable cost, or at all or in the event of failure to comply with the terms and conditions therein could lead to severe consequences including cancellation, revocation or suspension of relevant permits, licenses, registrations and approvals and the imposition of penalties by relevant authorities, which could materially and adversely affect our financial condition and results of operations. For details, see "*Government and Other Approvals*" on page 369.

There have been no instances of cancellation, revocation or suspension of relevant permits, licenses, registrations or approvals, or any imposition of penalties by relevant authorities against the Company.

6. Any default in payment by the dealers or delay in realising the receivables may have an adverse effect on our business and financial operation.

Our business is driven by continuous chain of supply of our products to the various dealers that we have a relation with. It is imperative that the payment cycle extended to our dealers be maintained to ensure that we collect all our due receivables on time, to ensure that the same do not affect our financial operations or profitability. We follow a practice of extending certain credit period to our dealers to maintain a healthy relationship with them and ensure that a fixed regime is followed with respect to the collections of all receivables, to ensure that a set mechanism for the healthy financial position of the Company is maintained. There are generally 3 to 6 stages in most crops in each cropping season. Our Company has several formulation products for each of these stages which are sold at the appropriate time, resulting in an extended credit period for a crop and funds are realised generally after the harvest. Debtor days in NATL are at 203 days, 229 days and 181 days in financial years 2022-2023, 2021-2022 and 2020-2021, respectively and in NASPL the same were 159 days, 136 days and 175 days in financial years 2022-2023, 2021-2022 and 2020-2021, respectively as agri- input business especially dealing in retail sales are high. With our widespread dealer network across 16 states, and realisation of funds at times based on the harvest, it may be impossible at times to ensure that all payments made by the dealers are on time or that there are no defaults in payment. Below is an historical data of trade receivables and provision of bad debts of our Company for the six months period ended September 30, 2023 and Financial years 2022-2023, 2021-2022 and 2020- 2021:

(Amount ₹ in Lakhs)

Particulars	As at September 30, 2023	As on March 31, 2023	As on March 31, 2022	As on March 31, 2021
Trade Receivables	12,896.46	11,690.41	10,467.94	9,554.47
(-) Provision for bad debts	(1,281.32)	(1,122.78)	(1,169.37)	(1,056.93)
Total	**11,615.14**	**10,567.63**	**9,298.58**	**8,497.55**

Any default in payment by customers or delay in realising the receivables may have an adverse effect on our business and financial operation.

7. We have significant working capital requirements and may require additional capital and financing in the future. Our ability to access capital at attractive costs also depends on our credit ratings. Our operations could be curtailed if we are unable to obtain required additional capital and financing when needed.

Our business requires a substantial amount of working capital, primarily to operate our manufacturing plants, finance our production, including the purchase of raw materials. Moreover, we may need working capital for the expansion of our business at regular intervals due to our business requirements and growing customer demands. For details of our existing & future working capital requirements please see "*Objects of the Offer*" on page 94.

We may need to raise additional working capital from time to time, depending on business requirements. Some of the factors that may require us to raise additional working capital include (i) business growth; (ii) unforeseen events beyond our control and (iii) significant depletion in our existing capital base due to unusual operating losses.

While we do not anticipate seeking additional financing in the immediate future as a part of our plan post the initial public offering, any additional equity financing may result in dilution to the holders of the Equity Shares. Further, additional debt financing may impose affirmative and negative covenants that restrict our freedom to operate our business, including covenants such as:

a. limit our ability to pay dividends or require us to seek prior consent for the payment of dividends;
b. require us to dedicate a portion of our cash flow from operations to payments on our debt;
c. limit our flexibility in planning for a growth and change in business;
d. limit us from formulating any scheme of amalgamation or reconstruction, merger or demerger or any sort of change in control event;
e. limit us from entering into borrowing arrangements with other banks or financial institutions; and
f. limit our flexibility in raising capital in the form of debt or equity

The working capital requirement for the Company for the six months period ended September 30, 2023 was ₹ 6,911.40 lakhs and for the Financial Year 2022-2023, Financial Year 2021-2022 and Financial Year 2020-2021 was ₹ 6,375.44 lakhs, ₹ 5,686.86 lakhs and ₹ 5310.68 lakhs, respectively and the same was mainly funded from internal accruals, bank borrowings and unsecured loans.

There can be no assurance that we will be able to secure adequate financing in the future on commercially acceptable terms, or at all, including in the event our lenders call in loans repayable on demand or if there is a change in applicable regulations. Our inability to maintain sufficient cash flow, obtain or maintain credit facilities and other sources of funding, in a timely manner, or at all, to meet our working capital requirements or to meet out financial obligations, could adversely affect our financial condition and results of operations. For details on our working capital facilities, see "*Objects of the Offer- Expected working capital requirement*" on page 108

8. Any change in Government policies towards the agriculture sector or a reduction in subsidies and incentives provided to farmers could adversely affect our business and results of operations.

We expect that state and central government policies will continue to affect the income available to farmers to purchase agri-input products for the purpose of better yields from agricultural activity. Consequently, any changes in Government policies relating to the agriculture sector, such as withdrawal of or changes in incentives and subsidies provided to farmers, adverse changes in commodity prices or minimum support prices could affect the ability of farmers to spend on crop protection products, which in turn could adversely affect our business and results of operations. The change in farm laws created a huge uproar and revolution in the country and people were divided in segments either approving or opposing the suggested amendments. We cannot assure you that the implementation or amendment of any legislation, regulations or policies, may not have an adverse impact on our business, financial condition and results of operations in the future.

9. We may not be able to protect our trademarks from infringement.

We own a set of various trademarks which are very important for our brand and business. We are known and identified by those trademarks and protecting the same is very important for us. The Company currently has 36 registered trademarks in its name and our subsidiary NASPL has 109 registered trademarks in its name. Although we take steps to monitor the possible infringement or misuse of our trademarks, it is possible that third parties may infringe, dilute or otherwise violate our trademark rights. Though the Company is not aware of any unauthorized use of its trademarks by any third party, any unauthorised use of our trademarks could harm our reputation or commercial interests. In addition, our enforcement against third-party infringers or violators may be unduly expensive and time- consuming, and any remedy obtained may constitute insufficient redress relative to the damages we may suffer. The Company is not aware of any instances of unauthorized use of trademarks by others. For details, see "Our Business- Intellectual Property" on page 208 and see "Government and Other Approvals" on page 370 and 375.

10. Our logo in the form of a device mark under class 5 is opposed.

Our Company logo in the form of a device mark under class 5 is opposed. The same is the depiction of our main logo along with the name of the Company and is one of the prominent identifications of our brand and products. The opposition has been filed by a third-party objecting against the registration of our trademark in the said class. While we shall take all steps to ensure that we give the best responses and prove our case to get the trademark registered, however we cannot assure that we will be successful with respect to the same. Any failure on our part to successfully defend our case against such opposition may result in this trademark getting cancelled and we will not have any usage right of the same for class 5.

11. If we are unable to effectively manage or expand our dealer network and operations or pursue our growth strategy and maintain healthy relations with existing dealers, our sales may be affected and we may not achieve our expected levels of profitability which may adversely affect our business prospects, financial condition and results of operations.

Our business is driven by expanding our dealer network to new jurisdictions and also by maintaining an ongoing relationship with our existing dealers. With a greater number of dealers in newer jurisdictions, we will be able to market and supply our products in higher quantity and to new set of farmers who are the end users of our products. Our success heavily depends upon the continued services to the farmers through our dealers by providing the farmers with the right choice and mix of products that they may require. Over the years, our Company has increased and expanded its scale of operations manifold and has created a network of approximately 11,722 dealers overall with an active dealer count of approximately 6,769 dealers who are active to whom we have distributed and sold our products during the current financial year across 16 states in India and 02 dealers in Nepal, through dealership agreements. Furthermore, the dealership agreements with the dealers in new jurisdictions may contain different terms and conditions which could be dissimilar than our established dealership agreement. Failure to expand our dealer network and/or maintain healthy relations with our existing dealers may have an adverse effect on our business growth and profitability. *For details, see "Summary of Offer Document"* on page 21, *"Our Business*-*Overview"* on page 175 *and "Our Business*-*Strength"* on page 178.*"*

12. Our Company, our Subsidiaries, Promoters and Directors are involved in certain legal proceedings and potential litigation. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.

Except as disclosed below, there are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoters ("**Relevant Parties**"); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy. There are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.

Type of Proceedings	Number of cases	Amount^ (In ₹ lakhs)
Cases against our Company		
Criminal proceedings	1	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	1	42.25*
Other pending material litigation proceedings	1	19.63
Total	**3**	**61.88**
Cases by our Company		
Criminal proceedings *(103 Criminal complaints under Section 138 of the Negotiable Instruments Act, 1881 in relation to the dishonor of cheques and recovery of dues)* *(1 criminal complaint under sections 408, 420 read with 34 of India Penal Code, 1860 regarding criminal breach of trust)*	103 1	595.07 39.00
Other pending material litigation proceedings *(Suit for recovery of money under section 26 read with Order VII of the Code of Civil Procedure, 1908)*	1	211.44
Total	**105**	**845.51**
Cases against our Subsidiaries		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	**Nil**	**Nil**
Cases by our Subsidiaries		
Criminal proceedings	45	258.59
Other pending material litigation proceedings	Nil	Nil
Total	**45**	**258.59**
Cases against our Directors other than our Promoters		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	**Nil**	**Nil**
Cases by our Directors other than our Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	**Nil**	**Nil**
Cases against our Promoters		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Red Herring Prospectus by SEBI or any stock exchange	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil
Cases by our Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	**Nil**	**Nil**
Cases involving our Group Companies		
Any pending litigation which has material impact on the issuer	Nil	Nil
Total	**Nil**	**Nil**

^To the extent quantifiable

**The outstanding amount has been settled by our Company vide corporate tax payment challans dated February 23, 2023. There is no further communication regarding the matter from the Income Tax department, however, we await receipt of the closure order from the Income Tax Department, if any.*

As on the date of this Red Herring Prospectus, there are no criminal matters initiated by or against the Company, group companies, its subsidiary, directors and/or promoters which are at First Information Report ("**FIR**") stage.

For further details see section titled "*Outstanding Litigation and Material Developments*" on page 363.

13. The agreements governing our Company's indebtedness contain conditions and restrictions on our operations, additional financing and capital structure.

As of November 30, 2023, our Company's total outstanding debt, was ₹ 4,416.96 lakhs. We have entered into several borrowing facilities of varying terms and tenures. The financing agreements governing such facilities include conditions and restrictive covenants that require us to obtain consents, approvals, no-objections or waivers from lenders prior to carrying out specified activities or entering into certain transactions or events. It may also impose a duty on us to intimate them of certain transactions or events. Additionally, under such financing agreements, we are also required to comply with certain financial covenants, such as maintaining prescribed financial ratios at all times.

Undertaking any transactions or events which are restricted as provided hereinabove, without the consent of our lenders or non-compliance with any of the covenants of our financing agreements, constitute defaults under the relevant financing agreements and will entitle the respective lenders to declare a default against us and enforce remedies under the terms of the financing agreements as stated. This can include, among others, acceleration in repayment of the amounts outstanding under the financing agreements, enforcement of any security interest created under the financing agreements and taking possession of the assets given as security in respect of the financing agreements. Further, we cannot assure that we will be able to obtain approvals to undertake any of these activities as and when required or to comply with such covenants or other covenants in the future in a timely or guaranteed manner. A default by us under the terms of any financing agreement may also trigger a cross-default under some of our other financing agreements, or any other agreements or instruments of our containing cross-default provisions, which may individually or in aggregate, have an adverse effect on our operations, financial position and credit rating. For further details see "*Financial Indebtedness*" on page 359.

14. We are subject to strict technical specifications, quality requirements, regular inspections and audits by various authorities and/or regulators and our failure to comply with the quality standards and technical specifications prescribed may lead to loss of business and could negatively impact our reputation, which would have an adverse impact on our business prospects and results of operations.

We ensure at all times that we undertake a number of quality control procedures to ensure that our products are of good quality and as per the market and industry standards. We have a dedicated in-house Research and Development ("**R&D**") facility and a Quality Control / Quality Assurance facility at our manufacturing facilities to support technology transfer for new products and on-site process improvement incubation centre. Considering the imperative role of research and development facility for quality products, we have taken initiative towards dedicated R&D facility from the initial days of our operations. Our laboratory is equipped with state of the art facilities conforming to required standards to ensure product quality. However, there is no assurance that the quality control measures carried out by us for all products will be effective at all times and that our product will match the prescribed quality standards. If we receive negative publicity about the quality of our products due to the ineffectiveness of our quality control process, it will have an adverse effect on our business, brand, result of operation and financial condition.

Given the nature of our products and the sector in which we operate, we need to maintain and adhere to stringent standards for product quality. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of business and reputation of our Company, rejection of the product, which will require us to incur additional cost, which will not be borne by the customer, to replace the rejected product, and loss of customer which could have adverse effect on our reputation, business and our financial condition.

We operate our agri product business in a highly regulated sector and are subject to extensive regulations and stringent registration conditions. We are required to obtain specific registration from the authorities in each jurisdiction in which we market and distribute soil health management, crop nutrition and crop protection products and the procedural and regulatory requirements to obtain such registrations differ in each jurisdiction. Most of the applicable regulations are stringent and they may continue to be stricter in the future. The penalties for non-compliance with these regulations can vary from revocation or suspension of the registration to imposition of fines or confiscation of the soil health management, crop nutrition and crop protection products in such jurisdictions.

We have in the past had instances wherein the State Government of Maharashtra filed a complaint before the Civil and Criminal Court, Sillod under Sections 19 and 28(1)(a) of the Fertilizer (Control) Order, 1985 ("FCO, 1985") read with Sections 3 and 10 of the Essential Commodities Act, 1955 against our Company for the manufacture, sale and distribution of non-standard fertilizers having less than the prescribed quality of nutrients. Vide show cause notice dated March 17, 2021, issued by the Agriculture Officer, Panchayat Samiti, Sillod, Aurangabad annexed with Fertilizer Analysis Report bearing Sr. No. R-49/2021 dated February 17, 2021, our Company was asked to provide reasonable explanation as to why samples taken from fertilizer NPK 18:46:0 manufactured and sold by our Company were not according to FCO, 1985 specifications.

Our Company submitted its response to the said notice vide letter dated March 31, 2021. Finding our Company's response unsatisfactory, the Complainant herein instituted a regular criminal case against our Company on the date and before the court hereinbefore mentioned. The matter is currently pending before the 3-Civil Judge JD and J.M.F.C., Sillod.

We also had in the past an instance wherein a consumer had filed a consumer complaint dated May 7, 2015, before the District Consumer Forum at Warangal under Section 12 of the Consumer Protection Act, 1986 against our Company for losses caused due to supply of substandard material (NOVA Mulch 25mm) by our Company. Vide order dated September 4, 2018, the District Forum allowed the complaint in part, directing the Opposite Parties jointly and severally liable to deposit with the District Forum a sum of ₹ 1.63 lakhs towards the cost of material with interest at 7.5% per annum from the date of purchase till the date of realization, along with photograph costs, labour charges and compensation for loss due to substandard supply within one month.

Our Company filed Appeal before the Telangana State Consumer Disputes Redressal Forum at Hyderabad under Section 15 of the Consumer Protection Act, 1986 seeking to set aside the impugned order passed by the District Forum. The matter is currently pending before the State Forum.

There have been no actions against the Company on quality requirements for the products that the Company manufactured over the last three financial years and stub period, other than as disclosed above. For more details see "*Outstanding Litigation and Material Developments*" on page 363. There can be no assurance that our products will not face any suspension/ ban in the future. Any such order passed by the governmental authorities could generate adverse publicity about our Company and our products, which could have a material adverse effect on our business growth and prospects, financial condition, results of operations, and cash flows.

If we fail to comply with applicable statutory, regulatory or procedural requirements for obtaining registrations in different jurisdictions, there could be a delay in the grant of registrations and consequently delay in the distribution of soil health management, crop nutrition and crop protection products and we may lose the identified business opportunity. Moreover, if we fail to comply with various conditions attached to such registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to distribute such soil health management, crop nutrition and crop protection products. If we fail to obtain or comply with the conditions in such registrations and other related approvals, in a timely manner or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

15. We have contingent liabilities which could materially and adversely affect our business, results of operations and financial condition.

A summary table of our contingent liabilities for the period ended September 30, 2023 and the last three financial years is set forth below:

(Amount in ₹ lakhs)

Particulars	As at the end period ended September 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Corporate Guarantees given to Banks	800.00	800.00	800.00	400.00
Capital Commitment i) Contract to be executed (net of advance)	251.26	251.26	300.00	-
Claims against companies not acknowledged as debts	19.63	19.63	19.63	19.63
Total	**1070.89**	**1070.89**	**1119.63**	**419.63**

There are no contingent liabilities for subsidiaries.

For details, see "*Financial Statements" - Contingent Liabilities/ Assets*" on page 315. In the event that any of our contingent liabilities obligation materialise, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

16. Our business depends on R&D based on which we manufacture our products. We have invested towards our R&D process and have achieved benefits for our Company vide such R&D process. We shall continue to invest towards our R&D process, however, we cannot assure that we shall be able to achieve profitability in the future out of such investment towards our R&D process.

The main objective of our R&D programme is to provide cutting edge technologies by developing new products aimed at improving soil and plant health, as well as enhancing yield potential of crop plant for obtaining sustainable higher yields as end to end solutions for farming community to make agriculture more profitable and sustainable. Our business depends on R&D based on which we manufacture our products. We have invested towards our R&D and have achieved benefits for our Company vide such R&D process such as:

a. Developed amino acid chelated multi-micronutrient mixtures by spray drying method in powder form. These products provide solution for micronutrient deficiencies in plants by efficient absorption of nutrients and plant protection from abiotic stress conditions and helps in increasing yields.

b. Developed organic fertilizer products from various sources of organic manures, which are rich in organic carbon and have potassium and other micronutrients. These products increase soil health by creating favourable environment for colonization of beneficial microbes in the rhizosphere and help minimize biotic stress conditions in plants.

c. Developed chelated liquid multi-micronutrient mixtures by using organic inputs. The product developed by this method will deliver efficient uptake of nutrients, helps in increasing brix contents in fruits, vegetables and other crops.

d. Developed controlled water dispersible granular (CWDG) fertilizer for providing micro- and macronutrients to plants for prolonged period at optimum concentration for crop season.

e. Developed chelated organo-mineral secondary and micronutrients using organic acids for delivering mineral salts which otherwise have limited solubility in water.

The consolidated R&D expenditure incurred for the six months period ended September 30, 2023, FY 2022-23, FY 2021-22, and FY 2020-21 are ₹ 36.24 lakhs, ₹ 65.67 lakhs, ₹ 49.62 lakhs and ₹61.23 lakhs, respectively representing 0.35%, 0.31%, 0.27% and 0.38% of the total revenue to the corresponding periods.

R&D being one of the most important aspect of our product development and being one of our strength, we will be incurring costs towards R&D process in our Company. Therefore, our Company shall continue to invest towards its R&D process for the purpose of manufacturing its products as per the evolving requirement of the market. However, we cannot assure that we shall be able to achieve benefit and profitability in the future out of such investment towards our R&D process. Any shortfall in the expenditure incurred towards R&D facility or inadequate R&D process by our Company may affect our development of products and which in turn can have an adverse effect on our profitability and results of operation.

17. Our business is subject to climatic conditions. Seasonal variations and unfavourable weather patterns may have an adverse effect on our business, results of operations and financial condition.

Our business is sensitive to weather conditions such as rains, drought, floods, cyclones and natural disasters, as well as events such as pest and disease infestations. There is growing concern that carbon dioxide and other greenhouse gases in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency and severity of extreme weather and natural disasters. Our results of operations are significantly affected by weather conditions in the agricultural regions in which our products are used. Adverse conditions early in the season, especially drought conditions, can result in significantly lower than normal plantings of crops and therefore lower demand for crop protection products. This can result in our sales in a particular region varying substantially from year to year. Adverse weather conditions may also cause volatility in the prices of commodities, which may affect farmers' decisions about the types and quantum of crops to plant and may consequently affect the sales of our crop protection products. As a result of such seasonal fluctuations, our sales and results of operations may vary by fiscal quarter and may not be relied upon as indicators of the sales or results of operations of other fiscal quarters, or of our future performance.

In the past three financial years and as on the date of this Red Herring Prospectus, our Company faced certain reductions in sales specifically during the financial year 2020-21, due to drought conditions in the months of September, October and November 2020, in the states of Karnataka and Maharashtra and during the financial year 2022-2023 and for the six months period ended September 30, 2023 due to heavy rains in parts of the states of Telangana and Maharashtra. However, the same did not had any material effect on the business, financial condition and profitability of the Company.

18. We may be subject to fluctuations in prices or any unavailability of the raw materials that we use in our products.

The Company imports certain raw materials such as Mono ammonium phosphate, Mono potassium phosphate, potassium nitrate, Seaweed extract, Potassium humate, fulvic acid, amino acids from China. Further, other raw materials such as: Technical grade urea -46%, Ammonium sulphate -20%, Zinc, ferrous, manganese, copper, magnesium sulphate salts, Boron, molybdenum, Organic manure, bioenriched organic manure, phosphate rich organic manure, orthosilicic acid, molasses, etc. are sourced domestically. The amount of raw materials imported from China and its percentage to the cost of material consumed for the period ended September 30, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are ₹ 1,411.81 lakhs, 1,524.14 lakhs, ₹ 3498.57 lakhs and ₹ 3673.86 lakhs, respectively whereas the percentage to the cost of material consumed are 33.07%, 25.01%, 44.29 %, and 54.14 % respectively.

Our subsidiary NASPL imports the raw materials such as Paraquat dichloride Technical from Taiwan and other solvents like DMF and DMSO are imported from China. The other raw materials such as insecticides, fungicides, plant growth regulators, adjuvants and emulsifiers like Ig surf-2333ps and 2406 are sourced domestically. The amount of raw materials imported from Taiwan for the six months period ended September 30, 2023 and financial year ended March 31, 2023 are ₹ 135.61 lakhs and ₹ 339.69 lakhs respectively, whereas the percentage to the cost of material consumed are 3.37% and 4.60% respectively. Further, the amount of raw materials imported from China for the six months period ended September 30, 2023 and financial year ended March 31, 2023 are ₹ 186.78 lakhs and ₹ 1476.10 lakhs respectively, whereas the percentage to the cost of material consumed are 4.65% and 19.98% respectively. There have been no imports in NASPL for the FY ended March 31, 2021 and March 31, 2022.

On a consolidated basis, our cost of raw materials and its percentage of revenue for the period ended September 30, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are ₹ 6,546.87 lakhs, ₹ 11,994.18 lakhs, ₹12,211.67 Lakhs and ₹9,855.52 Lakhs, respectively whereas the percentage to revenue are 63.43%, 56.96%, 65.81% and 61.38% respectively.

For details see, "Management's Discussion and Analysis of Financial Condition and Results of Operation" beginning on page 324 of the RHP.

The prices of raw materials used in our manufacturing process are subject to price fluctuations. Any fluctuation of price of such raw materials or adverse effect on the availability of certain raw materials due to various factors may attract higher price for such raw materials and difficulty in procuring such raw materials. Further, any adverse change in the supply of raw materials due to fluctuation in prices and/or change in import regulations in India or export regulations in China may require us to increase prices or stop producing certain products and that could materially adversely impact our business, results of operations and financial condition.

19. We may be unable to maintain or establish arrangements with suppliers through whom we procure raw materials and may experience other disruptions or quality control risks in the operations of such parties.

We manufacture our products by procuring raw materials from various suppliers. While we place orders with our list of suppliers, they are not contractually bound to deal with us exclusively, and we may face the risk of our competitors offering better terms, which may cause them to prefer our competitors over us. Though the Company has not faced any disruptions in the operation of its supplies in the last three financial years, our arrangements with these suppliers could involve various risks, including potential interruption to their operations for factors beyond their or our control, any significant adverse changes in their financial or business condition, as well as low levels of output, quality or efficiency. Any disruption in the operations of these suppliers could have an adverse impact on our financial condition and results of operations.

20. Our drone, Nova Agribot and soil health detection device, Bhuparikshak, are manufactured by third—party vendors with whom we have entered into MOUs. If these MOUs are terminated prematurely or the material terms therein are breached by either party, we can no longer offer these products for sale which may adversely affect our business and prospects.

Our Company has executed a MOU with AgroNxt Services Private Limited dated May 26, 2022, wherein AgroNxt Services Private Limited has agreed to offer our Company, the Bhuparikshak device for sale, providing training support to our staff and after sales services and has also executed a MOU with IoTechWorld Avigation Private Limited dated February 1, 2022 wherein IoTechWorld Avigation Private Limited will be manufacturing and supplying DGCA approved advanced multipurpose agriculture drones along with after sales support, spares, legal compliance, insurances, customizations, etc. These products are not manufactured by the Company and the Company cannot guarantee that there cannot be a breach of the terms of these MOU's or that the MOU's will not be terminated for any reason whatsoever. In case of termination of either of these MOUs, at any point in time, the arrangement with AgroNxt Services Private Limited and IoTechWorld Avigation Private Limited will cease to exist and the Company will no longer be in a position to supply the products. Any non-supply or stoppage of manufacturing of these products may have an adverse effect on the business and the results of operation of the Company.

21. A substantial part of the revenue generated by the Company is from the jurisdiction of Andhra Pradesh, Karnataka and Telangana. Any change in Government policies towards the agriculture sector, regulations, economic conditions or climatic conditions in these jurisdictions may adversely affect our business and results of operations.

Though, the business of the Company is spread across 16 states in India, most of the revenue generated by the Company are from the jurisdictions of Telangana, Andhra Pradesh and Karnataka. Our business, growth and results of operations is highly dependent on the revenue generated from the states of Telangana Andhra Pradesh and Karnataka~~.~~ Any change in Government policies towards the agriculture sector, regulations, economic conditions or climatic conditions in the states Telangana Andhra Pradesh and/or Karnataka may have an adverse effect on our business, results of operations and financial condition.

The revenue distribution of products manufactured by NATL across the states of Andhra Pradesh, Karnataka, Telangana and other states are as follows:

S.No	State	As at the period ended September 30, 2023		Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
		Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations
1	Andhra Pradesh	843.23	11.75%	1,718.69	14.72%	1,525.06	13.15%	3,667.23	29.34%
2	Karnataka	183.43	2.56%	780.64	6.69%	646.20	5.57%	747.63	5.98%
3	Telangana	5,458.84	76.09%	6,374.81	54.60%	7,087.56	61.09%	6,286.98	50.31%
4	Other states	688.48	9.60%	2,800.67	23.99%	2,342.38	20.19%	1,795.37	14.37%

The revenue distribution of products manufactured by NASPL across the states of Andhra Pradesh, Karnataka, Telangana and other states are as follows*:*

S.No	State	As at the period ended September 30, 2023		Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
		Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations
1	Andhra Pradesh	279.04	5.71%	2,144.62	19.73%	*2,602.63*	24.64%	*1,093.31*	21.23%
2	Karnataka	474.47	9.70%	1133.61	10.43%	*1,063.13*	10.06%	*651.04*	12.64%
3	Telangana	2,948.79	60.30%	4,862.63	44.74%	*4,397.83*	41.64%	*2,403.14*	46.67%
4	Other states	1,188.24	24.30%	2,728.43	25.10%	2,499.10	23.66%	1,001.73	19.45%

22. Our business depends on our Promoters and senior management and our ability to attract and retain key personnel. Any attrition rate of our senior management may affect our business growth.

The experience of our Promoters and senior management has been critical to our success and business growth over the years. Their in-depth knowledge of the market that we operate in and the business operations have ensured our growth in the business. As a result, any loss of the services of any of our Promoters or senior management could materially and adversely affect our business, financial condition and results of operations. The replacement of senior management may not be straightforward or achievable in a timely manner as they have years of knowledge and experience in this business, and we may be required to wait indefinitely to fill positions until we find suitable candidates as the business we operate needs a specific knowledge and skill sets. Furthermore, attracting, hiring and retaining experienced and qualified senior management with years of experience in this business sector could require increasing compensation and benefits payable to such personnel, which could affect our operational costs and consequently, our financial condition and results of operations. Our inability to retain our senior management may have an adverse effect on our business growth.

23. Our Promoter and certain of our Directors may have interest in entities, which are engaged in lines of business similar to that of our Company. Any conflict of interest which may occur between our business and the activities undertaken by such entities could adversely affect our business and prospects.

As on the date of this Red Herring Prospectus, our Promoter and Managing Director, Kiran Kumar Atukuri, Promoter and Whole-Time Director, Malathi S., and our Executive Directors, Sreekanth Yenigalla and Nadella Basanth Kumar and our Independent Director, Ramesh Babu Nemani have interests in entities, which are engaged in lines of business similar to that of our Company. Our Promoter Suraksha Agri Retails (India) Private Limited is engaged in the similar line of business as our Company. Considering the similar line of business, there is no assurance that our Promoters and Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in the future. Such factors may have an adverse effect on the results of our operations and financial condition. For details, see "*Our Promoter and Promoter Group*" on page 249.

24. Our Promoters have provided personal guarantees to secure certain of our Company and our subsidiary Nova Agri Sciences Private Limited's loan facilities, which if revoked or invoked may require alternative guarantees, repayment of amounts due or termination of the facilities.

As on the date of filing of this Red Herring Prospectus, our Promoters Malathi S and Kiran Kumar Atukuri have provided personal guarantees as security for our Company and its subsidiary Nova Agri Sciences Private Limited to secure some of the existing borrowings and may continue to provide similar guarantees in the future. Such personal guarantees have not been invoked or revoked and are currently valid. In addition, our Promoters may be required to liquidate their respective shareholding in our Company to settle the claims of the lenders, thereby diluting their shareholding in our Company, to the extent applicable. Lenders for such facilities may require alternative guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities. We may not be successful in procuring alternative guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

The personal guarantee given by the Promoters on behalf of NATL and NASPL aggregates to an amount of ₹ 5,093.20 lakhs. For further details on personal guarantee given by Promoters of our Company, see "*History and Certain Corporate Matters – Guarantees Given by Promoters*" on page 225

25. Any violation under the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011 by us may lead to fines and penalties, or seizure and forfeiture of our products which could adversely affect our business.

All of our packaged products are required to comply with the standards of weight, measurement and numbers prescribed under the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011. For details, see "*Key Regulations and Policies*" on page 211. If we fail to comply with such standards, or fail to obtain a license from the respective controller as mandated under the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011, or fail to obtain the verification of weights and measures by the government approved test centres under the Legal Metrology Act, 2009 and the Legal Metrology (Packaged Commodities) Rules, 2011, fines and penalties may be imposed on us and there could be seizure and forfeiture of our products, which could adversely affect our operations. As on date of this RHP, there are no such instances of failure to comply with Legal Metrology Act, 2009 and the Legal Meteorology (Packaged Commodities) Rules, 2011, by the Company.

26. There may have been certain instances of non-compliances and delay in filings with respect to certain regulatory filings for corporate actions taken by our Company in the past. Consequently, we may be subject to regulatory actions and penalties for any such past or future non-compliance or delays and our business, financial condition and reputation may be adversely affected.

There may have been certain procedural instance of lapses such as delays, non-filing with the Registrar of Companies, Telangana at Hyderabad, in relation to certain corporate actions taken by our Company in the past. This may subject us to regulatory actions and/ or penalties which may adversely affect our business, financial condition and reputation. There can be no assurance that any future non-compliances will not result in the application of any penalties or arise again, or that we will be able to rectify or mitigate any such non- compliances, in a timely manner or at all.

There have been instances of delayed filings of certain statutory forms with the Registrar of Companies, Telangana at Hyderabad by the Company. The Company remedied the same by paying the appropriate late filings fees to the Register of Companies, calculated as on the date of filing fees to the Registrar of Companies, calculated as on the date of filing the respective forms. The details of the delayed filings is as provided in the tabular representation below:

Financial Year	Form	Due Date of Filing	Date of Filing	Delay (No. of days)
2022-23	AOC-4	30-10-2023	12-12-2023	42
	MGT-7	30-11-2023	02-12-2023	02
2021-22	AOC-4	30-10-2022	03-03-2023	125
	MGT-7	30-11-2022	31-12-2022	32
2019-20	AOC-4	30-01-2021	19-04-2021	80
2018-19	AOC-4	30-10-2019	11-01-2020	74
	MGT-7	30-11-2019	10-01-2020	42

In respect of the aforementioned, there were only delays in filing the eforms. The Company remedied the same by paying the appropriate late filings fees to the Registrar of Companies, calculated as on the date of filing the respective forms. This may subject us to regulatory actions and/or penalties which may adversely affect our business, financial condition and reputation. There can be no assurance that any future non-compliances will not result in the application of any penalties or arise again, or that we will be able to rectify or mitigate any such non-compliances, in a timely manner or at all.

27. *There are certain licenses of our Company's Subsidiary NASPL that have expired on December 31, 2023 and NASPL is in the process of applying for its renewal. Any delay in obtaining the licenses may have an adverse effect on the profitability and the results of operation of our Subsidiary.*

There are certain licenses such as (a) Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Madhya Pradesh under the Insecticides Act, 1968 and the Insecticides Rules, 1971, and (b) Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Jammu and Kashmir under the Insecticides Act, 1968 and the Insecticides Rules, 1971 that have expired on December 31, 2023 and our Subsidiary is in the process of applying for its renewal. Till such time NASPL obtains the licenses regarding the same, it will not be able to generate business out of sale of such products in the respective jurisdiction. Any considerable delay in obtaining the licenses may have an adverse effect on the profitability and the results of operation of our Subsidiary.

28. There have been certain instances of delay in payment of EPF & filing of GST returns by our Company. We may be subject to regulatory actions and penalties for such delays which may have an adverse effect on our business & financial condition.

There have been certain instances of delay in payment of EPF & filing of GST returns by our Company. Though our Company endeavours to pay the contributions and file the required returns as provided under the relevant statute in accordance with the timelines prescribed under the law, payment of EPF & filing of returns in certain instances are delayed beyond the prescribed stipulated time due to administrative reasons. As on date of this Red Herring Prospectus, there are no outstanding EPF payments due on our Company.

Our Company has operations in various states & presently have 18 GST Registrations in NATL & 17 GST Registrations NASPL. Our establishments in the respective states comply with the provisions of GST Registrations in NATL and 17 GST Registrations NASPL. Our establishments in the respective states comply with the provisions of GST Regulations and we have been filing the returns accordingly. Due to certain administrative difficulties, there have been instances of delayed filing of returns in some states and our Company is taking effective steps to ensure timely compliance with statutory requirements. As on the date of this RHP, Our Company has filed all the GST returns in the states where GST Registrations are obtained. Our Company has taken all the steps to comply with the applicable regulations at the earliest.

Our Company has been putting all its effort on a regular basis in resolving such delays, by ensuring to make statutory payments within the stipulated timelines. However, we cannot assure that we may not be subject to regulatory actions and penalties for past delays in EPF contribution and filing GST returns. Further, we cannot assure that there will not be any delay in the future in payment of EPF contributions and filing of GST returns and we may be subject to regulatory actions and penalties for such delays in contribution and filing of returns. Any regulatory actions and/or penalties on our Company for such delays in contribution and/or filing of returns will have an adverse effect.

29. Our fertilizer business is governed under the Fertilizer Control Order, 1985 and we are required to follow the regulation and the norms laid down under such order. We ensure that we comply with the requirement of the order at all times, however, we cannot guarantee that we will be able to comply and be updated with the requirement of the order on a regular basis. Any non-compliance or deviation on our end to comply with the order may result in penalties being imposed on us that may have a negative impact on our operations.

Our fertilizer business is governed under the Fertilizer Control Order, 1985 and we are required to follow the regulation and the norms laid down under such order such as obtaining approval of manufacturing fertilizers, adhering to price control, control on distribution of fertilizers, restriction on manufacture of fertilizer, packaging norms of the fertilizer, etc. We ensure that we comply with the requirement of the order as stated above, however, we cannot guarantee that we will be able to comply and adhere to the requirement of the order on a regular basis. Any non-compliances or deviations at our end to comply with the requirements of the order, may result in penalties being imposed on us that may have a negative impact on our operations. For further details refer to "Industry Overview-Government Regulations for Fertilizers Industry" on Page 140.

30. The name of few of our Group Companies namely Nova Diary Tech Private Limited, Nova Health Sciences Private Limited and Agri Genome Resources India Private Limited were struck off in the past by the Registrar of Companies for non-filing of the financial statements/annual returns for certain years. Subsequently, the names of the aforesaid group companies have been revived and these companies are currently active. However, we cannot assure that no action will be taken by the authority against the aforesaid group companies for such past defaults.

The name of our Group Companies namely Nova Dairy Tech India Limited, Nova Health Sciences Private Limited and Agri Genome Resources India Private Limited were struck off in the past by the Registrar of Companies for non-filing of the financial statements/annual returns for continuous period of 3 financial years. The details of the same are as follows:

(a) The name of Nova Dairy Tech India Private Limited was struck-off by the Registrar of Companies under Section 248(1) of the Companies Act, 2013 in the year 2017 for non-filing of financial statements/annual returns for FY 2013-2014 to FY 2015-16. However, vide an application filed by the Company under Section 252(3) of the Companies Act, 2013 read with Rule 87A of the National Company Law Tribunal (Amendment) Rules, 2017, the name of the Company was restored in the Registrar of Companies. Currently, the Company is in active status.

(b) The name of Nova Health Sciences Private Limited was struck-off by the Registrar of Companies under Section 248 (1) of the Companies Act, 2013 in the year 2017 for non-filing of financial statements/annual returns for FY-2010-2011 to FY 2016-2017. However, vide an application filed by the Company under Section 252(3) of the Companies Act, 2013 read with Rule 87A of the National Company Law Tribunal (Amendment) Rules, 2017, the name of the Company was restored in the Registrar of Companies. Currently the Company is in active status.

(c) The name of Agri Genome Resources India Private Limited was struck-off by the Registrar of Companies under Section 248 (1) of the Companies Act,2013 in the year 2017 for non-filing of financial statements/annual returns since its incorporation. However, vide an application filed by the Company under Section 252(3) of the Companies Act, 2013 read with Rule 87A of the National Company Law Tribunal (Amendment) Rules, 2017, the name of the Company was restored in the Registrar of Companies. Currently, the Company is in active status.

As on date of this RHP, the status of the aforesaid companies is 'Active' as per the records of the Ministry of Corporate Affairs and there are no pending regulatory actions against these companies, however, we cannot assure that no action will be taken by the authority against the aforesaid group companies for such past defaults.

31. ***Our success is also dependent on our ability to attract, hire, train and retain experienced and skilled key personnel. Our inability to hire and retain our key employee force may have an adverse effect on our business*.**

Our success is also dependent on our ability to attract, hire, train and retain experienced and skilled key personnel, including sales personnel who speak local languages in the various regions in which we operate along with adequate and proper knowledge of the product. This is critical as our main set of consumers are from the rural area and they need to be guided and educated in the right manner. In our industry, the level and quality of sales personnel and customer service are key competitive factors and any inability to recruit, train and retain suitably qualified and skilled sales personnel who maintain consistency in our standards of customer service and overall operations could adversely impact our reputation, business prospects and results of operations. As on November 30, 2023, a total of 283 permanent employees are working with our Company and NASPL. For more details see, *"Our Business-Employees"* on page 207.

For the Financial Years 2023, 2022and 2021 our Company and NASPL had an attrition of 93, 84 and 104 employees respectively, forming 39%, 26% and 26% of the total employees respectively. There can be no assurance that attrition rates for our employees, including our management and sales personnel, will not increase in the future. A significant increase in the employee attrition rate could also result in decreased operational efficiencies and productivity, loss of market knowledge and customer relationships, and an increase in recruitment and training costs, thereby materially and adversely affecting the consolidated business, results of operations and financial condition.

Our inability to attract, hire and retain our key employee force may lead to higher rate of attrition and will have an adverse effect on the growth of our business.

32. Our Company currently has only one manufacturing unit located in Telangana for the purpose of production.

Our Company currently has only one manufacturing plant situated at Sy.No.251/A/1, Singannaguda Village, Mulugu Mandal, Siddipet Medak Telangana – 502279. All products sold by our Company are manufactured at our manufacturing unit located in Telangana and our Company is completely dependent on this manufacturing unit for all production. We cater to more than 11,722 dealers spread across 16 states in India for the products manufactured at our manufacturing unit located in Telangana. Our manufacturing plant may not be well equipped to cater to any rise in demand of our product from various places across the entire country and may lead to loss of business and effect our result of operation.

Further, any change in regulation in the state of Telangana, or any lockdown, strike, lock out of our manufacturing facility in Telangana will have a negative effect on our production and will have an adverse effect on our business as we do not have any other manufacturing unit located outside the one in Telangana mentioned herein above.

33. Under-utilization of our existing manufacturing capacity and an inability to effectively utilize our proposed formulation plant as a part of the Objects of the Offer could have an adverse effect on our business, future prospects and future financial performance.

Our Company's installed capacity of its manufacturing facility is 5928 units and its capacity utilization for the period ended November 30, 2023 and the financial years March 31, 2023, March 31, 2022 and March 31, 2021 are 37.55%, 53.42%, 45.30% and 50.63% respectively. Whereas, the installed capacity for its subsidiary NASPL is 3237.60 units and the capacity utilization for the period ended November 30, 2023 and the financial years March 31, 2023, March 31, 2022 and March 31, 2021 are 25.76%, 36.98%, 35.77% and 24.64% respectively.

Earlier the Company was concentrating in the manufacture and marketing of bulk products which were high-volume products. However, these products, though high volume, were fetching low margin. Once the Company's brand was established and accepted in the market, the management shifted the focus of the Company to manufacture and market high-margin products. This led to an increase in turnover and profit. Due to the change in the product mix, the working capital requirements of the Company increased as the products manufactured required higher working capital. The constraints in the availability of working capital led to a decrease in the capacity utilization. With the proposed infusion of working capital, the Company expects to increase the volume of high margin products thereby enhancing the capacity utilisation.

Our current existing manufacturing facility is not been utilised at its optimum level. As a part of the Objects of the Offer, our Company is proposing investment in its subsidiary, Nova Agri Sciences Private Limited for setting-up of a new formulation plant and funding Capital Expenditure by our Company towards expansion of our existing formulation plant. Our expected return on capital invested is subject to, among other factors, our ability to absorb additional infrastructure costs and utilize the expanded capacities of the proposed formulation plant as anticipated. In case of oversupply in the industry or lack of demand we may not be able to utilise our expanded capacity of the proposed formulation plant efficiently. Under-utilization of our existing manufacturing capacity over extended periods, or significant under-utilization in the short term, or an inability to fully realize the benefits of our proposed formulation plant, could materially and adversely impact our business, growth prospects and future financial performance. For more details see on our existing manufacturing capacity see "*Our Business*" on page 175 and for the proposed formulation plant see "*Objects of the Offer*" on page 94.

34. Our Company has availed unsecured loan from certain Promoters, Directors and other entities, which is repayable on demand.

As per the restated financial statements, our Company including our subsidiary NASPL has availed unsecured loans from our Promoters (in their capacities as Directors) Malathi S and Kiran Kumar Atukuri and Directors Sreekanth Yenigalla and Nadella Basanth Kumar to meet the working capital requirements of the Company and our subsidiary NASPL. Besides this our Company has also availed unsecured loans from certain entities in the course of business.

As at September 30, 2023, our Company including its subsidiary Nova Agri Sciences Private Limited ("**NASPL**") had availed Long-Term Borrowings amounting to ₹ 1220.38 lakhs and Short-Term Borrowings amounting to ₹ 5630.05 lakhs; total borrowing aggregating to ₹ 6850.43 lakhs. Out of the total borrowings, 10.87 % constitutes of unsecured loans amounting to ₹ 744.93 lakhs.

As per the Unsecured Loan Agreements dated October 01, 2022 entered into by the Company and Promoters Malathi S and Kiran Kumar Atukuri and Directors Sreekanth Yenigalla and Nadella Basanth Kumar, the loan shall be repayable within 36 months from the date of the Unsecured Loan Agreements, unless otherwise agreed between the Parties. However, sudden recall of such unsecured loans may disrupt our operations and also may force us to opt for funding at higher interest rates, resulting in higher financial burden. Further, we will not be able to raise funds at short notice and thus result in shortage of working capital fund.

The details of the unsecured loans of NATL for the last 3 financial years and for the six months period ended September 30, 2023 is as below:

(Amount ₹ in Lakhs)

Particulars	**As at the period ended September 30, 2023**	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Term loan from Shri ram city union finance limited	308.77	535.97	654.20	885.74
Vehicle Loans	0.50	0.65	6.01	22.56
Loan from directors and related parties	140.19	208.09	407.80	408.95
Loan from India Infoline Finance Limited	-	-	1.52	1.44
Inter Corporate Deposit	-	-	-	225.00
Total	**449.46**	**744.71**	**1,069.53**	**1,543.69**

The details of the unsecured loans availed by the Company's Subsidiary, Nova Agri Sciences Private Limited ("**NASPL**") for the last 3 financial years and for the six months period ended September 30, 2023 is as below:

(Amount ₹ in Lakhs)

Particulars	**As at the period ended September 30,2023**	**Year ended March 31, 2023**	**Year ended March 31,2022**	**Year ended March 31,2021**
From directors and related parties	277.28	248.93	536.82	218.71
Vehicle Loans	13.18	15.28	21.69	-
Total	**290.46**	***264.21***	**558.51**	**218.71**

The details of the unsecured loans availed by the Company's Subsidiary, Nova Agri Seeds India Private Limited ("**Nova Seeds**") for the last 3 financial years and for the six months period ended September 30, 2023 is as below:

(Amount ₹ in Lakhs)

Particulars	**As at the period ended September 30,2023**	**Year ended March 31, 2023**	**Year ended March 31,2022**	**Year ended March 31,2021**
From directors and related parties	5.00	5.00	5.00	5.00
Total	**5.00**	**5.00**	**5.00**	**5.00**

For further details, please refer to the section "*Financial Indebtedness*" beginning on page no. 359 of this Red Herring Prospectus. Though there has been no demand for repayment of the unsecured loans, any demand for the repayment of such unsecured loan, may adversely affect our cash flow and financial condition.

35. We have in the past entered into related party transactions and may continue to do so in the future.

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties, which include loans, lease advances and guarantees given by our Company. For details, see "*Related Party Transactions*" beginning on page 322. We cannot assure you that we will receive similar terms in our related party transactions in the future. While all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Any further transactions with our related parties could involve conflicts of interest. Further, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on business and financial results, including because of potential conflicts of interest or otherwise.

The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. All the related party transactions of our Company as on the date of this RHP has been in compliance with the provisions of the Companies Act, 2013 and other applicable laws. Further, all the related party transactions of our Company going forward shall be conducted in compliance with the applicable accounting standards, provisions of Companies Act, 2013, as amended, provisions under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and other applicable laws as applicable. However, we cannot assure you that in the future, related party transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and cash flows, including as a result of potential conflicts of interest or otherwise A summary of the related party transactions as per Ind AS 24-Related Party Disclosures derived from the Restated Consolidated Financial Information, is as follows:

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**
Key Managerial Persons	a. Malathi S b. Sreekanth Yenigalla c. Kiran Kumar Atukuri d. Basanth Kumar Nadella e. Neha Soni (Company Secretary) f. Bhargavi Kandula (CFO) (resigned w.e.f December 16, 2022) g. Gunupudi Kamoji Srinivas (CFO) (appointed w.e.f January 3, 2023)

Enterprises having significant influence over the company	a. Suraksha Agri Retails (India) Private Limited b. Nova Ferticare Private limited c. Nova Dairy Tech India Private Limited d. Nova Health Sciences Private Limited e. Agri Genome Resources India Private Limited f. AIC- Nova Foundation for Agricultural Innovation and Research

(Amount in ₹ lakhs)

Particulars	For the six months period ended September 30, 2023		For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Amount	Percentage of revenue	Amount	Percentage of revenue	Amount	Percentage of revenue	Amount	Percentage of revenue
Managerial Remuneration to KMP								
Malathi S	135.91	1.32%	271.82	1.29%	271.82	1.46%	271.81	1.69%
Sreekanth Yenigalla	26.58	0.26%	53.16	0.25%	49.50	0.27%	38.87	0.24%
Kiran Kumar Atukuri	26.78	0.26%	53.56	0.25%	49.80	0.27%	35.09	0.22%
Basanth Kumar Nadella	16.56	0.16%	33.11	0.16%	30.83	0.17%	22.57	0.14%
Neha Soni	6.00	0.06%	6.00	0.03%	6.00	0.03%	2.50	0.02%
Bhargavi Kandula	-	-	11.52	0.06%	13.78	0.07%	13.00	0.08%
Gunupudi Kamoji Srinivas	12.00	0.12%	5.48	0.03%	-	-	-	-
Total	**223.83**	**2.17%**	**434.65**	**2.07%**	**421.73**	**2.27%**	**383.84**	**2.39%**
Malathi S	228.75	2.22%	295.59	1.40%	592.39	3.19%	142.94	0.89%
Sreekanth Yenigalla	2.22	0.02%	2.21	0.01%	14.34	0.08%	15.34	0.10%
Kiran Kumar Atukuri	182.85	1.77%	154.85	0.74%	284.01	1.53%	420.13	2.61%
Basanth Kumar Nadella	8.66	0.08%	9.37	0.04%	54.87	0.30%	49.26	0.31%
Total	**422.48**	**4.09%**	**462.02**	**2.19%**	**944.61**	**5.09%**	**627.67**	**3.91%**
Sales to Suraksha Agri Retails (India) Private Limited	-	-	-	-	104.79	0.56%		
Nova Agri Sciences Private Limited								
Sales to subsidiary	763.19	7.39%	268.80	1.28%	2451.74	13.21%	1103.5	6.87%
Purchases from subsidiary	979.72	9.49%	1219.77	5.79%	1155.39	6.23%	481.73	3.00%
Receivable from subsidiary	-	-	-	-	--		163.63	1.02%
Payables to subsidiary	893.91	8.66%	684.82	3.25%	1910.36	10.29%	--	-
Investment in subsidiary	180.00	1.74%	180.00	0.85%	180.00	0.97%	180.00	1.12%
Income from leases from subsidiary	4.80	0.05%	4.00	0.02%	-	-	-	-
Nova Agri Seeds India Private Limited								
Investment in subsidiary	5.00	0.05%	5.00	0.02%	5.00	0.03	5.00	0.03%

For more information regarding our related party transactions, see "*Related Party Transactions*" beginning on page 322.

36. Corporate guarantees were given by our Company for the loans availed by our Subsidiary, Nova Agri Sciences Private Limited ("NASPL"). In the event NASPL defaults on any of the loans availed, our Company will be liable for the repayment obligations.

Our Company has extended certain corporate guarantees for securing the credit facilities availed by NASPL vide Guarantee Agreements dated February 22, 2015 and September 30, 2015 for a term loan amounting to ₹ 650.00 lakhs. The liability of our Company under such guarantees is joint, several and co-extensive with that of this entity. Though there have been no events of any default of the terms and conditions of the respective facility in the last 3 financial years and the period ending September 30, 2023, however, in the event of any default of the terms and conditions of the respective facility, our Company shall be liable for the repayment obligations in accordance with the terms and conditions of the respective facility and the same may have an adverse effect on the financial condition of the Company. For details see *"Financial Indebtedness- Principal terms of the subsisting borrowings of our Company"* on page 361.

37. We intend to import and distribute Technicals, which will be important for the growth of our business. Considering the same NASPL has entered into Registration and Distribution Agreements for import and distribution of Technicals with a Taiwanese and a Chinese entity. We have invested considerable effort regarding the same and failure on our part to import and distribute the same may have a negative impact on the growth of our business.

We intend to import and distribute Technicals, which will be a prominent factor in the growth of the agriculture sector in India in the near future. Considering the same NASPL has entered into Registration and Distribution Agreements for import and distribution of Technicals with a Taiwanese and a Chinese entity as a part of our business strategy.

On December 13, 2021, NASPL has entered into a Registration and Distribution Agreement with a Chinese entity to act as the distributor for sales and formulation of Emamectin Benzoate Technical 95% in India for a period of 5 years. This product is a new form of an insecticide with a new mechanism and has an effective action against Lepidoptera and as well as on some selected organisms.

On April 15, 2022, NASPL has entered into a Registration and Distribution Agreement with a Taiwanese entity to act as the distributor for sales and formulation of Butachlor 85% Tech in India for a period of 5 years. Butachlor is an herbicide of the acetanilide class and is used as a pre-emergent herbicide. This is typically used to control the growth of grass and broadleaf weeds in agricultural lands fields pertaining to rice and barley. On February 13, 2023, NASPL has been granted the registration certificate bearing the registration number CIR-256885/2023-Butachlor (Technical) (443)-2 under section 9(4) of the Insecticides Act, 1968 for the import of the Butachlor Technical 85% for indigenous manufacture by the Central Insecticides Board and Registration Committee, Ministry of Agriculture and Farmers Welfare.

A Taiwanese entity in its Consent Letter dated March 28, 2022, addressed to the Central Insecticides Board and Registration Committee, Directorate of Plant Protection, Quarantine and Storage, Faridabad, Haryana have stated that they are the manufacturer of Paraquat Dichloride Technical 42% and have given consent to NASPL to import the same from them and through another German entity based out of Hamburg. This application has been approved and a Certificate of Registration dated July 7, 2023 was issued to NASPL by the Central Insecticides Board and Registration Committee.

The import of the technicals pursuant to the aforesaid arrangement is critical for the profitability and the growth of our business. We have invested considerable and effort regarding the same and our failure to honour the arrangement or our failure in continuing the arrangement or to import the technicals pursuant to the aforesaid arrangement may have a negative impact on the growth of our business.

38. Our insurance may be insufficient to cover all losses associated with our business operations.

Our business entails handling of huge inventory, huge line of production and high value machineries. It is imperative in our business that adequate insurance coverage is taken. Our insurance policies currently cover building, premises, stocks, contents and employees.

(Amount in ₹ lakhs)

	Net Asset covered under insurance - % on Total Assets			
Company Name	**NATL**			
Particulars	**Six months period ended September 30, 2023**	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Net Assets value covered under insurance	3,929.63	4.233.92	4,351.14	3,472.66
Total Assets	12,391.49	12,082.11	12,860.75	10,647.91
% on Total Assets	31.71%	35.04%	33.83%	32.61%
Company Name	**NASPL**			
Particulars	**Six months period ended September 30, 2023**	**Year ended March 31, 2023**	**Year ended March 31, 2022**	**Year ended March 31, 2021**
Net Assets value covered under insurance	2,663.46	1,556.58	1,062.69	1,670.34

Total Assets	8,318.15	6,842.76	5,182.43	4,323.86
% on Total Assets	32.02%	22.75%	20.51%	38.62 %

For the six months period ended September 30, 2023 and for the last three financial years 2022-23, 2021-22 and 2020-21, there have been no claims for insurance by the Company or its subsidiaries.

Notwithstanding the complete insurance coverage that we carry, there may be a possibility that we may not be fully insured against certain business risks and to the extent required. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. For details of our insurances, see "*Our Business*" on page 206.

39. The coronavirus pandemic ("COVID-19") has had an adverse effect on our business and operations, and the extent to which it may continue to do so in the future cannot be predicted.

In the first half of calendar year 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, significant repercussions across local, national and global economies and financial markets. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities responded by taking measures, including in India where our operations are primarily based. These measures included inter alia, prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among others. Due to such government mandated lockdown in India, we had to temporarily close our operations from March 24, 2020 to May 11, 2020. Like any other business across the country, our operations and revenues were impacted during the lockdown.

In accordance to the government notification passed at regular intervals, we had to ensure that we maintain all our employees on our payrolls without terminating anyone and with very minimal business and revenue being generated. This had an adverse effect on our operations.

The lockdown coincided with the close of financial year FY 2020 and since this was also offseason for business, the Company's manufacturing, sales and distribution did not face a major impact. Additionally, since agriculture was covered under the Essential Commodities Act, necessary special approval were issued to continue operations. Once operations resumed on May 11, 2020, the Company resumed to its normal manufacture and distribution cycle. Our international business (in Nepal) is still in a nascent stage and there was no major impact due to Covid-19 on this business.

Our support system at all levels allowed us to commence our operations in a timely manner, despite the temporary pause in our business due to the nation-wide lockdown. Our widespread supply chain network built by us over the years and the capabilities and depth of our management team enabled us to restart our operations quickly after the lockdowns eased and ensured that there are no instances of any non fulfilment of any obligations by any party for any existing agreement that may have a significant impact on the company's business or any termination or modification of any agreement that had an impact on the revenue of the Company during the time of the COVID 19 pandemic.

The Company availed moratorium for an amount of ₹ 105.47 lakhs which was 11.57% of the total borrowings in FY 2020-2021 during COVID 19 pandemic. During the times of COVID 19 pandemic, we tried our best to ensure that we maintain the safety of our employees and also provide them with the best of the assistance during the tough time by providing quarantine house facility for the effected, conducting vaccination drive for our employees, medical check-ups and by also distributing food and medicines during the time of lockdown.

While COVID-19 pandemic has affected our business and operations, there is significant uncertainty regarding the duration and impact of the COVID-19 pandemic, as well as possible future responses, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on us and our consumers and our suppliers at this time. The outbreak of new COVID-19 variants (e.g., the detection of the "Omicron" variant) may cause a prolonged global crisis. Any intensification of the COVID-19 pandemic, outbreak of new COVID-19 variants or otherwise or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition. Furthermore, as COVID-19 adversely affects our business and results of operations, it may also have the effect of exacerbating many of the other risks described in this "Risk Factors" section. Furthermore, see "Management's Discussions and Analysis of Financial Condition and Results of Operations – Factors Affecting our Results of Operations" on page 327 of this Red Herring Prospectus.

Production and sales in units (Kgs/ Ltrs) during the COVID-19 period:

The total production by the Company was 41,02,236 units and 26,89,537 units in FY 2019-20 and FY 2020-21, respectively. Additionally, the total volume of sales in units by the Company stood at 41,10,74,705 units and 2,37,42,050 units in FY 2019-20 and FY 2020-21, respectively.

The total production by NASPL was 3,97,967 units and 5,84,290 units in FY 2019-20 and FY 2020-21, respectively.

Additionally, the total volume of sales in units by NASPL stood at 10,00,532 and 9,19,334 units in FY 2019-20 and FY 2020-21, respectively

40. ***Any unscheduled, unplanned shutdowns in our manufacturing operations could have an adverse effect on our business, results of operations and financial condition*.**

The company has never faced any unscheduled, unplanned shutdowns in its manufacturing operations in the past except for Covid-19 lockdown. However, any unscheduled, unplanned or prolonged disruption of our manufacturing operations, including, power failure, fire and unexpected mechanical failure of equipment, obsolescence, labour disputes, strikes, lockouts, earthquakes and other natural disasters, industrial accidents or any significant social, political or economic disturbances, or infectious disease outbreaks such as the COVID-19 pandemic, could reduce our ability to manufacture our products and adversely affect sales and revenues from operations in such period and also subsequently. The occurrence of any such incidents could also result in destruction of certain assets, and adversely affect our results of operations. Any such disruption may interrupt our operations, which may interfere with manufacturing process, requiring us to either stop our operations or repeat activities that may involve additional time and increase our costs. Although we take precautions to minimize the risk of any significant operational problems at our manufacturing facility, our customer, dealer and/or distributor relationships, business, financial condition and results of operations may be adversely affected by any disruption of operations at our manufacturing facility, including due to any of the factors mentioned above. In the event of prolonged interruptions in the operations of our manufacturing facility, we may have to import various supplies and products or purchase them locally in order to meet our customer requirements, which could affect our profitability.

41. The per hectare consumption of pesticides is very low in India and such reduction in consumption may have an adverse effect on the profitablility of our business.

Of the total pesticides produced in India, the average per hectare chemical pesticides consumption accounted to 0.26 kg/hectare during the period 2018-19 to 2022-2023. In FY 23, the per hectare pesticide consumption in India, was 0.23 kg/hectare. India's share is the smallest compared to all other nations. India's per hectare consumption is even lower than the world average of 2.6 kg per hectare and that of Asia which stood at 3.7 kg per hectare (Source: CARE Report).

The per hectare consumption of pesticides in India is minimal 0.2 kg compared to the per hectare consumption of 13 kg and 12 kg in China and Japan, respectively. The low consumption at home has made India the net exporter of pesticides and India has emerged as the 13th largest exporter of pesticides globally (Source: CARE Report).

Such low consumption of pesticides and any future reduction in consumption of pesticides may affect the sales of our products and will have an adverse effect on the profitability of our business.

42. ***The agri input industry being a niche industry faces a lot of challenges. Unable to meet and overcome the challenges may have an adverse effect on the business and financial condition of our Company.***

The agri input industry being a niche industry faces a lot of challenges such as (a) R&D costs - The companies are required to invest in R&D to develop new molecules, which usually involves high costs. Also, developing a new molecule takes around 9 years on an average. While R&D is important to introduce innovation, the investment and time it demands restricts the development of R&D, (b) Distribution Systems - The weak distribution system hinders the reach of agrochemicals to each and every remote area of the country. This, in turn, restricts its availability to the users that are spread at the remotest location of India. The industry requires efficient distribution through retailers to enhance its availability, (c) Spurious products - The unavailability of pesticides at different locations gives an opportunity for spurious products to make their way. The usage of these counterfeit products, in turn, may also affect the crops, thus harming the honour of the agrochemicals industry and its sales. Besides, the unawareness among farmers contributes towards the growth of such products, (d) Lack of awareness – There is a lack of awareness among farmers with respect to the optimum and proper application of pesticides which is affecting the growth of the agrochemicals industry. The companies however have been working toward increasing awareness about the usage of pesticides by farmers. Also, companies have been educating the farmers about the benefits of agrochemicals and their safe usage. This is further expected to increase the demand for pesticides. Also, companies are educating farmers on aspects such as the right quantity, right use, and right application method for the usage of pesticides. Besides, farmers are trained with respect to appropriate chemicals that are to be used for identified pest problems, (e) Genetically modified seeds – Genetically modified seeds have the potential to decrease the application of pesticides. These seeds introduce pest avoidance qualities in high yielding crops. Genetically modified seeds thus have immunity developed in them which tends to prevent them from the vagaries of nature. Accordingly, this quality of genetically modified seeds has the potential to affect the demand for agrochemicals, and (f) Organic farming - With growing health-consciousness among people, there has been an increase in demand for organic food and thus organic farming. Thus, there is a need for the industry to consider and work towards these concerns to prevent their impact on industry growth *(Source: CARE Report).*

Though, our Company ensures that we meet all challenges in the best possible manner and is ready for all contingencies, however, we cannot assure that we will be able to overcome and address all challenges as in they arise. Our inability to meet and overcome the challenges may have an adverse effect on the business and financial condition of our Company.

43. The bio fertilizer market outlook has been growing at a certain pace. We cannot assure that the growth outlook of our Company will be in similar pace as that of the industry. Any slowdown in our growth outlook may have an adverse effect on the profitability and results of operations of our Company.

The total production in 2021-22 of carrier-based solid biofertilizers in India was about 169 thousand tonnes. This marked a growth of about 40% from 2018-19. It increased at a CAGR of 8.7% during 2017-18 to 2021-22. In the case of liquid fertilizers, India produced about 2,32,934 kiloliters of liquid biofertilizers in 2021-22. This marked a growth of about 2479% from 9,033 kiloliters in 2017-18. This segment grew by a higher 125% CAGR during 2017-18 to 2021-22. The following reasons are attributed to the growth in the production of carrier-based fertilizers as well as liquid fertilizers:

(a) **Development of New Eco-Friendly Technologies for Production:** This is considered as an important approach as different microbial strains facilitate combined biofertilization effect and help plants to promote better uptake of nutrients. Such technologies will overcome the shortcomings of conventional chemical-based farming and have a positive influence on both soil sustainability and plant growth.

(b) **Rising Government Support to Promote Biofertilizers:** Under the Capital Investment Subsidy Scheme (CISS) of Soil Health Management Scheme (SHM) of National Mission of Sustainable Agriculture (NMSA), Government is aiding for setting up of state of art liquid/ carrier-based bio-fertilizer/ bio-pesticide units of 200 Ton Per Annum (TPA) capacity. 100% assistance is provided to State Government / Government agencies up to a maximum limit of Rs.160.00 lakh/unit. Similarly, for individuals/ private agencies assistance up to 25% of cost limited to Rs.40 lakh/unit as capital investment is provided through NABARD.

(c) **Increasing Emphasis on Organic Culture:** To reduce the increasing pollution of soil, organic farming is being adopted. The rising demand for organic food is further motivating farmers to adopt biofertilizers. Also, the general population is increasingly concerned about the quality of food they consume and are willing to pay for the same. Thus, farmers too consider investing in bio-fertilizers.

(d) **Increased Demand for Cereals and Grains:** The demand for cereals and grains has increased and rhizobium is widely used as a biofertilizer and crop enhancer for cereal. It has been found that rhizobia can make an association with gramineous plants without forming nodule-like structures or any disease symptoms.

The market for biofertilizers is expected to continue to grow in the coming years. Accordingly, biofertilizers are considered one of the best strategies and a possible solution to meet the parallel challenges of global food security and environmental stability. Similarly, factors like increased plant nutrient absorption, improved soil fertility, and lower human health risks associated with the product are some of the factors that will help in augmenting the biofertilizer industry market growth (*Source: CARE Report*).

The growth outlook of our Company is based on the R&D programme and studies done on the market and the industry growth as a whole. We cannot assure that the growth outlook of our Company will be in similar pace as that of the industry. Any slowdown in our growth outlook may have an adverse effect on the profitability and results of operations of our Company.

44. ***Bio Pesticides though are used as a product to kill the pests responsible for destroying the crops, it also has its own set of disadvantages.***

Bio Pesticides though are used as a product to kill the pests responsible for destroying the crops, it also has its own set of disadvantages. Some of the disadvantages of bio-pesticides are as follows:

- Compared to conventional pesticides, biopesticides have a slower rate of control and often a lower efficacy and shorter persistence.
- Bio-pesticides also have a greater susceptibility to adverse environmental conditions.
- Biopesticides are not as robust as conventional pesticides, and they also require a greater level of knowledge to use them effectively.
- Biopesticides kill pests and diseases more slowly than conventional chemical pesticides.
- Biopesticides don't work well in extreme environments or under high disease pressure.
- Biopesticides may not be available for all pests or crops.
- Biopesticides may have a shorter shelf life than synthetic pesticides.
- Biopesticides can be difficult to store.
- Biopesticides can be difficult to culture in large quantities.

Though, we try our best to ensure that the disadvantages of the bio-pesticides are mitigated to the extent possible, however, we cannot always assure that the disadvantages will not have any effect on our business and sales. Any such disadvantages of the bio pesticide product affecting the industry and the sale of such products may have an adverse effect on our profitability and result of operations.

45. Our operations are subject to environmental and workers' health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.

Our operations are subject to extensive environmental and hazardous waste management laws and regulations in India, including the Environmental Protection Act, 1986, as amended (the "Environment Act"), the Air Act, the Water Act, the Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016, as amended, and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India ("MoEF") and various statutory and regulatory authorities and agencies in India. For details of the key regulations applicable to our business in India, see "*Key Regulations and Policies*" on page 211.

Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facility which may adversely affect our business, profitability and result of operations.

46. The Objects of the Offer have not been appraised by any bank or financial institution. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which may be beyond our control. Any variation in the utilization of the Net Proceeds or in the terms of the conditions as disclosed in this Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval.

We propose to utilise the Net Proceeds for investment in our subsidiary, Nova Agri Sciences Private Limited for setting-up formulation plant, funding Capital Expenditure by our Company towards setting up formulation plant, funding of working capital requirements of our Company, investment in our subsidiary, Nova Agri Sciences Private Limited, for funding long-term working capital requirements and general corporate purposes. For details, see "*Objects of the Offer*" on page 94. The deployment of the Net Proceeds would be based on management estimates, prevailing circumstances of our business & market conditions. The Objects of the Offer have not been appraised by any bank or financial institution. Accordingly, at this stage, we cannot determine with any certainty if we will require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 13 (8) and Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the RHP without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds and any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Accordingly, we may not be able to undertake variation of objects of the offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this RHP, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial conditions by re-deploying the unutilized portion Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operation.

Our Company may have to revise its management estimates from time to time on account of various factors, including factors beyond its control such as market conditions, competition, cost of commodities and interest, and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section, may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business. The planned use of the Net Proceeds is based on current conditions and is subject to changes in external circumstances, costs, other financial conditions or business strategies. Any variation in the planned use of the Net Proceeds would require Shareholders' approval and our Promoters will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the objects and may involve considerable time or cost overrun and any such eventuality may adversely affect our operations or business.

47. Inventories and trade receivables form a substantial part of our current assets and net worth. Failure to manage our inventory and trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.

We are 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. Our Company's business is working capital intensive and hence inventories and trade receivables would form a major part of our current assets and net worth. The results of operations of our business are and will be dependent on our ability to effectively manage our inventory (raw material and finished goods) and trade receivables.

NATL's inventory and trade receivables for the six months period ended September 30, 2023 and the last three financial years and its percentage to the total assets are set out as below:

(Amount in ₹ lakhs)

Particulars	As at period ended September 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Inventories	2,695.94	2,937.86	2,861.06	2,042.89
Trade Receivables	7,260.12	6,505.65	7,265.46	6,188.96
Total Inventories and Trade Receivable	9,956.06	9,443.51	10,126.52	8,231.85
Total Assets	**12,391.49**	**12,082.11**	**12,860.75**	**10,647.91**
% of Inventory Vs. Total Assets	21.76%	24.32%	22.25%	19.19%
% of Trade Receivables Vs Total Assets	58.59%	53.85%	56.49%	58.12%
% of Inventories & Trade Rec. Vs Total Assets	80.35%	78.16%	78.74%	77.31%

NASPL's inventory and trade receivables for the six months period ended September 30, 2023 and the last three financial years and its percentage to the total assets of NASPL is set out as below*:*

(Amount in ₹ lakhs)

Particulars	*As at period ended September 30, 2023*	*Year ended March 31,2023*	*Year ended March 31, 2022*	*Year ended March 31, 2021*
Inventories	2,419.95	1,294.97	870.33	1,499.38
Trade Receivables	5,248.44	4,746.31	3,942.98	2,471.73
Total Inventories and Trade Receivable	7,668.40	6,041.27	4,813.31	3971.11
Total Assets	**8,318.15**	**6,842.76**	**5,182.43**	**4,323.86**
% of Inventory Vs. Total Assets	29.09%	18.92%	16.79%	34.68%
% of Trade Receivables Vs Total Assets	63.10%	69.36%	76.08%	57.16%
% of Inventories & Trade Rec. Vs Total Assets	92.19%	88.29%	92.88%	91.84%

Debtor days in NATL are 203 days, 229 days and 181 days in financial years 2022-2023, 2021-2022 and 2020-2021, respectively and in NASPL the same were 159 days, 136 days and 175 days in financial years 2022-2023, 2021-2022 and 2020-2021, respectively

We generally procure raw materials on the basis of management estimates based on past requirements and future estimates. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and purchase new inventory accordingly. However, if our management misjudges expected customer demand, it could cause either a shortage of products or an accumulation of excess inventory. Further, if we fail to sell the inventory we manufacture, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of dealers who are our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, if our management fails to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. A liquidity crunch may also result in increased working capital cycle.

48. If we are unable to protect the personal information data of the farmers that we collect, our reputation could be significantly harmed.

As a part of our Nova Kisan Seva Kendra programme, we interact with lot of farmers and collect data pertaining to their information, data of the soil, data of the produce and yield etc. We receive and process personal information of the farmers along with the information of their agricultural produce and land, which is sensitive and critical. The Data Protection Bill in India is yet to be notified, however we ensure that we maintain adequate level of security and protection for all such information regarding the various farmers.

The Company maintains a data security policy. There were no instances of data leakages pertaining to the Company in the last three years. The Company has adopted measures such as endpoint protection, firewalls, encryption of data and antivirus software to defend against cyber threats, such as malware and malicious activity on applications. These measures act as a first line of defense against data leaks.

The Company does not maintain any cyber-crime insurance policy and if our security and information systems are compromised as a result of data corruption or loss, cyberattack or a network security incident or our employees, or suppliers fail to comply with these laws and regulations, and this information is obtained by unauthorized persons or used inappropriately, it could subject us to litigation and government enforcement actions, damage our reputation, cause us to incur substantial costs, liabilities and penalties and/or result in a loss of customer confidence, any and all of which could adversely affect our business, financial condition and results of operations.

49. We may be subject to fraud, theft, employee negligence or similar incidents.

Our operations may be subject to incidents of theft or damage to inventory in transit, damage to machineries or equipment due to operational negligence. We maintain large amounts of inventory at our plant and registered office at all times. Although we have set up various state of the art security measures at every possible place, and there have been no instances of theft or damage to inventory in transit, damage to machineries or equipment due to operational negligence in the last three years, there can be no assurance that we will not experience fraud, theft, employee negligence, security lapse, loss in transit or similar incidents in the future, which could adversely affect the results of operations and financial condition.

Additionally, in case of losses due to theft, fire, breakage or damage that may be caused by other casualties, flood, earthquake or any other natural calamities, there can be no assurance that we will be able to recover from our insurers the full or adequate amount of any such loss that we may suffer in a timely manner. If we incur a significant inventory loss due to third-party or employee theft and if such loss exceeds the limits of, or is subject to an exclusion from, coverage under our insurance policies, it could have an adverse effect on our business, results of operations and financial condition.

50. If we fail to convert existing customers into repeat customers or to acquire new customers, our business, financial condition, and results of operations would be harmed.

Our business continuity and profitability is dependent on ensuring that our existing dealer base is converted to repeat dealers and simultaneously we continue to add new dealers. This is mainly dependent on our products, brand value, goodwill, quality of products, price point, promotions, marketing, word of mouth and various other factors. It is imperative for our business to ensure that we have repeat customers and also reach out to new customers and distributors. We cannot ensure that steps taken by us for our business and the brand will attract repeat customers or new customers. Our failure to achieve this will have an impact on our business, profitability and results of operations.

51. If any new products or brands that we launch are not as successful as we anticipate, our business, results of operations and financial condition may be adversely affected.

In our line of business, it is important to innovate and create new products based on extensive R&D and market study and launch them in the market as a fresh brand of products. We have in the past continuously launched new range and variants of product offerings focusing on our brand building. Before taking any innovation with respect to new range of products or launching a new brand, we do in-depth research on the subject to gauge and ensure its viability and profitability along with the demand of such product in the ever-evolving market that we operate in.

As on November 30, 2023, we have a total of 7 registered products in the soil health management category, 176 registered products in crop nutrition category, 4 products under bio pesticide category, 7 registered products under Technical Indigenous Manufacture and 526 registered products in crop protection category. Out of which 3 new products have been registered in the soil health management category, 53 new products registered in crop nutrition category, 3 products under bio pesticide category, 7 new products under Technical Indigenous Manufacture and 288 new products have been registered in crop protection category during the past three financial years and as on November 30, 2023. For further details please refer "*Our Business-Strength"* details on page 178 of this RHP.

For details on the various brands owned by us, see "*Government and Other Approvals*" on page 370 and 375. However, we cannot assure that our research and analysis will be correct. We cannot assure that such decision of launching a new brand or sub-brand or a variant of product will be successful. If such launch of new brand or sub-brand or product variant is not successful as anticipated by us, the same may adversely affect our business, profitability and result of operation.

52. We may be subject to significant risks and hazards when operating and maintaining our manufacturing facility, including the manufacture, usage and storage of various flammable, or hazardous substances, for which our insurance coverage might not be adequate.

Certain of the raw materials that we use as well as our finished goods are flammable and require specialized handling and storage, failing which we may be exposed to fires or other industrial accidents. All our machines are high voltage and run on electricity which can be dangerous in case of short circuit. While our Company is of the view that it has necessary controls, processes and insurance in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals or otherwise during the manufacturing process or storage of products and certain raw materials, may cause industrial accidents, fire, loss of human life, damage to our and third-party property and, or, environmental damage for which our insurance coverage may not be adequate. If any industrial accident, loss of human life or environmental damage were to occur, we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. In addition to adversely affecting our reputation, any such accidents, may result in a loss of property of our Company and/or disruption in our manufacturing operations entirely, which may have a material adverse effect on our results of operations and financial condition. In addition to natural risks such as earthquake, flood, lightning, cyclones and wind, other hazards, such as fire, structural collapse and machinery failure are inherent risks in our operations. These and other hazards can cause significant personal injury or loss of life, severe damage to and destruction of property, plant and equipment and contamination of, or damage to, the environment and may result in the suspension of operations.

53. We may be unable to respond to the constant changes in consumer demands and market trends in a timely manner.

Our success depends on our ability to identify, innovate, originate and create products to cater to the changing farmer demands and the changes in market in a timely manner due to the continuous evolving nature of the industry. The trend in the market where we operate, keeps changing due to the extensive amount of research and development involved to enhance yield, productivity and quality of products and therefore it is imperative that our product must also appeal to a broad range of customers whose preferences may vary significantly across regions due to change in demography, topography and climate and cannot be predicted with certainty and will be completely dependent on the progress and change in the trend of the market. We cannot assure you that the demand for our products with end-consumers will continue to grow or that we will be able to continue to develop products to meet rapidly changing consumer demands and market trends in the future.

Any inability to respond to changes in consumer demands and market trends in a timely manner could have a material adverse effect on our business, financial condition and results of operations.

54. ***The products manufactured by our Company in the categories of soil health management, crop nutrition and crop protection may have an impact on the environment. Though our Company takes adequate measures to prevent the same, we cannot assure that our products will not have a negative impact on the environment***

Our Company is an agri-input manufacturer offering soil health management, crop nutrition and crop protection products. In general, the chemical fertilizers and pesticides will have a harmful effect on the environment and consequently on the climatic conditions of the area in which such products are in use. More than the impact of the chemical itself, wrong application and usage practices of the chemical/fertilizer can cause more damage to the soil and environment. To minimize these harmful effects, we as a Company, try to educate the farmers on the proper usage, dosage, timeliness and correct application of the chemical fertilizers/pesticides through the efforts of our Nova Kisan Seva Kendra (NKSK)program. For all crop protection products, the mandate from CIBRC is to mark the package with red, yellow, blue or green toxicity label indicating the toxicity of the product, with 'red' being most dangerous and 'green' indicating comparative safety. As a practice we are moving towards creating/ transforming more of our products to be included in the green label category. Though our Company takes adequate measures to prevent the same, we cannot assure that our products will not have a negative impact on the environment.

55. We operate in a competitive market and face competition from other agri-input companies. Any increase in competition may adversely affect our business and financial condition.

The markets in which we operate are highly competitive. Our competitors include both local based agri-input companies and also pan India based Agri-input Companies. See "*Industry Overview*" on page 125 Some of our competitors have achieved significant recognition for their brand names, product quality, size and diversified form of products due to their presence over the years and use of advanced technology for their products. Industry consolidation, either by virtue of mergers and acquisitions or by a shift in market power among competitors, may accentuate these trends and give our competitors an upper hand. In addition, some of our competitors in smaller local markets have advantages of having good reputations and established trust with the local distributors due to various factors and presence over the years, which could be difficult for us to challenge or replicate in a sustained manner in the future. Our Company faces competition from existing agri-input based companies that may adversely affect our competitive position and our profitability. We expect competition could increase with new entrants coming into the same market, who may have more flexibility in responding to changing business and economic conditions, and existing players consolidating their positions. Some of our competitors may have access to significantly greater resources, including the ability to spend more on advertising and marketing and hence the ability to compete more effectively. We face competition across our business activities from varied peers.

Some of our competitors are larger and have greater financial resources or a more experienced management team than us. They may also benefit from greater economies of scale and operating efficiencies. Competitors may, whether through consolidation or growth, or through new products or technologies which are out-of-reach of smaller companies due to high costs for registration and networking, present more credible integrated or lower cost solutions than we do, which may have a negative effect on our sales. We cannot assure you that we can continue to compete effectively with our competitors. Our failure to compete effectively, including any delay in responding to changes in the industry and market, together with increased spending on advertising will affect our business, results of operations and financial condition.

We are positioned to compete with the competitors due to our wide range of products, the innovations that we bring into our products. We have established our presence in South India with our brand recognition and quality assurance of the products we offer and are expanding to pan India markets. Our principal competitive factors include brand name, quality of product, type of product, ease of availability, product range, innovation, multiple choice and price transparency. We cannot give any assurances that we will be able to compete successfully on all of these factors against existing or future competitors in the future.

56. Our Company supplies Agribot Drones to the farmers for better harvesting. Any change in drone regulation or the technology becoming obsolete will have a negative impact on our business and financial condition.

Our Company has entered into a MOU with IoTechWorld Avigation Private Limited on February 01, 2022. In accordance to the terms of the MOU, IoTechWorld Avigation Private Limited will be manufacturing and supplying the DGCA approved drones advanced multipurpose agriculture drones along with after sales support, spares, legal compliance, insurances, customization and etc., and NATL will educate and convince its dealers and farmers to purchase the same along with assisting them in obtaining financial assistance through banks or government subsidy for the same. This drone technology is developed to cater to the farmers to ensure ease of farming. Drones can help farmers to optimize the use of inputs (seed, fertilizers, water), to react more quickly to threats (weeds, pests, fungi), to save time crop scouting (validate treatment/actions taken), to improve variable-rate prescriptions in real time and estimate yield from a field. This is a DGCA approved drone for the purpose of the agri sector. This drone will allow a farmer to spray any crop nutrition and crop protection products over an area one acre of land in six minutes, thus reducing the time of spraying such products and also making the process much easier. Though, we have ensured that the drone has in all ways complied with the applicable laws and is within the prescribed specification and duly approved, however, we cannot guarantee that such specifications or laws may not undergo any change in the future and our drone may not be permissible to be used for the specific purpose. We also cannot assure that the technology used in the drone may be state of art and not be obsolete in the near future.

Any change in regulation or specifications relating to usage of drones or the technology becoming obsolete may have an adverse effect on our business and financial condition.

57. We may not be able to successfully adapt and innovate our systems, including our internal controls and procedures over financial reporting and even our Information Technology systems, as a result of increasing business complexities and demand.

While we have strived to build a robust information technology platform, governance frameworks and operational management systems to manage our business operations, our apps and to support our future growth at every level, the increasing business demand, requirement and complexity of our operations may place additional burden and requirements on our systems, controls, process, procedures and management and, as a result, may strain our ability to manage our future growth. We cannot assure that any specific control system that we implement and put in place will succeed in achieving its stated goals under all potential future conditions.

Many of our control systems are dependent on third-party software and technology. Our third-party software may be subject to damage, software errors, bugs, computer viruses, security breaches, crashes and the delayed or failed implementation of new updates. Damage or interruption to our third-party and other control systems may require a significant investment to fix or replace them, and we may suffer interruptions in our operations as a result. Such interruption may disrupt the business and have a negative impact on the financial implication.

We rely on our information technology ("**IT**"), systems to provide us with connectivity across our business functions through our software, hardware and network systems. Our business processes are IT- enabled, and any failure in our IT systems or loss of connectivity or any loss of data arising from such failure could disrupt our ability to track, record and analyse inventory, process financial information, manage creditors/debtors or engage in normal business activities, which could have a material adverse effect on our operations. Although we have not experienced any material failure in our IT systems and we do have effective back-up systems in place to tackle any unexpected minor disruption, however, there can be no assurance that our IT systems will not suffer a material failure in the future.

We are also susceptible to potential hacking or other breaches of our IT systems. Although we have anti-virus and anti-hacking measures in place, we cannot assure you that we can successfully block and prevent all hacking or other breaches. As a result, failure to protect against technological disruptions of our operations could materially and adversely affect our business, financial condition and results of operations. We also maintain significant amounts of customer data that we collect in order to promote our brand and direct targeted advertisements to potential customers. Any breach of our IT systems or misuse by employees could result in the loss or disclosure of confidential information, damage to our reputation, litigation or other liabilities.

58. We are dependent on third party transportation and logistics providers for the transportation of raw materials and the finished products. Any disruptions in logistics and transportation or significant increase in freight charges could adversely affect our business, financial condition and results of operations.

Our success depends on the timely supply and transport of the various raw materials required for our manufacturing facility and of our finished products from our manufacturing facility to our customers, depots and dealers, which are subject to various uncertainties and risks. Further, we have not entered into any agreements with transportation and logistics providers and hence we do not have negotiation powers for price or availability of services. Any shortage / non availability of transport suppliers in our vicinity will lead to delay in delivery of our products. We use third party transportation providers for the supply of our raw materials and delivery of our products to domestic customers and depots. Transportation strikes, if any, could have an adverse effect on supplies and deliveries to and from our dealers, customers and suppliers. In addition, raw materials and finished products may be lost or damage in transit for various reasons including occurrence of accidents or natural disasters. Any unforeseen delays in transit time would result in failure to meet our shipment deadlines, which may result in an increase in supply chain costs, such as storage and warehousing. Any delay in delivery of raw materials and products could result in the customers and dealers refusing to accept our products, which could adversely affect our business and results of operations. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third- party transportation providers. Transportation strikes may have an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. Failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. In case our transportation and logistics service providers are unable to perform their services, we cannot assure you that we will be able to deploy suitable alternative transportation services at favourable rates in a timely manner and may adversely affect our business and results of operations.

59. We may be subject to labour unrest and slowdowns.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. Our employees are not unionised. However, in the event that employees seek to unionise, it may become difficult for us to maintain flexible labour policies, which may increase our costs and adversely affect our business. Our employees and personnel, are critical to maintain our competitive position. Although we have not experienced any material labour unrest, we cannot assure you that we will not experience disruptions in work or our retail operations due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are very difficult for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

60. Ineffective execution of marketing programs and reduced marketing expenditure could have an adverse effect on our sales.

In the agri based company market, we face severe competition from other players and it is imperative that we ensure that our brand and product is different and can be identified by our consumers for its presence and quality. The ability to differentiate our products from competitors by its branding, marketing and advertising programs is an important factor in attracting consumers. As a result, from time to time we will be undertaking brand building exercise and marketing programs to enhance our brand visibility. If these programs are ineffectively executed or the level of support for them is reduced, it could affect our ability to attract customers. Further, we cannot assure you that we will be able to accurately estimate our marketing expenditure for our retail and e-commerce operations. In case our marketing expenses are lesser than market standards, our marketing programs may be ineffective. However, if our marketing expenses are higher than the market standards, it may adversely affect our income and results of operations.

61. Resistance from farmers to crop protection chemicals and the inappropriate application of our products from farmers may adversely affect our business, financial condition and results of operations.

Some crop protection chemical products, which may include some of our products, are facing increasing resistance from certain groups because of concerns over their alleged effects on food safety and the environment. These groups attempt to influence and try to restrict the use of crop protection chemical products in their jurisdictions. Further, there can be no assurance that such resistance would not continue to spread in the future and any future resistance could adversely affect our business, financial condition and results of operation. It is imperative that the farmers are educated with the latest information on crop management, such as the appropriate kind of pesticide, its dosage and quantity and the frequency of its application, in order to apply pesticides, including our products, appropriately and effectively for a better and quality yield. Although majority of our packaging contains information about the optimum dosage and usage method, lack of education and awareness among farmers may lead to an inappropriate application of our products, which could result in crop damage, and other serious consequences. There can be no assurance that incidents involving inappropriate use of our products will not occur in the future, or that farmers will be adequately educated on the safe use of our products. Any inappropriate application of our products could result in a potential consumer dispute and adversely affect our brand image, prospects, business, financial condition and results of operations.

62. Increasing use of alternative pest management and crop protection measures may reduce demand for our products and adversely affect our business and results of operations.

Alternative pest management and crop protection measures may reduce the demand of our products. The growth of such methods and an acceptance of such alternative pest management and crop protection products and measures by the farmers may have an adverse effect on the sales of chemical pesticides which may, in turn, affect the financial condition and results of operations of our Company. If we fail to adapt our product range to respond to such developments, demand for our products or their price may decline and adversely affect our business and results of operations.

63. We could face customer complaints or negative publicity about our customer service.

Customer complaints or negative publicity about our customer service could diminish consumer confidence in, and the attractiveness of, our Company and brand and effect our sales and growth. Our aim is to provide quality products and services to our customers. Any inability by us to properly manage or train our sales staff, employees and managerial personnel who handle customer complaints and disputes could compromise our ability to handle customer complaints effectively in the future. There have been no instances of any customer complaints for the last three financial years. However, if we do not handle customer complaints effectively, our reputation may suffer, and we may lose our customers' confidence, which could have a material adverse effect on our business, financial condition and results of operations.

64. Shortage or non-availability of electricity and water could affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.

Our business operations are heavily dependent on continuous supply of electricity and water, which are critical to our manufacturing operations. While our power requirements are met through local state power grid, and our solar panels at our manufacturing facility. These solar panels allow us to generate electricity that is required for the manufacturing our products at our manufacturing facility. However, we cannot assure you that these will be sufficient and, or, that we will not face a shortage of electricity despite these arrangements. Further, any shortage or non-availability of water or electricity could result in temporary shut-down of a part, or all, of our operations at the location experiencing such shortage. Such shut-downs could, particularly if they are for prolonged periods, have an adverse effect on our business, results of operations and financial condition.

65. Changes and innovation in technology may render our current technologies obsolete or require us to incur substantial capital expenditure for the purpose of innovation.

Our industry rapidly changes due to technological advances and scientific discoveries which requires constant adaptation. These changes result in the frequent introduction of new products also innovation into the existing product and enhancing the same and leads to significant price competition. If our technologies become obsolete, and we are unable to effectively introduce new products or processes of innovate our existing ones, our business and results of operations could be adversely affected. Although we strive to keep our technology, facility and machinery current with the latest international standards, the technologies, facilities and machinery we currently employ may become less competitive or even obsolete due to advancement in technology or changes in market demand, which may require us to incur substantial capital expenditure. The cost of implementing new technologies and upgrading our manufacturing facility could be significant and may have an impact on our financial conditions. If our competitors introduce superior technology and we cannot make enhancements to ours to remain competitive, our position, and in turn our business, results of operations and financial condition may be adversely affected.

66. Certain sections of this Red Herring Prospectus disclose information from an industry report commissioned by us from CARE Analytics and Advisory Private Limited, which is an independent third-party entity and is not related to the Company, its Promoters or Directors in manner whatsoever. Any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

Pursuant to being commissioned and paid by us, CARE Analytics and Advisory Private Limited, prepared a report dated January 02, 2024, titled, "Report on Crop Nutrition and Crop Protection Industry" ("**CARE Report**"). Certain sections of this RHP include information based on, or derived from, the CARE Report or extracts of the CARE Report and no parts, data, information has been left out or changed in any manner. We have not done any prior due diligence or a background check on the data and information provided in the CARE Report. Neither our Company (including our Directors), the Selling Shareholder and the Book Running Lead Managers possess the professional skills to evaluate the accuracy, adequacy, completeness, correctness and objectivity of, or verify, the information covered in the CARE Report and cannot provide any assurance regarding the information in this RHP derived from or based on, the CARE Report. All such information in this RHP which indicates the CARE Report as its source is duly mentioned for reference. Accordingly, any information in this RHP derived from, or based on, the CARE Report should be read taking into consideration the foregoing. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on this information. In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this RHP based on, or derived from, the CARE Report. See "*Industry Overview*" on page 125 for further information.

67. Our management will have broad discretion over the use of the Net Proceeds.

We propose to utilise the Net Proceeds for investment in our subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant, funding Capital Expenditure by our Company towards expansion of our existing formulation plant, funding of working capital requirements of our Company, investment in our subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements and general corporate purposes. The deployment of the Net Proceeds is based on management estimates, prevailing circumstances of our business and market conditions and has not been appraised by any bank, financial institution or other independent institution. We may have to revise our funding requirements and deployment from time to time due to various factors, such as changes in costs, financial and market conditions, business, strategy considerations, interest and exchange rate fluctuations or other external factors, which may or may not be within the control of our management. This may entail rescheduling, revisiting and revising planned expenditure and funding requirements and increasing or decreasing expenditures for a particular purpose from planned expenditures at the discretion of our management and subject to applicable law. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds. The application of the Net Proceeds in our business may not lead to an increase in the value of the investment of the equity shareholders. Various risks and uncertainties, including those set forth in this section "*Risk Factors*", may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. For details see, "*Objects of the Offer*" on page 94.

68. Our Promoters and certain of our Directors hold Equity Shares in our Company and are therefore interested in our Company's performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors (including our individual Promoters) hold equity interests in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For details on the interest of our Promoters and Directors of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management – Interest of Directors" and "Our Promoters and Promoter Group– Interest of Promoter*s" on pages 235 and 252, respectively.

69. Our Promoters and members of our Promoter Group will continue to retain control over our Company after completion of the Offer, which will allow them to influence the outcome of matters submitted for approval of our shareholders.

Following the completion of the Offer, our Promoters and members of our Promoter Group will continue to hold approximately [●]% of our post-Offer Equity Share capital. As a result, they will have the ability to significantly influence matters requiring shareholders' approval, including the ability to appoint Directors to our Board of Directors and the right to approve significant actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our MOA and AOA, and any assignment or transfer of our interest in any of our licenses. We cannot assure you that our Promoters will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

70. *We cannot assure payment of dividends on the Equity Shares in the future.*

We have not paid dividend on our Equity Shares in the past. Our ability to pay dividends in the future will depend upon our dividend policy, future results of operations, financial condition, cash flows, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We may also decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future.

71. Our Company will not receive any proceeds from the Offer for Sale. Selling Shareholder is selling equity shares in the Offer and will receive proceeds as part of the Offer for Sale.

The Offer comprises a Fresh Offer of [●]* Equity Shares aggregating to ₹ 11,200.00 lakhs by our Company and an offer for sale of upto 77,58,620* Equity Shares aggregating to ₹ [●] lakhs by the Selling Shareholder. The proceeds from the Offer for Sale will be paid to the Selling Shareholder in proportion to his portion of the Offered Shares and our Company will not receive any such proceeds. For further details, see the section entitled "*Objects of the Offer*" and "*Capital Structure*" on pages 94 and 82 respectively.

*Subject to finalisation of the Basis of Allotment

External Risks

72. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as COVID-19, acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations.

Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares.

A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus. Certain countries in Southeast Asia have reported cases of bird-to-human transmission of avian and swine influenza, resulting in numerous human deaths. A worsening of the current outbreak of COVID-19 virus or future outbreaks of COVID-19 virus, avian or swine influenza or a similar contagious disease could adversely affect the Indian economy and economic activity in the region. As a result, any present or future outbreak of avian or swine influenza or other contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

73. Changing laws, rules and regulations and legal uncertainties, including tax laws and regulations, may adversely affect our business and financial performance.

The governmental and regulatory bodies in India and other jurisdictions where we operate may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and investments in our Company by non-residents, could result in us being deemed to be in contravention of such laws and/or may require us to apply for additional approvals.

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, turnover tax, goods and services tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. The final determination of our tax liabilities involves the interpretation of local tax laws and related regulations in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. We are involved in various disputes with tax authorities. For details of these disputes, see "*Outstanding Litigation and Material Developments*" on page 363. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time.

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Ordinance, 2019, a new tax ordinance issued by India's Ministry of Finance on September 20, 2019, prescribes a number of changes to the income tax rate applicable to companies in India. According to this new ordinance, companies can henceforth voluntarily opt for a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. We have opted for the concessional tax regime and continue to be subject to other benefits and exemptions. Any such future amendments may affect our other benefits such as an exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would influence our profitability.

The Finance Act, 2022 ("**Finance Act**"), has, amongst others things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non- resident and are likely to be subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares. Further, the Government of India has notified the Finance Act, 2023, which has introduced various amendments to taxation laws in India. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

74. A downgrade in ratings of India, may affect the trading price of the Equity Shares.

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating increased BBB- with a "negative" outlook to BBB- with a "stable" outlook by Fitch on June 10, 2022, from Baa3 with a "negative" outlook to Baa3 with a "stable" outlook by Moody's on October 05, 2021 and from BBB with a "negative" outlook to BBB (low) with a "stable" outlook by DBRS on May 19, 2021. India's sovereign ratings from S&P is BBB- with a "stable" outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favourable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

75. 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.

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by central or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise.

There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in currency exchange rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our medical equipment for our services and, as a result, on our business and financial results.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in the emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world have affected the Indian economy in the past. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

76. The current geographic concentration of our operations creates an exposure to local economies, regional downturns and severe weather or other catastrophic occurrences.

Our Company along with its subsidiary Nova Agri Sciences Private Limited have necessary licenses to market our products through our approximately 6,769 active dealer network present across 16 states of India namely Andhra Pradesh, Telangana, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Odisha, West Bengal, Bihar, Gujarat, Jharkhand, Uttarakhand and Jammu & Kashmir and 02 dealers in Nepal. We have also entered into marketing, distribution and supply agreements with certain third parties in Bangladesh, Sri Lanka and Vietnam and are currently awaiting the necessary permission to start business in these jurisdictions. As a result, our business is susceptible to regional conditions in these areas, and we are vulnerable to economic downturns in the region. Any unforeseen events or circumstances that negatively affect these areas could materially adversely affect our sales and profitability. These factors include, among other things, changes in demographics, population and income levels. In addition, our business may also be susceptible to regional natural disasters and other catastrophes, such as telecommunications failures, cyber-attacks, fires, riots, political unrest or terrorist attacks, natural calamities. Disruptions in our operations, whether at our manufacturing facility, or other locations, due to natural disasters or other catastrophes could have an adverse effect on our business, financial condition and results of operations.

77. Changes or a downturn in economic conditions, in particular in our principal markets, may affect consumer spending, including on our products.

Our revenues and results of operations are impacted by global economic conditions at regular interval, as well as the specific economic conditions of the market. Such conditions include levels of employment, cost, revenue, inflation or deflation, real disposable income, interest rates, taxation, currency exchange rates, stock market performance, supply and demand chain, value of raw materials, the availability of consumer credit, levels of consumer debt, consumer confidence, consumer perception of economic conditions and consumer willingness to spend, all of which are beyond our control at all times. An economic downturn or an otherwise uncertain economic outlook in our principal markets, in any other markets in which, we may operate in the future, or on a global scale could adversely affect our consumer spending habits and traffic, which could have a material adverse effect on our business, results of operations and financial condition.

78. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI or in the alternate, the pricing is in compliance with the extant provisions of the SEBI Regulations. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade ("**DPIIT**"), the foreign direct investment policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the GoI. Further, in the event of a transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the GoI. Furthermore, on April 22, 2020, the Ministry of Finance, GoI has also made a similar amendment to the FEMA Rules. While the term "beneficial owner" is defined under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005 and the General Financial Rules, 2017, neither the foreign direct investment policy nor the FEMA Rules provide a definition of the term "beneficial owner". The interpretation of "beneficial owner" and enforcement of this regulatory change involves certain uncertainties, which may have an adverse effect on our ability to raise foreign capital. Further, there is uncertainty regarding the timeline within which the said approval from the GoI may be obtained, if at all.

79. We may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. A securities transaction tax ("**STT**") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognized stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Such long term capital gains exceeding ₹ 1.00 lakhs arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Unrealized capital gains earned on listed equity shares up to January 31, 2018 continue to be tax-exempted in such cases. Further, STT will be levied and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off market sale, long term capital gains are subject to tax at the rate of 10% (plus applicable surcharge and cess) without the exemption of ₹ 1.00 lakhs. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in the case of foreign companies and 30% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

The Finance Act, 2019 amended the Indian Stamp Act, 1899 with effect from July 1, 2020. It clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. In cases where the seller is a non-resident, capital gains arising from the sale of the equity shares will be partially or wholly exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Additionally, the Finance Act, 2020 does not require dividend distribution tax to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Historically, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the equity shares.

80. Political changes could adversely affect economic conditions in India.

Our Company is incorporated in India and derives the majority of its revenue from operations in India and the majority of its assets are located in India. Consequently, our performance and the market price of the Equity Shares may be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.
Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

a. the macroeconomic climate, including any increase in Indian interest rates or inflation;
b. any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
c. any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
d. prevailing income conditions among Indian customers and Indian corporations;
e. epidemic, pandemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
f. volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
g. changes in India's tax, trade, fiscal or monetary policies;
h. political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
i. occurrence of natural or man-made disasters;
j. prevailing regional or global economic conditions, including in India's principal export markets;
k. other significant regulatory or economic developments in or affecting India or its consumption sector;
l. international business practices that may conflict with other customs or legal requirements to which we are subject, including anti-bribery and anti-corruption laws;
m. protectionist and other adverse public policies, including local content requirements, import/export tariffs, increased regulations or capital investment requirements;
n. logistical and communications challenges;
o. downgrading of India's sovereign debt rating by rating agencies;
p. difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or on a timely basis; and
q. being subject to the jurisdiction of foreign courts, including uncertainty of judicial processes and difficulty enforcing contractual agreements or judgments in foreign legal systems or incurring additional costs to do so. Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

81. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Furthermore, economic developments globally can have a significant impact on our principal markets of India and the Middle East. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the terms of their future relationship with the European Union and, more generally, as to the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the

Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. The sovereign rating downgrades for Brazil and Russia (and the imposition of sanctions on Russia) have also added to the growth risks for these markets. These factors may also result in a slowdown in India's export growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation.

These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

82. If inflation rises in India, increased costs may result in a decline in profits.

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

83. Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition, result of operations and cash flows.

Our restated financial information for the six months period ended September 30, 2023 and Fiscals 2023, 2022 and 2021 included in this Red Herring Prospectus are presented in conformity with Ind AS, in each case restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Restated Financial Information and Special Purpose Restated Financial Information included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS. Persons not familiar with Ind AS should limit their reliance on the financial disclosures presented in this Red Herring Prospectus.

84. Our business and activities may be regulated by the Competition Act, 2002 and proceedings may be enforced against us.

The Competition Act, 2002, or the Competition Act seeks to prevent business practices that have a material adverse effect on competition in India. Under the Competition Act, any arrangement, understanding or action in concert between enterprises, whether formal or informal, which causes or is likely to cause a material adverse effect on competition in India is void and attracts substantial monetary penalties. Any agreement that directly or indirectly determines purchase or sale prices, limits or controls production, shares the market by way of geographical area, market or number of customers in the market is presumed to have a material adverse effect on competition in the relevant market in India and shall be void.

The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the GoI notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions, which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the effect of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, results of operations and prospects.

<u>Risks Related to the Offer</u>

85. After the Offer, the price of the Equity Shares may become highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares may fluctuate after the Offer as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; adverse media reports about us or the industry we operate in generally; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal regulations. There has been no public market for the Equity Shares of our Company and the price of the Equity Shares may fluctuate after the Offer.

If the stock price of the Equity Shares fluctuates after the Offer, investors could lose a significant part of their investment. As of the date of this Red Herring Prospectus, there is no market for the Equity Shares. Following the Offer, the Equity Shares are expected to trade on the Stock Exchanges. There can be no assurance that active trading in the Equity Shares will develop after the Offer or, if such trading develops, that it will continue. Investors might not be able to sell the Equity Shares rapidly at the quoted price if there is no active trading in the Equity Shares.

86. The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.

The initial public offering price will be determined by the Book Building Process and may not be indicative of prices that will prevail in the open market following the Offer. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

a. the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
b. the activities of competitors and suppliers;
c. future sales of the Equity Shares by our Company or our shareholders;
d. investor perception of us and the industry in which we operate;
e. our quarterly or annual earnings or those of our competitors;
f. developments affecting fiscal, industrial or environmental regulations;
g. the public's reaction to our press releases and adverse media reports; and
h. general economic conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

87. Investors may have difficulty enforcing foreign judgments against our Company or our management.

Our Company is a limited liability company incorporated under the laws of India. The majority of our directors and executive officers are residents of India. A substantial portion of our Company's assets and the assets of our Directors and executive officers' resident in India are located in India. As a result, it may be difficult for investors to effect service of process upon us or such persons outside India or to enforce judgments obtained against our Company or such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("**CPC**"), on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties. Some jurisdictions including the United Kingdom, UAE, Singapore and Hong Kong have been declared by the GoI to be reciprocating countries for the purposes of Section 44A of the CPC.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Further, there may be considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India.

Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

88. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, 2013 a company incorporated in India must offer holders of its Equity Shares pre-emptive rights to subscribe and pay for a proportionate number of Equity Shares to maintain their existing ownership percentages prior to the issuance of any new Equity Shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the Equity Shares who have voted on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, you may suffer future dilution of your ownership position and your proportional interests in us would be reduced.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares(1)	Up to [●] Equity Shares, aggregating up to ₹ [●] lakhs
***of which*:**	
Fresh Offer (1)	Up to [●] Equity Shares, aggregating up to ₹ 11,200.00 lakhs
Offer for Sale (2)	Up to 77,58,620 Equity Shares, aggregating up to ₹ [●] lakhs by the Selling Shareholder
The Offer comprises of:	
A) QIB Portion (3)(4)(5)	Not more than [●] Equity Shares
***of which*:**	
(i) Anchor Investor Portion	Up to [●] Equity Shares
(ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
of which:	
(a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	[●] Equity Shares
(b) Balance for all QIBs including Mutual Funds	[●] Equity Shares
B) Non-Institutional Portion	Not less than [●] Equity Shares
Of which:	
One-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 2.00 lakhs and up to ₹ 10.00 lakhs	Upto [●] Equity Shares
Two-third of the Non-Institutional Portion available for allocation to Bidders with an application size of more than ₹ 10.00 lakhs	Upto [●] Equity Shares
C) Retail Portion	Not less than [●] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Red Herring Prospectus)	6,52,02,740 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 94 for information on the use of net proceeds arising from the Fresh Offer. Our Company will not receive any proceeds from the Offer for Sale.

(1) *The Offer has been authorized by a resolution of our Board dated February 27, 2023 and special resolution of our Shareholders dated March 01, 2023.*

(2) *The Selling Shareholder has confirmed that the Offered Shares have been held by him for a period of at least one year prior to filing of this Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations and accordingly are eligible for being offered for sale as part of the Offer in terms of the SEBI ICDR Regulations. The Selling Shareholder has approved the transfer of 77,58,620 Equity Shares vide his consent letter dated February 27, 2023.*

(3) *Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation*

Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, see "Offer Procedure" on page 404.

(4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law. In the event of an under-subscription in the Offer, (i) the Equity Shares in the Fresh Offer will be issued prior to the sale of Equity Shares through the Offer for Sale to meet the minimum subscription of 90% of the Fresh Offer. Additionally, even if the minimum subscription to the Fresh Offer is reached, the Equity Shares in the remaining portion of the Fresh Offer will be issued prior to the Equity Shares being offered as part of the Offer for Sale;

(5) Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. The Equity Shares available for Allocation to Non-Institutional Bidders under the Non- Institutional Portion, shall be subject to the following(i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹2.00 lakhs and up to ₹ 10.00 lakhs; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 10.00 lakhs provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allocation to each Non-Institutional Investor shall not be less than ₹ 2.00 lakhs, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For further details, see "Offer Procedure" beginning on page 404.

(6) SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to ₹ 5.00 lakhs, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than ₹2.00 lakhs and up to ₹5.00 lakhs, using the UPI Mechanism, shall provide their UPI ID in the Bid- cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

For further details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure* "and "*Offer Procedure*" on pages 400 and 404, respectively. For further details of the terms of the Offer, see "*Terms of the Offer*" on page 394.

SUMMARY OF FINANCIAL INFORMATION

Consolidated Restated Statement of Assets and Liabilities				
(All amounts in ₹ Lakhs, Except Share Data or Unless otherwise stated)				
Particulars	**As at 30 September, 2023**	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31March 2021**
Assets				
Non-current Assets				
(a) Property, Plant and Equipment	1,477.15	1,557.64	1,682.42	1,600.69
(b) Capital work in progress	73.17	63.00	5.04	-
(c) Goodwill	116.15	116.15	116.15	116.15
(d) Other Intangible assets	10.29	11.83	3.11	4.18
(e)Financial Assets				
(i)Investments	0.01	0.01	0.01	0.01
(ii)Other financial assets	31.19	31.35	72.98	90.80
(f) Deferred Tax Assets (Net)	494.16	457.31	417.50	356.94
Total Non-current Assets	**2,202.12**	**2,237.29**	**2297.21**	**2168.77**
Current Assets				
(a)Inventories[1]	5,045.90	4,172.10	3,679.60	3,542.27
(b)Financial Assets				
(i)Trade Receivables[2]	11,615.14	10,567.63	9,298.58	8,497.55
(ii)Cash and Cash Equivalents	131.60	335.18	164.21	31.55
(iii)Loans	3.68	3.71	2.85	2.35
(c)Other Current Assets	638.82	762.41	587.32	501.37
Total Current Assets	**17,435.14**	**15,841.02**	**13,732.56**	**12,575.09**
Total Assets	**19,637.25**	**18,078.33**	**16029.77**	**14743.86**
Equity and Liabilities				
Equity				
(a)Equity Share Capital	1,254.05	1,254.05	1,254.05	1,254.05
(b)Other Equity[3]	6,169.03	5,133.92	3065.06	1688.93
Total Equity	**7,423.08**	**6,387.97**	**4319.11**	**2942.98**
Liabilities				
Non-current Liabilities				
(a) Financial Liabilities				
(i)Long-term borrowings	1,220.38	1,635.73	2,363.79	1,835.21
(ii) Other financial liabilities	48.01	71.11	71.94	400.93
(b) Provisions	99.14	89.18	92.98	71.66
Total Non-current Liabilities	**1,367.53**	**1,796.02**	**2,528.71**	**2,307.80**
Current liabilities				
(a) Financial Liabilities				
(i) Short-term borrowings	5,630.05	5,459.78	4,062.76	3,274.98
(ii)Trade payables[4] – total dues of: : small and micro enterprises	1,524.24	682.01	1,816.24	2,555.55
: others than small and micro Enterprises	1,614.77	2,045.59	1,431.90	2,077.33

(iii) Other financial liabilities	630.97	595.29	706.26	655.66
(b)Other current liabilities	99.02	171.35	247.60	178.05
(c)Provisions	135.36	128.79	97.34	84.55
(d)Current Tax Liability (Net)[5]	1,212.23	811.51	819.85	666.96
Total Current Liabilities	**10,846.64**	**9,894.34**	**9,181.95**	**9,493.08**
Total Liabilities	**19,637.25**	**18,078.33**	**1,6029.77**	**1,4743.86**

Note:

1) <u>Inventories</u>

The Company maintains its inventory levels depending on the demand for the products and the time taken to deliver the same. On an average, the Company maintains its raw material inventory for 30 days, stock in process of 15 days and finished goods inventory of around 45 days. Inventories as at the end of FY 2020-21, FY 2021-22 and FY 2022-23 which stood at ₹ 3,542.27 lakhs, ₹ 3,679.60 lakhs and ₹ 4172.09 lakhs respectively, has not changed materially.

2) <u>Trade receivables</u>

The sales for Rabi/Summer crops like paddy, maize and commercial crops like chilly and vegetables are till March and payments are received from dealers in the subsequent periods. Hence our receivable at the year-end is high. The revenue and operations have been increasing from FY 2020-21 to FY 2022-23 and similarly the trade receivables were also in line with the level of revenue and stood at ₹ 8497.55 lakhs, ₹ 9298.58 lakhs and ₹ 10567.63 lakhs in FY 2021, FY 2022 and FY 2023, respectively.

3) <u>Other equity</u>

The surplus in the profit and loss account which stood at ₹ 630.00 lakhs, ₹ 1368.93 lakhs and ₹ 2048.95 lakhs, for FY 2020-21, FY 2021-22 and FY 2022-23 is in each financial year added to retained earnings balance to arrive at other equity of ₹ 1688.93 lakhs, ₹ 3065.06 lakhs and ₹ 5133.92 lakhs in FY 2020-21, FY 2021-22 and FY 2022-23 in the Balance sheet.

4) <u>Trade payables</u>

Generally, the credit period offered to the Company by suppliers is 90 to 120 days. However, the same is extended to around 150-180 days due to the nature of the agri-input industry. During the FY 2020-21 and FY 2021-22 creditors moved from ₹ 4632.88 lakhs to ₹ 3248.14 lakhs, due to the increase in working capital limit by the bank and as per business requirements. Subsequently in FY 2022-23 creditors stood at ₹ 2727.61 lakhs based on further limits sanctioned by banks.

5) <u>Current tax liability</u>

The Company's profit before tax has been increasing from ₹ 867.13 lakhs in financial year 2020-21 to ₹ 1844.44 lakhs in financial year 2021-22 and ₹ 2816.36 lakhs in FY 2023. The increase in the profit has resulted in the increase in the taxable income of the Company and accordingly the current tax liability has also increased and stood at ₹ 666.96 lakhs, ₹ 819.85 lakhs and ₹ 811.51 lakhs in FY 2021, FY 2022 and FY 2023.

Consolidated Restated Statement of Profit and Loss				
(All amounts in ₹ Lakhs, Except Share Data or Unless otherwise stated)				
Particulars	**Period ended 30 September 2023**	**Year ended 31 March, 2023**	**Year ended 31 March, 2022**	**Year ended 31 March, 2021**
Revenue				
Revenue from operations	10,321.60	21,055.54	18,556.77	16,057.74
Other operating Income	-	-	2.64	6.46
Other income	2.74	37.82	1.68	28.46
Total Revenue	**10,324.34**	**21,093.35**	**18,561.09**	**16,092.66**
Expenses				
Cost of Materials consumed	6,546.87	11,994.18	12,211.67	9,855.52
Changes in inventories of finished goods[1]	(626.70)	139.84	(863.44)	48.98
Employee benefit expenses	1,226.80	2,730.80	2,647.30	2,209.75
Finance costs	434.46	857.24	715.09	733.25
Depreciation and Amortisation expense	100.23	236.09	222.52	214.51
Other expenses[2]	1,239.46	2,318.84	1,783.50	2,163.53
Total expenses	**8,921.21**	**18,277.00**	**16,716.64**	**15,225.53**
Profit before tax[3]	**1,403.14**	**2,816.36**	**1,844.44**	**867.13**
Current tax[4]	400.74	807.21	536.08	275.73
Deferred tax	(35.80)	(39.81)	(60.57)	(38.60)
Profit for the year	**1,038.22**	**2,048.95**	**1,368.93**	**630.00**
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Items that will not be reclassified to Profit or Loss	(4.16)	19.90	7.20	23.64
Income tax relating to item that will not be reclassified to Profit or Loss	1.05	(5.01)	(1.81)	(5.95)
Total Other comprehensive Income	(3.11)	14.89	5.39	17.69
Total comprehensive income for the year, net of tax	**1,035.11**	**2,063.84**	**1374.32**	**647.69**
Total comprehensive income for the year comprising Profit/(Loss)	**1,038.22**	**2,048.95**	**1368.93**	**630.00**
	Earnings per equity share of ₹ 2/- each#			
Basic	1.66	3.27	2.18	1.00
Diluted	1.66	3.27	2.18	1.00

Note:

1) ***Changes in inventories of finished goods***
Changes in inventories of finished goods were ₹ 48.98 lakhs, ₹ (863.44) lakhs and ₹ 139.84 lakhs in FY 2020-21, FY 2021-22 and FY 2022-23. Our Company usually maintains 45 days of finished goods inventory on the revenue to meet the demand for the next crop season. For FY 2020-21, due to the increased sale volume, the level of inventories has increased and has remained at same level in FY 2021-22 and FY 2022-23.

2) ***Other expenses***
Company's other expenses include fixed administrative and selling expenses such as travelling, marketing, repairs and transportation and were ₹ 2,163.53 lakhs, ₹ 1783.50 lakhs ₹ 2318.84 lakhs and ₹ 1239.46 lakhs for FY 2020-21, FY 2021-22, FY 2022-23 and for the six months period ended September 30, 2023 respectively.

During the FY 2021-22, there was a decrease in the other expenses for reasons such as decrease in rental expenses, research and development, transportation and marketing costs, etc. For FY 2022-23, there was an increase due to foreign fluctuation expenses on imports, consultancy charges for product registrations and allowance for doubtful debts. For further details refer to "Management's Discussion and Analysis of Financial Condition and Results of Operation" on Page 350, respectively.

3) <u>Net profit before tax</u>

The revenue of the Company has increased from ₹ 16057.74 lakhs in financial year 2020-21 to ₹ 18,556.77 lakhs in financial year 2021-22 and for FY 2022-23 stood at ₹ 21,055.54 Lakhs. In accordance with the increase in the revenue the profit before tax of the company has increased from ₹ 867.13 lakhs in FY 2020-21 to ₹ 1844.44 lakhs in FY 2021-22 and ₹ 2816.35 lakhs in FY 2022-23. The increase in profit can be attributed to increase in the variety of products sold by the company also all increases in sales of higher margin products.

4) <u>Current tax</u>

The Company's profit before tax has increased from ₹ 867.13 lakhs in FY 2020-21 to ₹ 1844.44 lakhs in financial year 2021-22 to ₹ 2816.36 lakhs in FY 2022-23. The increase in the profit has resulted in the increase in the taxable income of the company and accordingly the Current tax has also increased and stood at ₹ 275.73 lakhs, ₹ 536.08 lakhs and ₹ 807.21 lakhs in FY 2020-21, FY 2021-22 and FY 2022-23 respectively.

Consolidated Cash Flow Statement for The Year Ended				
(All amounts in ₹ Lakhs, Except Share Data or Unless otherwise stated)				
Particulars	**As at September 2023**	**As at 31, March 2023**	**As at 31st March, 2022**	**As at 31st March, 2021**
Cash Flows from Operating Activities				
Net profit before tax	1,403.14	2,816.36	1844.44	867.13
Adjustments for:				
Depreciation and amortization expenses	100.23	236.09	222.52	214.51
Profit on sale of fixed assets	-	(33.10)	-	-
Provision for expenses and expected credit loss	169.81	268.50	112.44	119.47
Interest Expenses	434.46	857.24	715.09	733.25
Operating profit before working capital changes	**2,107.74**	**4,145.09**	**2,894.50**	**1,934.35**
Movements in Working Capital				
(Increase)/Decrease in Trade Receivables	(1,217.31)	(1,537.55)	(913.47)	(1475.13)
(Increase)/Decrease in Other financial assets	0.03	(0.36)	(0.5)	0.11
(Increase)/Decrease in Inventories[1]	(873.80)	(492.49)	(137.33)	190.4
(Increase)/Decrease in Other Current Assets	123.58	(93.17)	11.47	(262.06)
Increase/(Decrease) in Trade Payables	411.41	(520.54)	(1384.74)	326.74
Increase/(Decrease) in Other Current liabilities	(72.33)	(76.25)	76.73	(96.46)
Increase/(Decrease) in Long term provision	9.96	(3.80)	21.31	(2.56)
Increase/(Decrease) in Short term provision	2.42	51.36	12.80	16.14
Other financial liabilities	12.59	(111.80)	50.6	50.86
Changes in Working Capital	**(1,603.46)**	**(2,784.59)**	**(2,263.13)**	**(1,251.96)**
Cash generated from operations[2]	504.28	1,360.50	631.37	682.39
Direct Taxes Paid [3]	0.00	(815.55)	(383.19)	(164.26)
Net Cash from operating activities	**504.28**	**544.94**	**248.18**	**518.13**
Cash flows from Investing Activities				
Purchase of Property, plant and equipment (Including CWIP) and Advance for Capital Goods	(28.36)	(352.22)	(405.62)	(307.34)
Sale proceeds from sale Property, plant and equipment (Including CWIP)	-	125.41	-	-
Decrease/(Increase) in Other Long Term Loans & Advances	0.16	41.12	17.82	(5.00)
Net Cash From/ (Used In) Investing Activities	**(28.20)**	**(185.70)**	**(387.81)**	**(312.34)**
Cash flows from Financing Activities				
Proceeds from long term borrowings	-	-	528.58	372.41
Repayment of Long term borrowings	(415.35)	(728.06)	(328.99)	-
Proceeds from short term borrowings	11.59	1,429.71	739.86	-
Repayment of Short term borrowings	-	-	-	(10.32)
Proceeds from/ (Repayment of) Current maturities	158.67	(32.69)	47.93	188.2
Interest paid	(434.56)	(857.24)	(715.09)	(733.25)

Net Cash From/ (Used In) Financing Activities	**(679.66)**	**(188.28)**	**272.28**	**(182.96)**
Net Increase/(Decrease) in cash and cash equivalents	**(203.58)**	**170.98**	**132.66**	**22.83**
Cash and Cash equivalents at the beginning of the year	335.18	164.21	31.55	8.72
Cash and Cash equivalents at the ending of the year	**131.60**	**335.18**	**164.21**	**31.55**
Cash and Cash Equivalents include the following for Cash flow purpose				
Cash and Cash Equivalents/ Bank Balances	**131.60**	**335.18**	**164.21**	**31.55**
Less: Unclaimed dividend	-	-	-	-
Cash and Cash Equivalents/ Bank Balances	**131.60**	**335.18**	**164.21**	**31.55**

1) ***Decrease in inventories***

The Company is maintaining inventories based on the revenue forecast during the ensuing crop season. The Company normally keeps around 45 days of finished goods inventory for meeting the sales demand. The (increase)/decrease in inventory for FY2021, FY 2022 and FY 2023 is at ₹ 190.40 lakhs, ₹ (137.33 lakhs) and ₹ (492.49) lakhs respectively. In FY 2022, the holding of inventory increased to meet any unforeseen effects like COVID-19. For the subsequent periods, increase in inventory was higher to meet peak season demand.

2) ***Cash generated from operations***

Cash flow from operations for FY 2020-21, FY 2021-22 and FY 2022-23 at ₹ 682.39 lakhs, ₹ 631.37 lakhs and ₹ 1360.50 lakhs. Between FY 2020-21 and FY 2022-23, while Operating Profit before Working Capital Changes increased from ₹ 1934.35 lakhs to ₹ 4145.09 Lakhs on account of increased net profit, due to the effect of working capital changes Cash flow from operations increased from ₹ 518.13 lakhs in FY 2020-21 to ₹ 544.94 lakhs in FY 2022-23.

3) ***Direct Tax paid***

Direct taxes paid have increased proportionate to the net profit generated from operations and stood at ₹ 164.26 lakhs, ₹ 383.19 lakhs and ₹ 815.55 lakhs in FY 2020-21, FY 2021-22 and FY 2022-23, respectively.

GENERAL INFORMATION

Our Company was incorporated as a private limited company in the name "Nova Agritech Private Limited" pursuant to a certificate of incorporation dated May 09, 2007 issued by the RoC in accordance with provisions of the Companies Act, 1956. The name of our Company was subsequently changed to '*Nova Agritech Limited*", upon conversion into a public company, pursuant to a shareholders' resolution dated September 08, 2018 and a fresh certificate of incorporation was issued by the RoC dated September 24, 2018.

Registered and Corporate Office Nova Agritech Limited Sy.No.251/A/1, Singannaguda Village, Mulugu Mandal, Siddipet Medak Telangana – 502279

For details of the changes in our registered office of our Company, see "*History and Certain Corporate Matters - Change in the Registered Office*" at page 221.

Corporate identity number and registration number Corporate Identity Number: **U01119TG2007PLC053901** Registration Number: **053901**

Address of the RoC
Our Company is registered with the Registrar of Companies, Telangana at Hyderabad, situated at the following address:

Registrar of Companies, Hyderabad 2nd Floor, Corporate Bhawan, GSI Post, Nagole, Bandlaguda, Hyderabad, Telangana -500068

Board of Directors of our Company
Our Board of Directors comprises the following Directors as on the date of filing of this Red Herring Prospectus:

Name of the Director	Designation	DIN	Addre ss
Adabala Seshagiri Rao	Chairperson and Independent Director	09608973	Flat No.101, Block C – Srigda Kalakriti Apartments, Gokul Nagar, Tarnaka, Secunderabad, Lallaguda Secunderabad, Hyderabad – 500017, Telangana, India.
Malathi S	Whole-Time Director	03033944	Villa No: 29, Ashok-ala-Mansion, Dhullapally Road, Kompally Village, Qutubullapur, Medchal- 500056, Telangana, India
Kiran Kumar Atukuri	Managing Director	08143781	Villa No.23, Kalyan Whistling Woods Pet Basheerabad, Kompally, Jeedimetla, Medchal-Malkajgiri, Telangana-500067
Nadella Basanth Kumar	Whole-Time Director	08139510	H.No 1-7-1/121/3/3, Plot No 116 and 117, Reddy enclave, Road No.11, Near Sri Bakery, Old Alwal, Alwal, Hyderabad, Telangana-500010.
Sreekanth Yenigalla	Whole-Time Director	07228577	5-1015/5/4, Century Avenue, Behind Balaji Hospital, Alwal, Qutubullapur, K.V. Rangareddy, Andhra Pradesh - 500055
Adapa Kiran Kumar	Independent Director	09087754	Flat No. 304, Prema Avenue, Madinaguda, Miyapur, Hyderabad, Telangana - 500049
Kandula Swapna	Independent Director	08719208	4-5-32/9, 2nd Lane, Vidya Nagar, Guntur, Chandramoulinagar, Andhra Pradesh - 522007
Ramesh Babu Nemani	Independent Director	08089820	H.No. 6-3-609/96/A, 1st Floor, Radha Soami Satsangh Ghar, Anand Nagar Colony, Anand Nagar, Khairatabad, Hyderabad, Telangana - 500004

For further details of the Board of Directors, see "*Our Management*" on page 230.

Company Secretary and Compliance Officer

Neha Soni Sy.No.251/A/1.Singannaguda Village, Mulugu Mandal, Siddipet Medak Telangana - 502279
Tel: +(91) 84 54253446
E-mail: ipo@novaagri.in
Website: www.novaagri.in

Investor Grievances

Investors may contact the Company Secretary and Compliance Officer, the Book Running Lead Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer-related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode or other means.

All Offer-related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid-cum-Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid-cum-Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for Retail Individual Investors who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid cum Application Form was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All Offer-related grievances of the Anchor Investors may be addressed to the Registrar to the Offer , giving full details such as the name of the Sole or First Bidder, Anchor Investor Application Form number, Bidders' DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the respective BRLMs where the Anchor Investor Application Form was submitted by the Anchor Investor.

All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Book Running Lead Managers

Keynote Financial Services Limited
The Ruby, 9th Floor, Senapati Bapat Marg,
Dadar (W), Mumbai – 400 028
Tel: +(91) 22 6826 6000
E-mail: mbd@keynoteindia.net
Website: www.keynoteindia.net
Investor grievance e-mail: investors@keynoteindia.net
Contact person: : Radha Kirthivasan/ Sunu Thomas
SEBI Registration No: INM000003606

Bajaj Capital Limited
Mezzanine Floor, Bajaj House, 97, Nehru Place, New Delhi -110019, India **Tel:** +(91) 11 4169 3000
E-mail: info@bajajcapital,com
Website: www.bajajcapital.com
Investor grievance e-mail: info@bajajcapital.com
Contact person: P. Balraj
SEBI Registration No: INM000010544

Syndicate Members

Keynote Capitals Limited
The Ruby, 9th Floor, Senapati Bapat Marg,
Dadar (W), Mumbai - 400 028
Tel: +91 22 6826 6000-3
Email: ankur@keynoteindia.net
Contact Person: Ankur Mestry
Website: www.keynotecapitals.com
SEBI Regn No.: INZ000241530

Just Trade Securities Limited
Bajaj House, 5th Floor,
97 Nehru Place,
New Delhi -110019 India
Telephone: + 11 41693000
Email: customerservice@justtrade.in
Contact Person: Siju Kumar Panicker
Website: www.justtrade.in
SEBI Regn. No: INZ000236930

Statement of Inter-se allocation of responsibilities amongst the BRLMs

The responsibilities and coordination by the BRLMs for various activities in this Offer are as follows:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	Keynote, Bajaj Capital	Keynote
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus, Offer Agreement, and Underwriting Agreements and RoC filing	Keynote, Bajaj Capital	Keynote
3.	Drafting and approval of all statutory advertisements	Keynote, Bajaj Capital	Keynote
4.	Drafting and approval of all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI.	Keynote, Bajaj Capital	Bajaj Capital
5.	Appointment of Registrar and Ad agency, including coordination of all agreements to be entered into with such intermediaries	Keynote, Bajaj Capital	Keynote
6.	Appointment of all other intermediaries including Printer, Sponsor Bank, Banker (s) to the Offer, Syndicate, Monitoring Agency, etc. (including coordination of all agreements)	Keynote, Bajaj Capital	Bajaj Capital
7.	Preparation of road show presentation and FAQs for the road show team	Keynote, Bajaj Capital	Bajaj Capital
8.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road shows and investor meeting schedules	Keynote, Bajaj Capital	Bajaj Capital
9.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road shows and investor meeting schedules	Keynote, Bajaj Capital	Keynote
10.	Conduct non-institutional marketing of the Offer	Keynote, Bajaj Capital	Keynote
11.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	Keynote, Bajaj Capital	Bajaj Capital

12.	Coordination with Stock Exchanges for book building software, bidding terminals and mock trading, 1% security deposit.	Keynote, Bajaj Capital	Bajaj Capital
13.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholder	Keynote, Bajaj Capital	Bajaj Capital
14.	Post-Offer activities – managing Anchor book related activities and submission of letters to regulators post completion of anchor allocation, management of escrow accounts, finalisation of the basis of allotment based on technical rejections, post Offer stationery and preparation of CAN for Anchor Investors, essential follow-up steps including follow-up with bankers to the Offer and Self Certified Syndicate Banks and coordination with various agencies connected with the post-offer activity such as registrar to the offer, bankers to the offer, Self-Certified Syndicate Banks etc. listing of instruments, demat credit and refunds/ unblocking of funds, announcement of allocation and dispatch of refunds to Bidders, etc., payment of the applicable STT on behalf the Selling Shareholder, coordination for investor complaints related to the Offer, submission of final post issue report and coordination with SEBI and Stock Exchanges for refund of 1% security deposit.	Keynote, Bajaj Capital	Keynote

Legal Counsel to the Offer

ALMT Legal
2, Lavelle Road
Bangalore 560 001
Tel: +(91) 80 4016 0000

Statutory Auditors to our Company
NSVR & Associates LLP, Chartered Accountants
Address: House No.1-89/1/42,2nd Floor, Plot no.41&43,
Sri Ram Nagar Colony, Kavuri Hills, Guttala Begumpet,
Madhapur, Hyderabad, Telangana-500081
Email: info@nsvr.in
Tel: +(91) 40 23391164
Firm registration number: 008801S/S200060
Peer Review Auditor number: 012306

Changes in the auditors
There have been no changes in our statutory auditors in the three years immediately preceding the date of this Red Herring Prospectus.

Registrar to the Offer
Bigshare Services Private Limited
Address: Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road,
Andheri (East) Mumbai - 400093
Tel: +(91) 22 6263 8200
Facsimile: +(91) 22 6263 8280
Email: ipo@bigshareonline.com
Investor grievance email: investor@bigshareonline.com
Contact Person: Jibu John
Website: www.bigshareonline.com
SEBI Registration Number: INR000001385

Banker to the Offer- Escrow Collection Bank, Public Offer Bank, Refund Bank and Sponsor Bank

Axis Bank Limited
Address: Axis Bank Limited, Axis House,
Wadia International Center, P.B. Marg, Worli, Mumbai.
Tel: + (91) 22 24253672
Email: vishal.lade@axisbank.com
Website: www.axisbank.com
Contact Person: Vishal Lade
SEBI Registration Number: INBI00000017

Banker(s) to our Company

Union Bank of India
Address: Plot 220, Gunrock Enclave, Sikh Rd.
Secunderabad- 500009 Andhra Pradesh, India
Tel: +(91) 40 27844303
Email: ubin0906352@unionbankofindia.bank
Contact Person: G. Rajeswari
Website: www.unionbankofindia.co.in

Designated Intermediaries

Registrar and Share Transfer Agent - The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 defines registrars or transfer agents as institutions that register and keep full records of investor transactions for mutual fund firms' convenience.

Collecting Depository Participants (CDP) - CDPs act as a link between depositories and the investors who hold securities. A CDP is an entity registered with the Securities and Exchange Board of India (SEBI) and is associated with either the CDSL or the NSDL or both.

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, RIBs Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 and www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, respectively.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investor and RIBs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any other website prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) as updated from time to time or any other website prescribed by SEBI from time to time.

Broker Centres/ Designated CDP Locations/ Designated RTA Locations In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors and RIBs using the UPI Mechanism) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35. The list comprising the details of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time.

Registered Brokers

Broker Centres/ Designated CDP Locations/ Designated RTA Locations In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, Bidders (other than Anchor Investors and RIBs using the UPI Mechanism) can submit Bid cum Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and at the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=30. The list comprising the details of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Registered Brokers will be available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=30 and updated from time to time.

Registrar and Share Transfer Agents

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and https://www.nseindia.com/invest/find-a-stock-broker respectively, or such other websites as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx and https://www.nseindia.com/products-services/initial-public-offerings-asba-procedures, respectively, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated December 26, 2023 from NSVR & Associates LLP, Chartered Accountants, holding a valid peer review certificate from ICAI, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of; (i) Restated Financial Information and their examination report dated February 27, 2023 relating to the Financial Information and (iii) their statement of special tax benefits dated December 26, 2023 included in this Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**").

Additionally, our Company has also received the consent from V. Vishwanath Murthy, Chartered Engineer, to include his name in this Red Herring Prospectus as an "expert" under Section 26 of the Companies Act 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent of and in their capacity in relation to the certificate dated December 09, 2023 on providing the details of the installed capacity and utilized capacity.

Monitoring Agency

Our Company has appointed Care Ratings Limited a credit rating agency registered with SEBI as a monitoring agency for monitoring the utilization of the Net Proceeds from the Fresh Offer in compliance with Regulation 41 of the SEBI ICDR Regulations, prior to filing of this Red Herring Prospectus. For details, see "*Objects of the Offer – Monitoring of utilisation of funds*" on page 112.

Appraising Entity

None of the objects of the Offer for which the Net Proceeds will be utilised have been appraised by any agency. Accordingly, no appraising entity has been appointed in relation to the Offer.

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As this is an offer of Equity Shares, no debenture trustee has been appointed for the Offer.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing

A copy of this Red Herring Prospectus has been uploaded on the SEBI intermediary portal at https://siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of this Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act shall be filed with the RoC and a copy of the Prospectus shall be filed with the RoC under Section 26 of the Companies Act.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band, which will be decided by our Company and the Selling Shareholder in consultation with the BRLMs, and will be advertised in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper andthe Hyderabad edition of Surya, a Telugu newspaper (Telugu being the regional language of Telangana where our Registered Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholder in consultation with the BRLMs after the Bid/Offer Closing Date. For further details, see "*Offer Procedure*" on page 404.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the UPI Bidders shall participate through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Non-Institutional Investors with an application size of up to ₹ 0.50 million shall use the UPI Mechanism and shall also provide their UPI ID in the Bid cum Application Form submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents**.**
In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs Bidding in the Retail Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see "*Terms of Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 394, 400 and 404, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and Bidders are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 400 and 404, respectively.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. The Selling Shareholder has specifically confirmed that they will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to the Selling Shareholder, in relation to the Offered Shares. In this regard, our Company and the Selling Shareholder have appointed the BRLMs to manage this Offer and procure Bids for this Offer.

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of this Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band, which will be decided by our Company, in consultation with the Selling Shareholder and the BRLMs and, will be advertised in all editions of Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper) and the Hyderabad edition of Surya (a widely circulated Telugu regional daily newspaper, Telugu being the regional language of Telangana where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price shall be determined by our Company in consultation with the Selling Shareholder and BRLMs after the Bid/Offer Closing Date. For details, please see the section entitled "*Offer Procedure*" on page 404.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs and Sponsor Bank, as the case may be. The Retail Individual Bidders shall participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and NIBs are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. RIBs (subject to the Bid Amount being up to ₹ 2,00,000/-) can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis, while allocation to QIBs (other than Anchor Investors) and NIB will be on a proportionate basis.

For further details on the method and procedure for Bidding and book building procedure, please see the sections entitled "*Terms of the Offer*", "*Offer Structure*" and "*Offer Procedure*" on pages 394, 400 and 404, respectively.

The Book Building Process under the SEBI ICDR Regulations and the Bidding process are subject to change from time to time. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Bidders should note the Offer is also subject to: (i) obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) filing of the Prospectus with the RoC.

For an illustration of the Book Building process and the price discovery process, please see the section entitled "*Offer Procedure*" on page 404.

Each Bidder, by submitting a Bid in the offer, will be deemed to have acknowledged the above restrictions and the terms of the offer.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Offer. The Selling Shareholder has specifically confirmed that they will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable to the Selling Shareholder, in relation to the Offered Shares. In this regard, our Company and the Selling Shareholder have appointed the BRLMs to manage this Offer and procure Bids for this Offer.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount Underwritten (₹ in lakhs)
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalised after the determination of Offer Price and actual allocation and subject to the provisions of Regulation 40(2) of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●] accept and enter into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation amongst the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Red Herring Prospectus, is set forth below:

(In ₹ lakhs, except share data)

Sr. No.	Particulars	Aggregate value at face value	Aggregate value at Offer Price*
A.	**AUTHORIZED SHARE CAPITAL** (1)		
	10,00,00,000 Equity Shares of ₹ 2/- each	2000.00	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	6,52,02,740 Equity Shares of ₹ 2/- each	1304. 05	-
D.	**PRESENT OFFER IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares (2) (3)	[●]	
	Of which		
	Fresh Offer of up to [●] Equity Shares	[●]	
	Offer for Sale of up to 77,58,620 Equity Shares by the Selling Shareholder	[●]	
E.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER***		
	[●] Equity Shares of ₹ 2/- each	[●]	-
F.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	NIL	
	After the Offer	[●]	

**To be included upon finalisation of Offer Price.*

(1) For details in relation to changes in the authorised share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 222.

(2) The Fresh Offer has been authorized by our Board of Directors pursuant to the resolution passed at their meeting dated February 27, 2023 and our Shareholders at their meeting dated March 01, 2023.

(3) The Selling Shareholder has consented to participate in the Offer for Sale pursuant to his consent letter, dated February 27, 2023 for 77,58,620 Equity Shares. For further details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 382.

Notes to the Capital Structure

1. **Share Capital History of our Company**

a. History of Equity Share capital

The following table sets forth the history of the Equity Share capital of our Company.

Date of allotment	Number of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
May 19, 2007	10,000	10	10	Cash	Initial Subscription(1)	10,000	1,00,000
March 25, 2010	1,55,000	10	10	Cash	Preferential Issue (2)	1,65,000	16,50,000
March 31, 2010	83,500	10	100	Cash	Preferential Issue(3)	2,48,500	24,85,000
March 31, 2012	40,000	10	125	Cash	Preferential Issue(4)	2,88,500	28,85,000
November 11, 2013	1,44,250	10	10	Cash	Preferential Issue (5)	4,32,750	43,27,500
March 29, 2014	12,98,250	10	--	Other than Cash	Bonus Issue in the ratio of three Equity Shares for every one Equity Share held (6)	17,31,000	1,73,10,000
March 25, 2017	6,25,676	10	37	Cash	Rights Issue (7)	23,56,676	2,35,66,760
June 21, 2017	7,78,461	10	58	Other than Cash	Preferential Issue(8)	31,35,137	3,13,51,370
March 20, 2018	94,05,411	10	-	Other than Cash	Bonus Issue in the ratio of three Equity Shares for every one Equity Share held (9)	1,25,40,548	12,54,05,480
January 6, 2023	5,00,000	10	15	Cash	Allotment pursuant to ESOP scheme (10)	1,30,40,548	13,04,05,480
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, 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							

(1) Initial Subscription of 9,000 Equity Shares to Sambasivarao Yeluri and 1,000 Equity Shares to Kalyana Chakravarthy.
(2) Allotment of 30,000 Equity Shares to Malathi S 1,05,000 to Sambasiva Rao Yeluri and 20,000 Equity Shares to Kalyana Chakravarthy.
(3) Allotment of 3,000 Equity Shares each to Vinay Singh, Naresh Singh, Susheel Singh, D Rajender Singh, Susheel Singh, Chandramukhi, Jay Prakash Singh, Pinky Bai, Vijendra Singh, N Satyanarayana Singh, Naresh Singh, Mahesh Singh, Indrani Singh, Prem Kumar Singh, Laxmikath Dhabde, Rakesh Singh, P Sudhakar, D Anil, E Padma Priya, N Ajay Kumar Chowdary and T Hemanth and 7,000 Equity Shares to Md Ali, 2,500 Equity Shares to P Ajay Babu, and 5,500 Equity Shares each to A Srikanth and T Venkateshwar Rao.
(4) Allotment of 4,000 Equity Shares each to Lalita Bai Katgi, Manju Devi Agrawal, Muralidhar Kumar, Sri Hari Gaddam, Sudhakar Hupale, Neeraj Sharma, Baliram Nigadale, Pavan Kumar Sharma, Shiv Kumar and Prashant Kumar.
(5) Allotment of 10,500 Equity Shares to Yeluri Sambasiva Rao (HUF), 77,000 Equity Shares to Sambasivarao Yeluri, 15,000 Equity Shares to Malathi S and 41,750 Equity Shares to Suraksha Agri Retails (India) Private Limited.
(6) Allotment of 5,73,000 Equity Shares to Sambasivarao Yeluri, 1,35,000 Equity Shares to Malathi S, 3,75,750 Equity Shares to Suraksha Agri Retails (India) Private Limited, 94,500 Equity Shares to Yeluri Sambasiva Rao (HUF), 12,000 Equity Shares each to Lalita Bai Katgi, Manju Devi Agrawal, Murlidhar Kumar, Sri Hari Gaddam, Sudhakar Hupale, Neeraj Sharma, Baliram Nigadale, Pavan Kumar Sharma, Shiv Kumar and Prashant Kumar.
(7) Allotment of 29,730 Equity Shares to Sambasivarao Yeluri, 51,351 Equity Shares each to P Ajay Babu and N Nutalapati Venkatasubbarao, 13,514 Equity Shares each to A Mohan, Nazia Tarunnam and N Kusuma, 40,541 Equity Shares to J Ashok Kumar, 22,973 Equity Shares to P Padmavathi, 10,811 Equity Shares each to A Shobha Rani and Y Sujana, 43,243 Equity Shares to P Sudhakar and 27,027 Equity Shares each to Malathi S, Suraksha Agri Retails (India) Private Limited, Mohammad Ali, A Srikanth, G Santhosh Chander Rao, K Samba Siva Rao, N Basanth Kumar, Y Srikanth, Kisan Media Innovations Private Limited, Rapid Agri Care on behalf of proprietor J. Ashok Kumar,Suraksha Biologicals on behalf of proprietor K. Sambasiva Rao and Unitek Biologicals on behalf of proprietor Nutalapati Venkatasubbarao.
(8) Allotment of 68,966 Equity Shares to Suraksha Agri Retails (India) Private Limited, 23,914 Equity Shares to A Srikanth, 1,72,414 Equity Shares to G Santhosh Chander Rao on behalf of the proprietorship Wonder Crop, 192,241 Equity Shares to K Samba Siva Rao on behalf of the proprietorship Suraksha Biologicals, 1,98,276 Equity Shares to Nutalapati Venkatasubbarao on behalf of the proprietorship Unitek Biologicals, 1,724 Equity Shares to B Srinivasa Rao, 13,793 Equity Shares to V Appa Rao and K Srihari, 2,478 Equity Shares to T Venkatesh wara Rao, 1,724 Equity Shares to G Venu Gopal, 862 Equity Shares to G Kishore Kumar, 6,897 Equity Shares to K Narendra Dattu, 8,621 Equity

Shares to N Venkata Choudary, 3,448 Equity Shares to Sujatha, 67,586 Equity Shares to S Leelaanand and 1,724 Equity Shares to Linga Srinivasa Rao.
[(9)] Bonus Allotment of 42,92,154 Equity Shares to Sambasivarao Yeluri, 12,63,243 Equity Shares to Malathi S, 17,90,979 Equity Shares to Suraksha Agri Retails (India) Private Limited, 3,78,000 equity Shares to Yeluri SambasivaRao (HUF), 5,17,242 Equity Shares to Santhosh Chander Rao, 5,68,965 Equity Shares to K Samba Siva Rao and 5,94,828 Equity Shares to Nutalapati Venkatasubbarao.
[(10)] Allotment of 5,00,000 shares to Nova Agritech Limited Employees Welfare Trust

*2. **Shares issued for consideration other than cash or bonus issuance***

Except as detailed below, our Company has not issued any Equity Shares for consideration other than cash or by way of bonus issue since incorporation:

Date of allotment	Number of Shares allotted	Face value per Share (₹)	Issue price per Share (₹)	Form of consideration	Reasons for allotment
March 29, 2014	12,98,250	10	--	Bonus issue [(1)]	Bonus issue in the ratio of three Equity Shares for every one Equity Share held
June 21, 2017	7,78,461	10	58	Further Issue[(2)]	Conversion of unsecured loans
March 20, 2018	94,05,411	10	--	Bonus issue [(3)]	Bonus issue in the ratio of three Equity Shares for every one Equity Share held

[(1)] Allotment of 5,73,000 Equity Shares to Sambasivarao Yeluri, 1,35,000 Equity Shares to Malathi S, 3,75,750 Equity Shares to Suraksha Agri Retails (India) Private Limited, 94,500 Equity Shares to Yeluri Sambasiva Rao (HUF), 12,000 Equity Shares each to Lalita Bai Katgi, Manju Devi Agrawal, Murlidhar Kumar, Sri Hari Gaddam, Sudhakar Hupale, Neeraj Sharma, Baliram Nigadale, Pavan Kumar Sharma, Shiv Kumar and Prashant Kumar.
[(2)] Allotment of 68,966 Equity Shares to Suraksha Agri Retails (India) Private Limited, 23,914 Equity Shares to A Srikanth, 1,72,414 Equity Shares to G Santhosh Chander Rao on behalf of the proprietorship Wonder Crop, 1,92,241Equity Shares to K Samba Siva Rao on behalf of the proprietorship Suraksha Biologicals, 1,98,276 Equity Shares Nutalapati Venkatasubbarao on behalf of the proprietorship Unitek Biologicals, 1,724 Equity Shares to B Srinivasa Rao, 13,793 Equity Shares to V Appa Rao and K Srihari,2,478 Equity Shares to T Venkateshwara Rao, 1,724 Equity Shares to G Venu Gopal, 862 Equity Shares to G Kishore Kumar, 6,897 Equity Shares to K Narendra Dattu, ,8,621 Equity Shares to N Venkata Chowdary, 3,448 Equity Shares to Sujatha, 67,586 Equity Shares to S Leelaanand and 1,724 Equity Shares to Linga Srinivasa Rao.
[(3)] Allotment of 42,92,154 Equity Shares to Sambasivarao Yeluri, 12,63,243 Equity Shares to Malathi S, 17,90,979 Equity Shares to Suraksha Agri Retails (India) Private Limited, 3,78,000 Equity Shares to Yeluri SambasivaRao (HUF), 5,17,242 Equity Shares to Santhosh Chander Rao, 5,68,965 Equity Shares to K Samba Siva Rao and 5,94,828 Equity Shares to Nutalapati Venkatasubbarao.

3. **Issue of Equity Shares at a price lower than the Offer Price in the last year**

Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price in the one year preceding the date of this Red Herring Prospectus.

4. **History of build-up, Promoters' contribution and lock-in of Promoters' shareholding**

a. Build-up of the shareholding of our Promoters in our Company

As on the date of this Red Herring Prospectus, our Promoters, along with our Promoter Group hold 5,49,44,045 Equity Shares, equivalent to 84.27% of the issued, subscribed and paid-up Equity Share capital of our Company. The details regarding the shareholding of our Promoters since incorporation of our Company is set forth in the table below.

Date of allotment/ transfer	Reason/ Nature of transaction	Number of Equity Shares	Nature of consideration	Face value (₹)	Issue price/ Transfer price per Equity Share (₹)	% of pre-Offer capital^	% of post-Offer capital
Suraksha Agri Retails (India) Private Limited							
April 5, 2010	Share Transfer from Vinay Singh	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer From Naresh Singh	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer From Susheel Singh	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Chandramukhi	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Jay Prakash Singh	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Pinky Bai	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Vijendra Singh	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from N Satyanarayana Singh	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Naresh Singh	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Mahesh Singh	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Indrani Bai	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Prem Kumar Singh	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Laxmikanth Dhabde	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Rakesh Singh	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from Md. Ali	7,000	Cash	10	10	0.01	[●]
April 5, 2010	Share Transfer from P Ajay Babu	2,500	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from P Sudhakar	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from D Anil	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from E Padma Priya	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from A Srikanth	5,500	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from T Venkatshwar Rao	5,500	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from N Ajay Kumar Chowdary	3,000	Cash	10	10	Negligible	[●]
April 5, 2010	Share Transfer from T Hemath	3,000	Cash	10	10	Negligible	[●]
November 11, 2013	Preferential Allotment	41,750	Cash	10	10	0.06	[●]
March 29, 2014	Bonus Issue	3,75,750	Other than Cash	10	--	0.58	[●]

March 25, 2017	Further Issue	27,027	Cash	10	27	0.04	[●]
June 21, 2017	Preferential issue	68,966	Cash	10	48	0.11	[●]
March 20, 2018	Bonus Issue	17,90,979	Other than Cash	10	--	2.75	[●]
March 30, 2021	Share Transfer from G Santosh Chander Rao	6,89,656	Cash	10	10	1.05	[●]
March 30, 2021	Share Transfer to Siripurapu Madhuri	(10)	Cash	10	10	Negligible	[●]
March 30, 2021	Share Transfer to Soumya Eluri	(10)	Cash	10	10	Negligible	[●]
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, 30,77,608 Equity Shares of Suraksha Agri Retails (India) Private Limited of face value of ₹10 each were sub-divided into 1,53,88,040 Equity Shares of face value of ₹ 2/- each.							
Total		**1,53,88,040**			**[●]**	**23.60**	**[●]**
Malathi S							
March 25, 2010	Further Issue	30,000	Cash	10	10	0.05	[●]
November 11, 2013	Further Issue	15,000	Cash	10	10	0.02	[●]
March 29, 2014	Bonus Issue	1,35,000	Other than Cash	10	--	0.21	[●]
March 25, 2017	Further Issue	27,027	Cash	10	27	0.04	[●]
May 20, 2017	Share Transfer from Lalita Bai Katgi	16,000	Cash	10	50	0.02	[●]
May 20, 2017	Share Transfer from Manju Devi Agrawal	16,000	Cash	10	50	0.02	[●]
May 20, 2017	Share Transfer from Muralidhar Kumar	16,000	Cash	10	50	0.02	[●]
May 20, 2017	Share Transfer from Sri Hari Gaddam	16,000	Cash	10	50	0.02	[●]
May 20, 2017	Share Transfer from Sudhakar Hupale	16,000	Cash	10	50	0.02	[●]
May 20, 2017	Share Transfer from Neeraj Sharma	16,000	Cash	10	50	0.02	[●]
May 20, 2017	Share Transfer from Baliram Nigadale	16,000	Cash	10	50	0.02	[●]
May 20, 2017	Share Transfer from Pavan Kumar Sharma	16,000	Cash	10	50	0.02	[●]
May 20, 2017	Share Transfer from Shiv Kumar	16,000	Cash	10	50	0.02	[●]
May 20, 2017	Share Transfer from Prashant Kumar	16,000	Cash	10	50	0.02	[●]
May 20, 2017	Share Transfer from G Santosh Chander Rao	27,027	Cash	10	50	0.04	[●]
May 20, 2017	Share Transfer from A Srikaanth	27027	Cash	10	50	0.04	
March 20, 2018	Bonus Issue	12,63,243	Other than Cash	10	--	1.94	[●]
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, 16,84,324 Equity Shares of Malathi S of face value of ₹10/- each were sub-divided into 84,21,620 Equity Shares of face value of ₹ 2/- each.							
Total		**84,21,620**				**12.92**	**[●]**
Yeluri Family Trust*							
December 13, 2022	Share Transfer from Sambasivarao Yeluri	57,22,872	Gift	10	--	8.77	[●]
December 13, 2022	Share Transfer from Yeluri Sambasiva Rao (HUF)	5,04,000	Gift	10	--	0.77	[●]
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, 62,26,872 Equity Shares held by Yeluri Family Trust of face value of ₹10/- each were sub-divided into 3,11,34,360 Equity Shares of face value ₹2/- each							
Total		**3,11,34,360**				**47.75**	**[●]**

^*Percentage of the pre-Offer capital has been adjusted for sub-division of equity shares of our Company.*

* *Yeluri Family Trust ("Trust") is a private, irrevocable, non-discretionary trust, established under the provisions of the Indian Trusts Act, 1882, as amended, registered as document no. 104 of 2022 of Book-4 and assigned the identification number 4-1504-104-2022*

vide registered Deed of Trust dated August 05, 2022 ("Trust Deed"). The PAN of the Trust is AAATY9209P. Our individual Promoter, Malathi S, is the author/settlor/beneficiary of the Trust ("First Trustee") whereas Yeluri Divyesh and Yeluri Mainank Tarak are the beneficiaries of the Trust ("Beneficiaries"). For further details, refer to "Our Promoter and Promoter Group" on Page 249.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged. The entire shareholding of our Promoters and members of Promoter Group is in de-materialization form as of the date of this Red Herring Prospectus.

None of the Promoters, members of the Promoter Group or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Red Herring Prospectus.

There have been no financing arrangements whereby our Promoters, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Red Herring Prospectus.

b. Shareholding of our Promoters and Promoter Group

Set forth below is the shareholding of our Promoters and members of the Promoter Group as on the date of this Red Herring Prospectus**:**

S No.	Name of shareholder	Pre-Offer Equity Share capital	
		Number of Equity Shares held	Percentage of total pre-Offer paid up Equity Share capital (%)^
A. Promoter			
1.	Suraksha Agri Retails (India) Private Limited	1,53,88,040	23.60
2.	Malathi S	84,21,620	12.92
3.	Kiran Kumar Atukuri	Nil	Nil
4.	Yeluri Family Trust	3,11,34,360	47.75
	Total (A)	**5,49,44,020**	**84.27**
B. Promoter Group			
5.	Siripurapu Madhuri	25	Negligible
	Total (B)	**25**	**Negligible**
	Grand Total (A+B)	**5,49,44,045**	**84.27**

^Percentage of the pre-Offer capital has been adjusted for sub-division of equity shares of our Company

c. Details of Public Shareholders of the Company

Set forth below is the public shareholding of the Company:

Sl. No.	Name of the shareholder	Pre-Offer Equity Share Capital as on the date of this Red Herring Prospectus		Post-Offer Equity Share Capital	
		Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital (%)	Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share capital (%)
1.	Nutalapati Venkatasubbarao	77,58,620	11.90	Nil^	Nil^
2.	Yashwitha Godavarthi	25	Negligible	[•]	[•]
3.	Eluri Soumya	50	Negligible	[•]	[•]
	Total	**77,58,695**	11.90	[•]	[•]

^ Subject to the Basis of Allotment

d. Details of Promoter's contribution and lock-in for 18 months

(i) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of 18 months as minimum promoter's contribution from the date of Allotment in the Offer ("**Minimum Promoter's Contribution**") and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment. As a majority of the Net Proceeds are not proposed to be utilized for capital expenditure.

(ii) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment in the Offer as Minimum Promoter's Contribution are set forth in the table below:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment / transfer of Equity Shares*	Nature of transaction	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)	Date up to which Equity Shares are subject to lock-in
Suraksha Agri Retails (India) Private Limited	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Malathi S	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Yeluri Family Trust	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	**[●]**						[●]	[●]

**Equity Shares allotted / transferred to our Promoters were fully paid-up at the time of allotment / transfer*

Our Promoters have given consent to include such number of Equity Shares held by them as may, constitute 20% of the post-Offer Equity Share capital of our Company as Minimum Promoter's Contribution and has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(iii) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be, ineligible for computation of Minimum Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, our Company confirms the following:

(a) The Equity Shares offered for Minimum Promoter's Contribution do not include Equity Shares acquired during the three immediately preceding years (i) for consideration other than cash, and revaluation of assets or capitalisation of intangible assets, (ii) pursuant to a bonus issue out of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution;

(b) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;

(c) Our Company has not been formed by the conversion of one or more partnership firms or a limited liability partnership firm;

(d) The Equity Shares forming part of the Minimum Promoter's Contribution are not subject to any pledge;

(e) All the Equity Shares held by our Promoters shall be held in dematerialised form.

e. Details of Equity Shares locked-in for six months

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoters and locked in for eighteen months as specified above and Equity Shares offered by the Selling Shareholder as part of the Offer for Sale, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment, including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations.

f. Lock-in of Equity Shares Allotted to Anchor Investors

There shall be a lock-in of 90 days on 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares allotted to the Anchor Investors from the date of Allotment.

Other requirements in respect of lock-in

Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations, except for (i) the Equity Shares transferred pursuant to the Offer for Sale; (ii) any Equity Shares allotted to the employees of our Company, whether currently employees or not and including the legal heirs or nominees of any deceased employees or ex-employees, under the ESOP Scheme prior to the Offer; and (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least one year from the date of purchase by such shareholders. Further, any unsold portion of the Equity Shares offered pursuant to the Offer for Sale will be locked-in as required under the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

The Equity Shares held by the Promoters which are locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21 of the SEBI ICDR Regulations.

However, the relevant lock in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters and locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

Any unsubscribed portion of the Offered Shares would also be locked-in as required under the SEBI ICDR Regulations.

5. **Shareholding Pattern of our Company**

The table below presents the shareholding pattern of our Company as on the date of this Red Herring Prospectus:

Category (I)	Category of shareholder (II)	Number of shareholders (II)	Number of fully paid up Equity Shares held (IV)	Number of Partly paid-up Equity Shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V) + (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B +C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+ C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: Others	Total								
(A)	**Promoter and Promoter Group**	4	5,49,44,045	0	0	5,49,44,045	84.27	5,49,44,045	0	5,49,44,045	84.27	0	0	0	0	0	0	5,49,44,045
(B)	**Public**	3	77,58,695	0	0	77,58,695	11.90	77,58,695	0	77,58,695	11.90	0	0	0	0	0	0	77,58,695
(C)	**Non Promoter-Non Public**																	
(C1)	Shares underlying depository receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(C2)	Shares held by employee trusts	1	25,00,000	0	0	25,00,000	3.83	0	0	0	0	0	0	0	0	0	0	25,00,000
	Total	**8**	**6,52,02,740**	**0**	**0**	**6,52,02,740**	**100**	**6,27,02,740**	**0**	**6,27,02,740**	**96.17**	**0**	**0**	**0**	**0**	**0**	**0**	**6,52,02,740**

6. The BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares as on the date of this Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, for which they may in the future receive customary compensation.

7. Except for Malathi S none of our Directors or Key Managerial Personnel hold shares in our Company. For more details on shareholding, see "*Capital Structure – Shareholding of our Promoter and Promoter Group*" on page 87.

8. **Details of shareholding of the major Shareholders of our Company**

(a) As on the date of this Red Herring Prospectus, our Company has eight equity shareholders.

(b) Set forth below are details of shareholders holding 1% or more of the pre-Offer paid-up Equity Share capital of our Company as on the date of filing of this Red Herring Prospectus:

Name of Shareholder	**Pre-Offer**	
	No. of Equity Shares	**% of Equity Share capital^**
Suraksha Agri Retails (India) Private Limited	1,53,88,040	23.60
Malathi S	84,21,620	12.92
Nutalapati Venkatasubbarao	77,58,620	11.90
Yeluri Family Trust	3,11,34,360	47.75
Nova Agritech Limited Employees Welfare Trust	25,00,000	3.83

^*Percentage of the pre-Offer capital has been adjusted for sub-division of Equity Shares of our Company*

(c) Set forth below are details of shareholders holding 1% or more of the pre-Offer paid-up Equity Share capital of our Company as on 10 days prior to the date of filing of this Red Herring Prospectus:

Name of Shareholder	**Pre-Offer**	
	No. of Equity Shares	**% of Equity Share capital^**
Suraksha Agri Retails (India) Private Limited	1,53,88,040	23.60
Malathi S	84,21,620	12.92
Nutalapati Venkatasubbarao	77,58,620	11.90
Yeluri Family Trust	3,11,34,360	47.75
Nova Agritech Limited Employees Welfare Trust	25,00,000	3.83

^*Percentage of the pre-Offer capital has been adjusted for sub-division of Equity Shares of our Company*

(d) Set forth below are details of shareholders holding 1% or more of the pre-Offer paid-up Equity Share capital of our Company as on the date one year prior to the date of filing of this Red Herring Prospectus:

Name of Shareholder	**Pre-Offer**	
	No. of Equity Shares	**% of Equity Share capital**
Suraksha Agri Retails (India) Private Limited	30,77,608	24.54
Malathi S	16,84,324	13.34
Nutalapati Venkatasubbarao	15,51,724	12.37
Yeluri Family Trust	62,26,872	47.75
Nova Agritech Limited Employees Welfare Trust	5,00,000	3.83

(e) Set forth below are details of shareholders holding 1% or more of the pre-Offer paid-up Equity Share capital of our Company as on the date two years prior to the date of filing of this Red Herring Prospectus:

Name of Shareholder	Pre-Offer	
	No. of Equity Shares	% of Equity Share capital
Suraksha Agri Retails (India) Private Limited	23,87,972	19.04
Malathi S	16,84,324	13.34
Nutalapati Venkatasubbarao	7,93,104	6.32
Sambasivarao Yeluri	57,22,872	45.63
G Santosh Chandra Rao	6,89,656	5.50
K Samba Siva Rao	7,58,620	6.05
Y Samba Siva Rao (HUF)	5,04,000	4.02

9. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, directors of our Corporate Promoter, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity during a period of six months immediately preceding the date of filing of this Red Herring Prospectus.

10. Our Company, Directors, and the BRLMs have not entered any buy-back arrangement for the purchase of Equity Shares of our Company.

11. Our Promoters, other members of our Promoter Group, directors of our Promoter, our Directors or our Directors' relatives have not purchased or sold any securities of our Company during the six months prior to the date of filing this Red Herring Prospectus.

12. Except as stated below, our Promoters, other members of our Promoter Group, Selling Shareholder, directors of our Promoter, our Directors or our Directors' relatives or Shareholders entitled with the right to nominate directors or other rights have not purchased or sold any securities of our Company during three years prior to the date of filing this Red Herring Prospectus:

Date of Acquisition	Name of the Acquirer	Nature of the Transaction	No. of Equity Shares Acquired	Acquisition price per share (₹)
March 30, 2021	Siripurapu Madhuri	Share Transfer	10	10
March 30, 2021	Suraksha Agri Retails (India) Private Limited	Share Transfer	6,89,656	10
December 13, 2022	Yeluri Family Trust	Share Transfer	62,26,872	**Nil***

**Share transfer by way of gift*

13. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

14. No person connected with the Offer, including but not limited to, our Company, the members of the Syndicate, our Directors, Promoters or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid.

15. As on the date of this Red Herring Prospectus none of the Equity Shares held by our Promoters and other members of our Promoter Group are pledged or otherwise encumbered. Further, none of the Equity Shares being offered for sale through the Offer for Sale are pledged or otherwise encumbered, as on the date of this Red Herring Prospectus.

16. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

17. The Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment, failing which, no Allotment shall be made.

18. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Red Herring Prospectus.

19. **Nova Agritech Limited Share-Based Employee Benefit Scheme - 2022 ("ESOP Scheme")**

Our Company, pursuant to the resolutions passed by our Board of Directors on November 23, 2022, and our Shareholders on December 19, 2022, adopted the ESOP Scheme. The Company under the ESOP Scheme may grant an aggregate number of up to 5,00,000 employee stock options, in one or more tranches. Upon exercise and payment of the exercise price, the option holder will be entitled to be allotted one Equity Share per employee stock option. The purpose of the ESOP Scheme is, among other things, to: (a) motivate the employees to contribute to the growth and profitability of our Company; (b) achieve sustained growth and the creation of Shareholder value by aligning the interests of the employees with the long-term interests of our Company; and (c) incentivize the senior and critical talents in line with corporate growth and creation of Shareholders' value. There are no options granted pursuant to the ESOP Scheme as of the date of this Red Herring Prospectus. 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 Equity Shares of face value of ₹ 2/- each.

20. There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges.

21. Except for Equity Shares that may be allotted pursuant to the exercise of options granted under the ESOP 2022, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares. However, if our Company enters acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as consideration for acquisitions or participation in such joint ventures or other arrangements.

22. None of our Promoters and members of our Promoter Group will submit Bids or otherwise participate in the Offer.

23. Our Company shall ensure that any transactions in the Equity Shares by our Promoters and our Promoter Group during the period between the date of filing of this Red Herring Prospectus with the Registrar of Companies and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

24. Our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Offer of [●] Equity Shares, aggregating up to ₹ 11,200.00 lakhs by our Company and an Offer for Sale of up to 77,58,620 Equity Shares, aggregating up to ₹ [●] lakhs by the Selling Shareholder. For details, please refer to the section entitled "*The Offer*" on page 65.

Fresh Offer

The net proceeds of the Fresh Offer, i.e. gross proceeds of the Fresh Offer less the offer expenses apportioned to our Company ("Net Proceeds") are proposed to be utilised in the following manner:

(Amount in ₹ lakhs)

Particulars	Amount which will be financed from Net Proceeds
(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
(d) Investment in our subsidiary, Nova Agri Sciences Private Limited for funding working capital requirements	4,335.85
Sub-Total (a+b+c+d)	**9,470.38**
General Corporate purposes*	[●]
Total	**[●]**

* To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds (collectively, referred to herein as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enables us to (i) undertake our existing business activities; and (ii) to undertake activities proposed to be funded from the Net Proceeds.

Further, our Company expects to receive the benefits of listing of the Equity Shares, including to enhancement of our visibility and our brand image among our existing and potential customers as well as vendors and creation of a public market for our Equity Shares in India.

Offer for Sale

The Selling Shareholder will be entitled to the respective portion of the proceeds of the Offer for Sale after deducting its portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. The details of the Offer for Sale is provided herein below:

S.No	Name of the Selling Shareholder	Category of Shareholder	No. of Shares offered in OFS	Pre-Offer Equity Share Capital		Post-Offer Equity Share Capital	
				Number of Equity Shares	Percentage of total pre-Offer paid up Equity Share Capital	Number of Equity Shares	Percentage of total Post-Offer paid up Equity Share Capital (%)
1.	Nutalapati Venkatasubbarao	Public	77,58,620	77,58,620	11.90	Nil*	Nil*
	Total		77,58,620	**77,58,620**	**11.90**		

**Subject to Basis of Allotment*

Except for (i) listing fees and stamp duty payable on issue of Equity Shares pursuant to Fresh Offer which shall be borne solely by the Company, (ii) the stamp duty payable on transfer of Offered Shares which shall be borne solely by the Selling Shareholder, our Company and the Selling Shareholder shall share the costs and expenses (including all applicable taxes in relation to such costs and expenses) directly attributable to the Offer (including fees and expenses of the BRLMs, legal counsel to the Company and the BRLMs and other intermediaries, advertising and marketing expenses (other than corporate advertisements expenses undertaken in the ordinary course of business by our Company), printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer in proportion to the number of Equity Shares issued and allotted by the Company through the Fresh Offer and sold by the Selling Shareholder through the Offer for Sale.

Net Proceeds

The details of the net proceeds of the Fresh Offer are set forth below:

Particulars	Amount (₹ in lakhs)
Gross proceeds from the Fresh Offer	Upto 11,200.00
(Less) Offer expenses in relation to the Fresh Offer to be borne by our Company	[●]
Net Proceeds*	[●]

** To be finalised upon determination of the Offer Price and to be updated in the Prospectus prior to filing with the RoC.*

Utilisation of Net Proceeds and Schedule of Implementation and Deployment

The Net Proceeds are proposed to be utilised in accordance with schedule set forth below:

(Amount In ₹ lakhs)

Particulars	Amount to be funded from Net Proceeds	Amount to be deployed from the Net Proceeds		
		Fiscal 2024	Fiscal 2025	Fiscal 2026
Investment in our subsidiary, Nova Agri Sciences Private Limited for setting-up a new formulation plant	1,420.11	300.00	1,120.11	-
Funding Capital Expenditure by our Company, towards expansion of our existing formulation plant	1,048.95	250.00	798.95	-
Funding of working capital requirement of Our Company	2,665.47	477.27	1,225.89	962.31
Investment in our subsidiary, Nova Agri Sciences Private Limited, for funding working capital requirements.	4,335.85	905.62	2,202.92	1,227.31
Sub-total (a+b+c+d)	**9,470.38**	**1,932.89**	**5,347.87**	**2,189.62**
General corporate purposes*	[●]	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**	**[●]**

** To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*

In order to achieve higher output, new line of products and better quality of products and increased scale of production, we intent to utilise a portion of the Net Proceeds from the fresh issue for investment in our Subsidiary, Nova Agri Sciences Private Limited ("NASPL") for setting-up a new formulation plant and funding Working Capital requirement. The proposed expansion of manufacturing capacity will help us in increasing our competency level, making us self-sufficient in many ways across the entire manufacturing cycle of the product. The expansion of manufacturing capacity will leverage us to increase our visibility and secure future marketplace of biological products by enhancing our production capacity.

Means of Finance

We intend to completely finance the objects from the Net Proceeds of the Offer. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance.

In the event of the estimated utilisation of the Net Proceeds in a scheduled Fiscal being not undertaken in its entirety, the remaining Net Proceeds shall be utilised in subsequent Fiscals, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as economic and business conditions, timely completion of the Offer, market conditions outside the control of our Company, and any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by us, in accordance with applicable laws.

The deployment of funds indicated above is based on internal management estimates, prevailing circumstances of our business, prevailing market conditions and other commercial factors, which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. Our Company proposes to deploy the entire Net Proceeds towards the aforementioned objects during Fiscals 2024, 2025 and 2026. We may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy, interest/ exchange rate fluctuations, fluctuations in the price of raw materials, and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the deployment of funds from its planned deployment at the discretion of our management, subject to compliance with applicable law. For details see, "*Risk Factors – The objects of the Offer have not been appraised by any bank or financial institution*" on page 50. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control. Any variation in the utilization of the Net Proceeds or in the terms of the conditions as disclosed in this Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders' approval. For details see "*Risk Factors – Our Management will have broad discretion over the use of the Net Proceeds*" on page 57.

In case of any surplus after utilisation of the Net Proceeds towards the aforementioned objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilised towards general corporate purposes does not exceed 25% of the gross proceeds of the Offer, in accordance with applicable law. Subject to applicable laws, in the event of any variations in the actual utilisation of funds earmarked towards the objects set forth above, any increased fund requirements for a particular object may be financed by surplus funds, if any, available in respect of the other objects for which funds are being raised pursuant to The Offer. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals and/or seeking additional debt from existing and/or other lenders, subject to compliance with applicable law. Such alternate arrangements would be available to fund any such shortfalls. In the event that the Offer withdrawn or not completed for any reason whatsoever, all Offer related expenses will be shared proportionately between our company and the selling shareholder.

Details of the Objects of the Fresh Offer

The details in relation to Objects of the Fresh Offer are set forth herein below:

a. **Investment in our subsidiary, Nova Agri Sciences Private Limited (NASPL) for setting-up a new formulation plant;**

Our Company proposes to invest an amount of ₹ 1,420.11 lakhs to fund the setting up of a new formulation plant for our subsidiary i.e., Nova Agri Sciences Private Limited at Singannaguda Village, Mulugu Mandal, Siddipet District, Telangana, wherein our existing factory is situated. Our Board vide its resolution dated February 27, 2023 has approved the proposal to invest in the subsidiary company for the setting up of a new formulation plant. Such investment shall be in the form of equity or debt or in the combination of both or as in any other manner as the Company decides in the way more beneficial to both the companies. The actual mode of deployment has not been finalised as on date.

At present, NASPL has facilities to manufacture powders and liquid. The facility for manufacturing granules is presently not available and the same are procured in bulk from formulators and sold under the 'Nova' brand. We propose to install the facility for manufacturing of granules through the proceeds of the Offer, thereby enabling NASPL to achieve higher turnover and market share.

Further, NASPL currently has only 1 blender of 1,000 kg capacity per day for manufacture of powders. NASPL sees a huge market for powders with several products like Razeena SP a Plant Growth Regulator used in all crops from paddy and chillies to cotton and pulses for healthy crop growth and higher yields. NASPL also has new registrations for other products like Nova Topper, a pesticide used for control of sucking pest in early stages of crops like chillies, cotton, pulses and vegetables, Nova Topper Plus, a higher variant of the same product, Nova Ranger, also used for control of sucking pests, Pryze, a post-emergence herbicide used in Paddy and Tricoman, a fungicide used to control Blast (a fungal disease in Paddy) and other fungal diseases. NASPL also has products like FlyN, Solo and Proto for controlling sucking pests and Ensafe and Azomen, fungicides used to control fungal diseases in all crops. To manufacture the new products and also to increase the capacities of the existing products, NASPL proposes to add 2 powder blenders and 2 pulveriser.

Additionally, NASPL has 6 reaction vessels for formulation of liquids with a capacity of 2,200 liters per day The Company proposes to add 14 reaction /mixing vessels in NASPL through the proceeds of the Offer, for the following reasons:

i. As per Government norms, separate facilities are required for manufacture of herbicides, fungicides, insecticides and plant growth regulators (PGR) to avoid contamination;
ii. Under liquids, the Company has different types of formulations like CS (Capsulated Suspension), EC (Emulsifiable Concentrate), L (Liquids) and SC (Suspension Concentrate) which need to be processed in separate facilities for efficient end-product;
iii. Current facilities meet the requirements of EC products, but are not sufficient to manufacture meaningful quantities of SC, CS and ZC (Zenon Capsulation);
iv. More number of new formulations fall under category of SC, CS and ZC as they are comparatively safe formulations as they are water-based; and
v. As it is a highly seasonal business, it will help to place the priority products on time and in sufficient quantity.

The following table provides the estimated investment by the Company as approved by the Board vide its Resolution dated December 26, 2023 into NASPL towards the expenses related to setting up of the new formulation plant with the estimated schedule of implementation and deployment of funds:

S. No	Particulars	Total Estimated Cost (Amount in ₹ lakhs)	Estimated Utilisation of Net Proceeds (Amount in ₹ lakhs)	
			Financial Year 2023-24	**Financial Year 2024-25**
1.	Buildings and Civil works	933.19	200.00	733.19
2.	Plant & Machinery	486.92	100.00	386.92
	Total	**1420.11**	**300.00**	**1120.11**

Land

The proposed formulation plant is being set-up on the land parcel at our existing factory site at Sy.No.251/A/1 Singannaguda Village, Mulugu Mandal, Siddipet District, Telangana, admeasuring 2.00 acres and 20,000 sq.ft (square feet) which is taken on lease by our subsidiary Nova Agri Sciences Private Limited from our Company vide a lease deed dated November 01, 2022. The aforesaid leased land is a part of the 12 acres5 guntas, which is owned and possessed by our Company on a freehold basis vide various sale deeds executed on September 28, 2012, February 13, 2013, March 30, 2013, September 30, 2013 and August 19, 2016.

Building and Civil Works

The total estimated cost for factory building work is ₹ 933.19 lakhs which is inclusive of building and civil work quotation received from Spatial Consultants and MCC Electrical Panel quotation received from Metro Agro Technologies.

The quotation received from Spatial Consultants dated November 08, 2023 for building and civil work. The validity of the quotation is for a period of 06 months from the date of the quotation. The details of the quotation are as follows:

Sl. No.	Particulars	Total Cost (Amount ₹ in lakhs)
1.	Excavation in foundations in all types of soils except in hardrock as defined by IS-1200 in both wet and dry conditions including shoring, strutting, dewatering, sub-soil rain water levelling and dressing the bottom of excavation to correct level and slope as specified or as directed, carrying excavated earth upto 50m with including labour etc.,	8.90
2.	Foundations with excavated earth/morrum	1.98
3.	Filling in basement with morrum brought from outside thoroughly consolidated. Providing and injecting Chemical emulsion for PRE - CONSTRUCTIONAL Anti-termite treatment and creating a chemical barrier on top surface of plinth filling, junction of inside wall and floor, on top of damp proof course (DPC) or on masonry at the level of plinth	77.28
4.	Emulsion Spread at 5 lts./Sqm on top surface of plinth filling, top of DPC and at 1 meter outer side of the plinth along the junction of wall and floor all as per specifications and as directed.	29.27
5.	Plain Cement Concrete (P.C.C.) (1:4:8) using 40mm. HBG under foundations and flooring	41.94

6.	Reinforced Cement Concrete (R.C.C.) M25 grade using 20mm downgraded hard granite metal including centering and shuttering but excluding cost of steel and its fabricating – Footing	60.27
7.	R.C.C. M25 grade using 20mm downgraded hard granite metal including centering and shuttering but excluding cost of steel and its fabricating – Columns	14.69
8.	R.C.C. M25 grade using 20mm downgraded hard granite metal including centering and shuttering but excluding cost of steel and its fabricating - Plinth beams	6.90
9.	CRS Masonry wall in CM (1.8)	36.75
10.	230 mm thick brick work in CM (1.6)	16.43
11.	Plastering to ceiling, external walls and internal walls 20mm thick in two coats in C. M. (1:5 & 1:2) sponge / smooth finish.	10.39
12.	Vacuum dewatered Flooring assumed 150thk	136.62
13.	Supplying and fixing of Rolling Shutters	12.49
14.	Supply and fixing of Aluminium Fixed Glass windows	5.55
15.	Supply & cleaning all surfaces of dirt & dust, washed with clean water and applied with a coat of white cement as specified as a priming coat and further two coats with cement paint of approved shade and brand including curing for 2 days, scaffolding, strutting, all materials and labour complete at all heights.	9.75
16.	Reinforcing Steel FE500	49.00
17.	Structural Steel of Fe310 grade Box sections made up of plates, with continuous weld on either side with erection.	210.25
18.	Supply and Fixing of 0.48mm thick Zinc Galvalume Composite Sheet with self-tapping screws and necessary fixtures etc., item complete. (10% of area with transparent sheets)	43.88
19.	Supply and Fixing of PVC Rain Water down take pipes 110mm dia of approved make (4 kgf/sq. cm) including all special Gaskets, G.I. Clamps, anchor fasteners solvent cement etc., item complete	2.86
20.	Scaffolding: Providing scaffolding and staging with MS pipes and Clamps or with wooden poles with conveyance & removing from the site completely as directed by the site engineer/ consultant.	1.87
	Net Total	777.07
	GST @ 18%	139.87
	Gross Total	**916.94**

The summary of the quotation for MCC Electrical Panel for Section I to Section VI dated November 6, 2023 from Metro Agro Technologies is as follows. The validity of the quotation is for a period of 06 months from the date of the quotation:

S. No	Description	Cost per unit (in ₹ lakhs)	Quantity	Amount (₹ in lakhs)
1.	MCC Panel 1 (Section -I)	4.48	01	4.48
2.	MCC Panel 2 (Section -II)	2.26	01	2.26
3.	MCC Panel 3 (Section -III)	3.41	01	3.41
4.	MCC Panel 4 (Section - IV, V and VI)	3.62	01	3.62
			Net Total	13.77
			GST @ 18%	2.48
			Gross Total	**16.25**

Plant & Machinery

NASPL has received quotations for plant and machinery required for the proposed formulation plant amounting to ₹ 486.93 lakhs, the details of which are as follows:

1. *Quotation of equipment for Glyphosate Formulation Plant from M/s. Metro Agro Technologies dated November 09, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	2KL Jacketed Reaction Vessel Fitted with Mixer for Glyphosate	3.36	02	6.72
2.	2KL Holding Vessel for Glyphosate	1.19	02	2.38
3.	Ammonia Charging Diaphram Pump with Temperature Sensor based Controlling	1.89	02	3.77
Net Total				12.87
GST @ 18%				2.32
Gross Total				**15.19**

2. *Quotation of equipment for WDG (Water Dispersible Granule) Formulation Plant from M/s. Metro Agro Technologies dated November 08, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	Pan Extruder Model-PEX-300 (Jacketed)	1.97	02	3.94
2.	200 KGS Dough Mixer	1.93	02	3.86
3.	Vibro Shifter-36", Double Deck Type	0.94	02	1.88
4.	FBD-150 with Blower, Piping, Trolleys	7.79	02	15.58
5.	Hot Air Generator- 1 Lac KACL/Hr	1.31	02	2.62
Net Total				27.88
GST @ 18%				5.01
Gross Total				**32.89**

3. *Quotation of equipment for CS (Capsule Suspension) Formulation Plant from M/s. Metro Agro Technologies dated November 09, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	1.5KL Jacketed Reaction Vessel Fitted with High Speed Mixer	3.03	02	6.06
2.	Technical Mixing Vessel-300 Litres	0.78	02	1.56
3.	Catalyst Charging Vessel	0.07	02	0.14
4.	1.5KL Storage SS 304 Vessel	1.23	02	2.46
5.	1KL High Speed High Shear Disintegrator with Piping and Vales	1.52	02	3.04
6.	100,000 Kcal/Hr Hot Water Generator with 1 KL Insulated Service Vessel	1.52	02	3.04
Net Total				16.30
GST @ 18%				2.93
Gross Total				**19.23**

4. *Quotation of equipment for SC (Suspension Concentrate) Formulation Plant from M/s. Metro Agro Technologies dated November 06, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	Dyno Mill Model PDM-500 (50 litre), with Feed Pump, Inbuilt Panel	7.30	02	14.60
2.	Grinding Media for Dyno Mill	1,450 per kilogram	100 kgs	1.45
3.	750 litres Pre-Mixing Vessel, Jaketed	1.27	02	2.54
4.	1000 litres Pre-Mixing Vessel, Jaketed	2.54	02	5.08
5.	2000 Liters Post Mixing Vessel	2.71	02	5.42
6.	Xanthum Gum Mixing Vessel -200	2.255	02	4.51
7.	32MMTransfer Pump with Motor	0.39	02	0.78
8.	150 Litres Collection Vessel	0.15	02	0.30
			Net Total	34.68
			GST @ 18%	6.24
			Gross Total	**40.92**

5. *Quotation of equipment for EC (Emulsifiable Concentrate)/SL (Soluble Liquid) Formulation Plant from M/s. Metro Agro Technologies dated November 08, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	2KL Slow Speed Mixing Vessel for EC	5.41	08	43.28
2.	1KL Slow Speed Mixing Vessel for EC	3.77	02	7.54
3.	Cartage Filter Unit	2.13	08	17.04
4.	Transfer Pump	1.36	04	5.44
			Net Total	73.30
			GST @ 18%	13.20
			Gross Total	**86.50**

6. *Quotation of supply of Powder Blender, Pulveriser, and Augar Filling Machine from Shree Industrial Equipments dated November 07, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	Powder Blender 1500 litre volume MS construction with gearbox, motor with discharge port	2.13	02	4.26
2.	Pulveriser	1.75	02	3.50
3.	Augar Powder filling Machine (50 gm to 1 kg)	4.00	02	8.00
4.	Solvent Tank 22KL	20.00	04	80.00
			Net Total	95.76
			GST @ 18%	17.24
			Gross Total	**113.00**

7. *Quotation for Bopp Tapping Machine, Shrink Tunnel Machine, Induction Sealing Machine and Pouch Sealing Machines from Safety Packaging and Sealing Machineries dated November 09, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	Bopp Taping Machine	1.24	02	2.48
2.	Shrink Tunnel Machine	1.74	06	10.44
3.	Automatic Induction Sealing Machine with Conveyor System	2.16	02	4.32
4.	Pouch Sealing Machine	1.00	04	4.00
			Net Total	21.24

GST @ 18%	3.82
Gross Total	**25.06**

8. *Quotation for machine for solid and liquid packaging from Fillrite Packaging Solutions dated November 08, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	Design, Manufacturing and Supply of PLC Based Servo Operated Automatic Four Head Liquid Filling Machine with safety shroud	9.50	04	38.00
2.	Slot Chain Conveyor	1.50	04	6.00
3.	Turn Table	1.86	04	7.44
4.	Inner Plug Unit	0.45	04	1.80
5.	Capping Machine	5.30	04	21.20
6.	Servo Stabilizer and Electric Circuit Wing	0.74	04	2.96
7.	Labeling Machine	4.20	04	16.80
8.	Capping for Change Part	0.45	04	1.80
			Net Total	96.00
			GST @ 18%	17.28
			Gross Total	**113.28**

9. *Quotation for weighing machine from Sri Sai Electronic Service centre dated November 06, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	Weighing Machine – 150 kgs	0.23	02	0.46
2.	Weighing Machine – 600 kgs	0.51	02	1.02
3.	Weighing Machine – 01 kg	0.27	02	0.54
4.	Weighing Machine – 2000 kgs	0.35	01	0.35
			Net Total	2.37
			GST @ 18%	0.42
			Gross Total	**2.80**

10. Quotation for one 40TR Water Chiller from Vanguard Cool Tech Engineers dated November 07, 2023, amounting to a total of ₹19.82 lakhs (inclusive of GST). The validity of the quotation is for a period of 06 months from the date of the quotation.

11. Quotation for DG Generator Set from Naveen El-Mech Supplies and Works dated November 08, 2023, amounting to ₹18.24 lakhs (inclusive of GST). The validity of the quotation is for a period of 06 months from the date of the quotation.

All the quotations mentioned above are valid as on the date of this Red Herring Prospectus. NASPL has not placed any purchase orders for the above-mentioned plant and machinery. NASPL has not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by NASPL from its internal accruals.

b. Funding Capital Expenditure in our Company, towards expansion of our existing formulation plant:

Our Company proposes to deploy an amount of ₹ 1,048.95 lakhs as capital expenditure towards expansion of our existing formulation plant. Our Board by its resolution dated February 27, 2023 has approved the proposal for expansion of our existing formulation plant proposed at Singannaguda Village, Mulugu Mandal, Siddipet District, Telangana wherein our existing factory is situated.

Through the proceeds of the issue, the Company proposes to set up facilities for liquid fermentation plant and equipment for manufacturing of microbial formulations which is being presently sourced in bulk from other manufacturers. Towards this purpose, the Company proposes to add ACM 30 formulation grinding plant and spray dryer as well as granulators and coating pans. With these new additional machineries, the Company proposes to manufacture products such as Mycorooter and UniStriker which are established brands. In addition, the Company recently received approval for UniSena, a granular bio-stimulant which also requires granulation facility. The manufacture and sale of these products will increase the turnover and profitability of the Company.

The Company is yet to place orders for plant and machinery valued at ₹ 1048.95 lakhs which is 100% of the equipment to be purchased for the proposed expansion and no-second hand plant and machinery is proposed to be purchased

The following table provides the estimated capital expenditure related to setting up of the formulation plant with the estimated schedule of implementation and deployment of funds as approved by the Board vide its Resolution dated December 26, 2023:

S. No	Particulars	Total Estimated Cost (Amount ₹ in lakhs)	Estimated Utilisation of Net Proceeds (Amount ₹ in lakhs)	
			Financial Year 2023-24	**Financial Year 2024-25**
1.	Plant & Machinery	1,048.95	250.00	798.95
	Total	**1,048.95**	**250.00**	798.95

Plant & Machinery

Our Company has received quotations towards Plant and Machinery, as detailed herein below:

1. *Quotation for Laboratory and Scientific Equipment from MH Enterprises dated November 07, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Total Cost (in ₹ lakhs)
1.	Laminar Air Flow (2 Nos.)	2.19
2.	Binocular Microscope	0.36
3.	Laboratory Refrigerator (380 litres and 450 litres)	1.71
4.	Bacteriological Incubator (2 Nos.) along **with** optional accessories	0.73
5.	BOD Incubator (90 liter and 170 liter)	2.70
6.	Digital Flame Photometer with Na, K filters and Compressor	0.54
7.	Benchtop Orbitals Shaker	0.42
8.	Orbital Shaking Incubator along with clamps for holding conical flasks and voltage stabilizer	3.36
9.	Basic Series Precision Balance: Model SAB 203L	0.16
10.	Digital Balance: Model CWS-2000gm	0.18
11.	Digital Colony Counter	0.09
12.	Vertical Auto Clave BTI-02 (22 litres, 35 litres, 52 litres, 175 litres, 200 litres) and optional accessories	6.25
13.	Vertical Auto Clave Fully Automatic BTI-02 A (22 litres, 35 litres, 52 litres, 90 litres, 95 litres, 120 litres, 175 litres and 200 litres)	13.68
14.	Atomic Absorption Spectrophotometer, AAS-263 4 lamps provision, with Air Compressor & Computer Control Software	10.50
15.	Hot Plate Regulator (Round)	0.05
16.	Hot Plate (Rectangular) (3 Nos.)	0.32
17.	Heating Mantles (250 ml, 500 ml, 1 litre and 2 litres)	0.11
18.	Water Bath Thermostatic BTI-57 (6 hole and 12 hole) and optional accessory	0.36
19.	Magnetic Stirrer (1 litre and 2 litres)	0.22
20.	Digital pH Meter	0.07
21.	Microprocessor pH Meter	0.21
22.	All Glass Double Distillation Unit (1.5 litres and 2 litres)	0.78
23.	All Glass Single Distillation Unit (1.5 litres and 2 litres)	0.45
24.	KjelTron Microprocessor Programmable Series Automatic Nitrogen/Protein Digestion System and optional accessory	4.35
25.	Hot Air Oven (2 Nos.) with optional accessories	0.73

26.	Hot Air Oven Memmert Gmbh Type BTI-30 (2 Nos.)	1.35
27.	Muffle Furnace (BTI-36) (3 Nos.)	1.31
	Net Total	53.18
	GST @ 18%	9.58
	Gross Total	**62.76**

2. *Quotation for ACM-30 (Air Classifying Mill) Pesticide Formulation Grinding Plant from Rathi Engineering Solutions Private Limited dated November 06, 2023. The validity of the quotation is for a period of 180 days from the date of the quotation.*

Sl. No.	Particulars	Total Cost (in ₹ lakhs)
1.	Air Classifying Mill Model 30-ACM	103.25
2.	MS Support Structure and Maintenance Platform	
	Net Total	103.25
	GST @ 18%	18.59
	Gross Total	**121.84**

3. *Quotation for 60" Coating Pan from VV Industries dated November 08, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	60" Coating Pan	15.00	15	225.00
			Net Total	225.00
			GST @ 18%	40.50
			Gross Total	**265.50**

4. *Quotation for Fermentation from VV Industries dated November 08, 2023. The validity of the quotation is for a period of 06 months from the date of the quotation.*

Sl. No.	Particulars	Cost per unit (in ₹ lakhs)	Quantity	Total Cost (in ₹ lakhs)
1.	Haffkine type culture vessel with all accessories	6.30	02	12.60
2.	Temperature controlled wate bath for culture vessel	3.15	02	6.30
3.	Fermenter made of SS 316 with all accessories	10.50	04	42.00
4.	Autoclaves for carrier medium sterilization	10.50	04	42.00
5.	Rotary Shaker for Culture growth	3.15	02	6.30
6.	SS mixing vessel with stirrer	3.15	02	6.30
			Net Total	115.50
			GST @ 18%	20.79
			Gross Total	**136.29**

5. Quotation of equipment for commissioning and erection of Granulator including batch capacity granulator, bucket elevator, sand silo, product silo, technical silo, sieve shake, SS die tank, supply of load cells for sand silo, 3 ton silo, *screw* feeder, pipe lines, shutter valves, screen vibrator, desk top panel and hopper weighing system from M/s. Metro Agro Technologies dated November 06, 2023 for an amount of ₹324.50 lakhs (inclusive of GST). The validity of the quotation is for a period of 06 months from the date of the quotation.

6. Quotation for Spray Dryer for powder products from VV Industries dated November 08, 2023 for an amount of ₹*138*.06 lakhs (inclusive of GST). The validity of the quotation is for a period of 06 months from the date of the quotation.

All the quotations mentioned above are valid as on the date of this Red Herring Prospectus. Our Company has not placed any purchase orders for the above-mentioned plant and machinery. Our Company has not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the equipment or provide the service at the same costs. If there is any increase in the costs of equipment, the additional costs shall be paid by our Company from its internal accruals.

Miscellaneous (Contingencies)

The Company envisages that there might be price fluctuations and the currently estimated project cost for the formulation plant may increase on account of factors beyond our control, including increase in cost of machinery and associated transportation or other charges or taxes. The total estimated cost for contingencies is ₹ 123.45 lakhs which is 5% of the amount proposed to be funded from the Net Proceeds.

c. Funding of working capital requirement of our Company

We manufacture a wide range of product categories consisting of soil health management products such as organic fertilizers, bio fertilizers and soil conditioners; crop nutrition products such as micronutrient fertilizers, beneficial element fertilizers, straight nitrogen fertilizers, straight potash fertilizers and 100% water soluble NPK fertilizer.

Our operational infrastructure for manufacture of agricultural technology solution products is working capital intensive and involves maintaining higher than normal levels of inventory and debtors.

Due to intense competition in this industry, from the organised as well from the unorganised sector, we cannot always dictate payment terms with our customers and suppliers. Also, majority of our customers are farmers, because of which our current credit period is considerably high and not uniform for all customers. Further, due to recent volatility in the global economy and the subsequent volatility of economic activity in India, especially in the agri-input industry, we are required to maintain higher stocks of raw materials, semi-finished goods and finished goods to cater to last minute demands, to shield ourselves from the volatile pricing and to stay ahead of competition. All these factors contribute to the increase in our working capital requirements.

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals and financing from banks by way of working capital facilities. The deployment of net proceeds shall be over the course of the Fiscals 2024, 2025 and 2026 in accordance with the working capital requirements of our Company.

Our Company proposes to invest ₹ 2,665.47 lakhs of the Net Proceeds towards investment for funding its working capital requirement

Existing Working Capital

The details of Company's working capital for the six months period ended September 30, 2023 and for the Fiscal Years ended March 31, 2023, March 31, 2022and March 31, 2021, and the source of funding, on the basis of audited restated standalone financial statements of our Company as certified by NSVR & Associates LLP, Chartered Accountants by way of their certificate dated December 26, 2023 are provided in the table below:

(Amount in ₹ lakhs)

Particulars	For the six months period ended September 30, 2023 (Actuals)	For the year ended March 31, 2023 (Actuals)	For the year ended March 31, 2022 (Actuals)	For the year ended March 31, 2021 (Actuals)
Current assets				
(a) Inventories	2,695.94	2,937.86	2,861.06	2,042.89
(b) Trade receivables	7,260.12	6,505.65	7,265.46	6,188.96
(c) Other current assets	346.75	348.32	468.47	449.64
Total current assets (A)	**10,302.81**	**9,791.83**	**10,594.99**	**8,681.49**
Current liabilities				
(a) Trade payables	2,216.66	2,393.01	3,729.87	2,088.39
(b) Provisions	77.92	73.65	55.59	48.41
(c) Other current liabilities	508.05	584.81	818.78	771.92
(d) Current Tax Liabilities (net)	588.78	364.92	303.89	462.09
Total current liabilities (B)	**3,391.41**	**3,416.39**	**4,908.13**	**3,370.81**
Total working capital requirements (A-B)	**6,911.40**	**6,375.44**	**5,686.86**	**5,310.68**

Funding Pattern				
Working capital Funding from banks & unsecured loans	3,233.84	3,276.09	3,066.12	2,898.24
Internal accruals	3,677.56	3,099.35	2,620.74	2,412.44

Expected working capital requirement

On the basis of existing and estimated working capital requirement of our Company on a standalone basis, and assumptions for such working capital requirements, the incremental and proposed working capital requirements for Fiscals 2024, 2025 and 2026 along with the proposed funding of such working capital requirements, as approved by our Board pursuant to resolution dated December 26, 2023 are as set forth below:

(Amount ₹ in lakhs)

Particulars	Fiscal 2024 (Estimates)	Fiscal 2025 (Estimates)	Fiscal 2026 (Estimates)
Current Assets			
(a) Inventories	3,419.17	4,782.72	5,813.61
(b) Trade receivables	7,218.24	7,439.78	7,751.48
(c) Other current assets	499.20	698.28	848.79
Total current assets (A)	**11,136.61**	**12,920.78**	**14,413.88**
Current Liabilities			
(a) Trade payables	2,793.95	3,292.16	3,720.88
(b) Other current liabilities	337.05	397.12	499.19
Total current liabilities (B)	**3,131.00**	**3,689.28**	**4,220.07**
Total working capital requirements (C=A-B)	**8,005.61**	**9,231.50**	**10,193.81**
Funding Pattern			
(a) Internal accruals (including Equity)*/Borrowings**	7,528.34	7,528.34	7,528.34
(b) Net Working Capital Requirement	477.27	1,703.16	2,665.47
(c) Amount proposed to be utilised from Net Proceeds	477.27	1,225.89	962.31

**Internal accruals and equity as per the audited standalone financials of the Company for the 6 months period ended September 30,2023 is ₹ 4,528.34 lakhs.*

*** As on November 30, 2023, the Company has been sanctioned a working capital limit of ₹ 3000.00 Lakhs. Further Nova Agritech Limited(NATL) has availed an Adhoc Cash Credit amounting to ₹ 500.00 Lakhs from Union Bank of India vide sanction letter dated December 16, 2023 at an interest rate of EBLR+2% wherein the tenure of the loan is for a period of 3 months .*

Pursuant to the certificate dated December 26, 2023 issued by the Statutory Auditor on the working capital projections.

Assumptions for our estimated working capital requirement

The table below contains the details of the holding levels (days) considered:

Inventory Days:

For the year ended March 31, 2026 (Estimate)	For the year ended March 31, 2025 (Estimate)	For the year ended March 31, 2024 (Estimate)	For the year ended March 31, 2023 (Actuals)	For the year ended March 31, 2022 (Actuals)	For the year ended March 31, 2021 (Actuals)
90	90	90	92	90	60

Trade Receivable Days:

For the year ended March 31, 2026 (Estimate)	For the year ended March 31, 2025 (Estimate)	For the year ended March 31, 2024 (Estimate)	For the year ended March 31, 2023 (Actuals)	For the year ended March 31, 2022 (Actuals)	For the year ended March 31, 2021 (Actuals)
120	140	190	203	229	181

Trade Payable Days:

For the year ended March 31, 2026 (Estimate)	For the year ended March 31, 2025 (Estimate)	For the year ended March 31, 2024 (Estimate)	For the year ended March 31, 2023 (Actuals)	For the year ended March 31, 2022 (Actuals)	For the year ended March 31, 2021 (Actuals)
120	120	120	143	186*	108

** In FY2022, chilli crop was affected by infestation of Western Thrips, a new pest that outbroke and affected all chilli growing areas. This resulted in poor yields moving the commercial price of chilli higher. Farmers slowed down their sales to get the best price benefit. Similar situation was faced with cotton where crop was affected by untimely rainfall pushing up prices and forcing farmers to delay sale. Consequently, dealers and the Company had to slow down on collection drive increasing debtor days, this further affected our payments to creditors resulting higher creditor days.*

Key justifications for holding levels

Sr. No.	Particulars	Assumptions
1.	Inventories	We maintain our Inventory levels depending on the demand for the products and the time taken to deliver the same. On an average, we maintain raw material inventory for 30 days, stock in progress of 15 days and finished goods inventory of around 45 days. We propose to follow the same levels for Fiscals 2024, 2025 and 2026.
2.	Trade Receivables	NATL deals with Soil Health Management and Crop Nutrition products which are sold to farmers. There are generally 3 to 6 stages in most crops in each cropping season. Our company has several formulation products for each of these stages which are sold at the appropriate time resulting in an extended credit period for a crop and funds are realised generally after the harvest. Due to this reason, debtor days in agri-input business especially dealing in retail sales are high. Based on several new products launched we sometimes had to extend higher credit period of over 200 days to establish the same in the market. However, going ahead, since many of our products have now become known brands, we propose to bring down the credit period offered to the dealers thereby gradually reducing debtor days to 120 days by Fiscal 2026.
3.	Trade payables	Normal credit offered to the company by suppliers is 90 to 120 days. However, the same is extended to around 150 days due to the nature of the agri input industry. We expect the credit period to be reduced gradually to 120 days by Fiscal 2026.

d. Investment in our subsidiary, Nova Agri Sciences Private Limited (NASPL), for funding working capital requirements

Nova Agri Sciences Private Limited (NASPL) manufactures a wide range of product categories consisting of crop protection products such as insecticides, fungicides, herbicides and plant growth regulators. The operational infrastructure for manufacture of these products is working capital intensive and involves maintaining higher levels of inventory and debtors. As the company introduces new products and enters new areas, it has to ensure that the supply chain is not broken, especially during crop seasons. This entails maintaining a relatively high volume of stocks of finished goods and raw materials to ensure continuous production and supply. Further, there are crop duration-wise products which are to be sold at the appropriate time of crop growth for better performance. Once the stage is crossed the demand for that product arises again only in the next crop season. There are generally 3 to 6 stages in most crops in each cropping season. NASPL has several formulation products for each of these stages which are sold appropriately resulting in an extended credit period thereby leading to a higher working capital requirement. NASPL also proposes to install new facility for manufacturing of granules and add additional blenders, pulverisers and other machinery to cater to the production of new products such as Nova Topper, Nova Topper Plus, Pryze, Tricoman, etc,. for which it has already obtained registrations.

In order to achieve higher output, new line of products and better quality of products and increased scale of production, we intend to utilise a portion of the Net Proceeds from the fresh issue for investment in NASPL, for setting-up a new formulation plant and funding of working capital requirements. The proposed expansion of manufacturing capacity will help us in increasing our competency level, making us self-sufficient in many ways across the entire manufacturing cycle of the product. The expansion of manufacturing capacity will leverage us to increase our visibility and secure future marketplace of biological products by enhancing our production capacity.

All the above factors would lead to an increased working capital requirement for NASPL. Presently, NASPL funds the majority of its working capital requirements in the ordinary course of its business from its internal accruals and financing from banks by way of working capital facilities.

Our operational infrastructure for manufacture of agri-chemical solution products is working capital intensive and involves maintaining higher levels of inventory and debtors.

As we introduce new products and enter new areas, we have to ensure that supply chain is not broken especially during crop seasons. This entails maintaining relatively high volume of stocks of finished goods and raw materials to ensure continuous production and supply.

Presently, NASPL funds the majority of its working capital requirements in the ordinary course of its business from its internal accruals and financing from banks by way of working capital facilities. The deployment of net proceeds shall be over the course of the Fiscals 2024, 2025 and 2026 in accordance with the working capital requirements of NASPL.

To meet the additional working capital requirement, Our Company proposes to invest ₹4,335.85 lakhs of the Net Proceeds towards investment in NASPL for funding its future working capital requirement. Such investment shall be in the form of equity or debt or in the combination of both or as in any other manner as the Company decides in the way more beneficial to both the companies. The actual mode of deployment has not been finalised as on date.

Existing Working Capital

The details of NASPL working capital for the six months period ended September 30, 2023 and Fiscal Years ended March 31, 2023, March 31, 2022, March 31, 2021 and the source of funding, on the basis of restated audited financial statements of NASPL as certified by NSVR & Associates LLP, Chartered Accountants by way of their certificate dated December 26 , 2023 are provided in the table below:

(Amount ₹ in lakhs)

Particulars	For the six months period ended September 30, 2023	For the period ended March 31, 2023 (Actuals)	For the period ended March 31, 2022 (Actuals)	For the period ended March 31, 2021 (Actuals)
Current assets				
(a) Inventories	2,419.95	1,294.97	870.33	1,499.38
(b) Trade receivables	5,248.44	4,746.31	3,942.98	2,471.73
(c) Other current assets	116.14	238.20	24.27	54.07
Total current assets (A)	**7,784.53**	**6,279.47**	**4,837.57**	**4,025.18**
Current liabilities				
(a) Trade payables	1,816.26	1,019.42	1,421.36	2,700.85
(b) Provisions	57.44	55.14	41.75	36.13
(c) Other current liabilities	217.85	177.80	129.78	56.53
(d) Current Tax Liabilities (net)	623.45	446.59	515.96	204.87
Total current liabilities (B)	**2,715.00**	**1,698.95**	**2,108.85**	**2,998.38**
Total working capital requirements (A-B)	**5,069.53**	**4,580.53**	**2,728.71**	**1,026.80**
Funding Pattern				
Working capital Funding from banks & unsecured loans	2,254.96	2,240.66	1,508.52	619.58
Internal accruals	2,814.57	2,339.87	1,220.21	407.22

Expected working capital requirement

On the basis of existing, estimated and projected working capital requirements, the board of directors of NASPL, pursuant to its resolution dated December 26, 2023, has approved the business plan for the Fiscals 2025 and 2026. Pursuant to the same our Company vide its board resolution dated December 26, 2023 has approved the investment of ₹ 4,335.85 lakhs in NASPL towards funding of working capital requirement. The estimated working capital requirements of NASPL for Fiscals 2024, 2025 and 2026 is as stated below:

(Amount in ₹ lakhs)

Particulars	**Fiscal 2024 (Estimate)**	**Fiscal 2025 (Estimate)**	**Fiscal 2026 (Estimated)**
Current Assets			
(a) Inventories	2,739.97	4,238.22	6,002.03
(b) Trade receivables	5,479.94	6,781.15	7,202.44
(c) Other current assets	76.01	117.57	166.50
Total current assets (A)	**8,295.92**	**11,136.94**	**13,370.97**
Current liabilities			
(a) Trade payables	2,122.37	2,609.99	3,452.25
(b) Other current liabilities	248.56	399.04	563.50
Total current liabilities (B)	**2,370.93**	**3,009.03**	**4,015.75**
Total working capital requirements (C=A-B)	**5,924.99**	**8,127.91**	**9,355.22**
Funding Pattern			
(a) Internal accruals (including Equity)*/Borrowings**	5,019.37	5,019.37	5,019.37
(b)Net Working Capital Requirement	905.62	3,108.54	4,335.85
(c) Amount proposed to be utilised from Net Proceeds	905.62	2,202.92	1,227.31

**Internal accruals and equity as per the audited standalone financials of the Company for the 6 months period ended September 30,2023 is ₹ 3,019.37 lakhs*
*** As on November 30, 2023, the Company has ₹2,000.00 lakhs of working capital sanction loan.*

Pursuant to the certificate dated December 26, 2023 by the Statutory Auditor has confirmed the working capital projections.

Assumptions for our estimated working capital requirement

The table below contains the details of the holding levels (days) considered:

Inventory Days:

For the year ended March 31, 2026 (Estimate	**For the year ended March 31, 2025 (Estimate)**	**For the year ended March 31, 2024 (Estimate)**	**For the year ended March 31, 2023 (Actuals)**	**For the year ended March 31, 2022 (Actuals)**	**For the year ended March 31, 2021 (Actuals)**
75	75	75	43	30	106

Trade Receivable Days:

For the year ended March 31, 2026 (Estimate	**For the year ended March 31, 2025 (Estimate)**	**For the year ended March 31, 2024 (Estimate)**	**For the year ended March 31, 2023 (Actuals)**	**For the year ended March 31, 2022 (Actuals)**	**For the year ended March 31, 2021 (Actuals)**
90	120	150	159	136	175

Trade Payable Days:

For the year ended March 31, 2026 (Estimate	For the year ended March 31, 2025 (Estimate)	For the year ended March 31, 2024 (Estimate)	For the year ended March 31, 2023 (Actuals)	For the year ended March 31, 2022 (Actuals)	For the year ended March 31, 2021 (Actuals)
75	75	75	50	67	234

Key justifications for holding levels

Sr. No.	Particulars	Assumptions
1.	Inventories	In Fiscal 2021 due to Covid impact, the inventory days was 106. During Fiscal 2022, we received TI registration for Paraquat. We imported and sold the same against orders, secondly, we introduced new products which were in demand. This led to a reduced level of inventory days in Fiscal 2022 to 30. For Fiscal 2023, we introduced new products which led to an increased inventory days to 43. Going forward, we target to maintain 75 days of inventory.
2.	Trade Receivables	The credit period offered by the company on an average is around 160 days. It is expected to come down to 90 days by Fiscal 2026.
3.	Trade payables	The typical credit period offered to the company is 90-120 days. However, pursuant to regular amendments to the payment terms of the vendors, due to various factors, the credit period offered to the company may vary. With the increase in the sanction limits during Fiscal 2022 and 2023, the company was able to get better prices and availability of new products on time and the trade payable period came down sharply. We expect the levels to stabilize at 75 days by Fiscal 2024.

General Corporate Purpose

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes, subject to such amount, not exceeding 25% of the Gross Proceeds from the Fresh Offer, in compliance with the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds include strategic initiatives, Branding expenses, meeting expenses towards Research and Development, meeting exigencies and expenses incurred by our Company in the ordinary course of business, as may be applicable. The quantum utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Such utilization shall be

approved periodically by our Board, subject to compliance with necessary provisions of the Companies Act and in accordance with the stated objectives and our business. Our Company's management shall have flexibility in utilising any surplus amounts.

Offer Related Expenses

The total Offer related expenses are estimated to be approximately ₹ [●] lakhs. The Offer related expenses consist of listing fees, fees payable to the Book Running Lead Managers, legal counsel, Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs brokerage and selling commission payable to the Syndicate, Registered Brokers, SCSBs, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Subject to applicable law, other than (a) the listing fees, audit fees of statutory auditors (to the extent not attributable to the Offer), and expenses in relation to product or corporate advertisements, i.e., any corporate advertisements consistent with past practices of the Company (other than the expenses relating to marketing and advertisements undertaken in connection with the Offer), each of which will be borne solely by our Company; and (b) the stamp duty payable on transfer of Offered Shares shall be borne solely by the Selling Shareholder (c) all costs, fees and expenses with respect to the Offer will be shared amongst our Company and the Selling Shareholder, on a pro-rata basis, in proportion to the number of Equity Shares, Allotted by the Company in the Fresh Offer and sold by the Selling Shareholder in the Offer for Sale, upon the successful completion of the Offer. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, the Selling Shareholder shall, reimburse the Company for any expenses in relation to the Offer paid by the Company on behalf of the Selling Shareholder. In the event that the Offer is withdrawn or not completed for any reason whatsoever, all Offer related expenses will be shared proportionately between our company and the selling shareholder.

The break-up for the estimated Offer expenses are set forth below:

Activity	Estimated expenses # (Amount ₹ in lakhs)	As a % of total estimated Offer related expenses (1)	As a % of Offer size (1)
Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Selling commission/processing fee for SCSBs, Sponsor Banks and fee payable to the Sponsor Banks for Bids made by RIBs(2) (3) (4)	[●]	[●]	[●]
Bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs(5)(6)(7)	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Fees payable to the auditors, consultants and market research firms to the Offer	[●]	[●]	[●]
Listing Fees, SEBI filing fees, upload fees, BSE & NSE processing fees, book building software fees and other regulatory expenses *such as ROC fees, Depository Charges, etc.*,	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to legal counsels	[●]	[●]	[●]
Fees payable to Monitoring Agency			
Miscellaneous expenses such as Chartered engineer fees, PCS fees, Other Advisors to the offer and other out of pocket expenses including travelling and conveyance	[●]	[●]	[●]
Total estimated Offer expenses	**[●]**	**[●]**	**[●]**

(1) Amounts will be finalised and incorporated in the Prospectus on determination of the Offer Price.
(2) Selling commission payable to the SCSBs on the portion of Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

Selling commission payable to the SCSBs on the portion of Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows:

*Portion for Retail Individual Bidders**	*0.30% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.15% of the Amount Allotted (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.*

No processing/uploading charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the bid book of BSE or NSE.

SCSBs will be entitled to a processing fee for processing the ASBA Form procured by the members of the Syndicate (including their sub-syndicate members), RTAs or CDPs from Retail Individual Investors and Non-Institutional Investors (excluding UPI Bids) and submitted to the SCSBs for blocking as follows:

*Portion for Retail Individual Bidders and Non-Institutional Bidders**	*₹ 10 per valid application (plus applicable taxes)*

**Based on valid ASBA Forms*

Processing fees payable to the SCSBs for capturing member of the Syndicate /Sub-syndicate (Broker)/Sub-broker code on the ASBA Form for Non- Institutional Investors with bids above ₹500,000 would be ₹10 plus applicable taxes, per valid application.

Brokerage/ Selling Commission on the portion for Retail Individual Investors and Non-Institutional Investors which are procured by the members of the Syndicate (including their sub-syndicate members), RTAs, CDPs or for using 3-in1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-syndicate members) would be as follows: -

Selling commission on the portion for Retail Individual Bidders (up to ₹ 2.00 lakhs) using the UPI mechanism, Non-Institutional Bidder which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs or for using 3-in-1 type accounts-linked online trading, demat and bank account provided by some of the brokers which are members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

*Portion for Retail Individual Bidders**	*0.30% of the Amount Allotted (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*0.15% of the Amount Allotted (plus applicable taxes)*

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. The Selling Commission payable to the Syndicate / Sub-Syndicate Members will be determined:*

i. ***For RIBs & NIBs (up to ₹ 5.00 lakhs)*** *on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*

ii. ***For NIBs (Bids above ₹ 5.00 lakhs)*** *on the basis of the Syndicate ASBA Form bearing SM Code & Sub-Syndicate Code of the application form submitted to SCSBs for Blocking of the Fund and uploading on the Exchanges platform by SCSBs. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the Syndicate / Sub Syndicate members and not the SCSB.*

The payment of selling commission payable to the sub-brokers / agents of sub-syndicate members are to be handled directly by the respective sub-syndicate member.

The selling commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

Uploading Charges (excluding UPI Bids):

i. *Payable to members of the Syndicate (including their sub-Syndicate Members), on the applications made using 3-in-1 accounts, would be ₹10 plus applicable taxes, per valid application bid by the member of the Syndicate (including their sub-Syndicate Members),*

ii. Payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investors which are directly procured by the Registered Brokers and submitted to SCSB for processing would be ₹10/- per valid ASBA Form (plus applicable taxes).

iii. Bid Uploading charges payable to the SCSBs on the portion of QIB and Non-Institutional Investors (excluding UPI Bids) which are procured by the members of the Syndicate/sub-Syndicate/RTAs/ CDPs and submitted to SCSB for blocking and uploading would be ₹10 per valid application (plus applicable taxes)

Notwithstanding anything contained in (i) & (ii) above the total uploading fees and processing fees payable shall not exceed ₹5.00 lakhs (plus applicable taxes) and in case if the total uploading fees and processing fees exceed ₹5.00 lakhs (plus applicable taxes) then the uploading fees and processing fees will be paid on pro-rata basis.

The Bidding/uploading charges payable to the Syndicate/Sub-Syndicate Members, Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

(1) Uploading charges/ Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as under:

Members of the Syndicate /Registered Brokers/ RTAs / CDPs (uploading charges)	*₹30 per valid application (plus applicable taxes)*
Axis Bank Limited	*₹NIL per valid application* (plus applicable taxes).* *The Sponsor Bank will be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other applicable laws*

** Nil for first 1,50,000 valid applications and thereafter ₹ 6.50/- (plus applicable taxes) per valid application for Sponsor Bank.*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Cash Escrow and Sponsor Bank Agreement.

The total uploading charges / processing fees payable to members of the Syndicate, RTAs, CDPs, Registered Brokers as listed under (iii) will be subject to a maximum cap of ₹20.00 lakhs (plus applicable taxes). In case the total uploading charges/processing fees payable exceeds ₹20.00 lakhs, then the amount payable to members of the Syndicate, RTAs, CDPs, would be proportionately distributed based on the number of valid applications such that the total uploading charges / processing fees payable does not exceed ₹20.00 lakhs.

Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories). Accordingly, Syndicate / sub-Syndicate Member shall not be able to Bid the Application Form above ₹ 5 lakhs and the same Bid cum Application Form need to be submitted to SCSB for blocking of the fund and uploading on the Stock Exchange bidding platform. To identify bids submitted by Syndicate / sub-Syndicate Member to SCSB a special Bid-cum-application form with a heading / watermark "Syndicate ASBA" may be used by Syndicate / sub-Syndicate Member along with SM code and broker code mentioned on the Bid-cum Application Form to be eligible for brokerage on allotment. However, such special forms, if used for RIIs and NIIs bids up to ₹ 5 lakhs will not be eligible for brokerage.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and such payment of processing fees to the SCSBs shall be made in compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022,read with SEBI master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023.

Interim use of Net Proceeds

The Net Proceeds of the Offer pending utilisation for the purposes stated in this section, shall be deposited only with scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge financing facilities

Our Company has not raised any bridge loans from any banks or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, our Company may consider raising bridge financing facilities including by way of any other short-term instrument, pending receipt of the Net Proceeds.

Monitoring of utilization of funds

In terms of Regulation 41 of the SEBI ICDR Regulations, prior to filing this Red Herring Prospectus with RoC, we have appointed a monitoring agency to monitor the utilization of the Net Proceeds. Our Audit Committee and the Monitoring

Agency will monitor the utilisation of the Net Proceeds and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet until such time as the Net Proceeds remain unutilized, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of Net Proceeds utilised for purposes other than those stated in this Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Offer from the objects of the Fresh Offer as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Offer from the objects of the Fresh Offer as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors report, after placing the same before the Audit Committee. This information will also be uploaded onto our website.

Variation in Objects of the Offer

In accordance with Sections 13(8) and 27 of the Companies Act, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and which shall be published in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper and the Hyderabad edition of Surya, a Telugu newspaper (Telugu being the regional language of Telangana, where our Registered Office is located), each with wide circulation. Pursuant to Sections 13(8) and 27 of the Companies Act, 2013, our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Appraising agency

None of the objects of the Fresh Offer for which the Net Proceeds will be utilized have been appraised by any bank/ financial institution.

Other confirmations

None of our Promoters, Directors, KMPs, members of our Promoter Group or Group Companies will receive any portion of the Offer Proceeds.

There are no existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, members of our Promoter Group, Directors and/or Key Managerial Personnel. Further, there are no material existing or anticipated transactions in relation to utilization of the Net Proceeds with our Promoters, Directors, Key Managerial Personnel, members of our Promoter Group or Group Companies.

Further, pursuant to the Offer, the Net Proceeds received by our Company shall only be utilised for objects identified by our Company and for general corporate purposes and none of our Promoters, Promoter Group, and Group Companies, as applicable, shall receive a part of or whole Net Proceeds directly or indirectly.

BASIS OF OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 2/- each and the Offer Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Bidders should read the below mentioned information along with "*Our Business*", "*Risk Factors*", "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 175, 29, 260 and 324, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of our qualitative factors and strengths which form the basis for computing the Offer Price are as follows:

- 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 & Development facility.

For further details, see "*Our Business – Our Strengths*" on page 178.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Financial Information. For further details, see "*Restated Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 260 and 324, respectively.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for changes in capital:

As derived from the Restated Financial Information of our Company:

Financial Period	Basic EPS (in ₹)^	Diluted EPS (in ₹)^	Weight
For the six month period ended September 30, 2023	1.66	1.66	NA
Financial Year 2023	3.27	3.27	3
Financial Year 2022	2.18	2.18	2
Financial Year 2021	1.00	1.00	1
Weighted Average	2.53	2.53	

Notes:
**Not Annualised*
^Adjusted for sub-division of equity shares of our Company
Basic EPS (in ₹) = Restated net Profit after tax, for the year/ period, attributable to equity shareholders Weighted average number of Equity Shares outstanding during the year/period, as adjusted for sub-division
Diluted EPS (in ₹) = Restated net profit after tax for the year / period, attributable to equity shareholders
Weighted average number of Equity Shares and potential Equity Shares outstanding during the year/period, as adjusted for sub-division.
Notes:
(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.
(2) The figures disclosed above are based on the Restated Financial Information of our Company.
(3) The face value of each Equity Share is ₹ 2/- each.

(4) Basic and diluted earnings per Equity Share: Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
(5) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Information as appearing in "Restated Financial Statements" on page 260.

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times)	P/E at the Cap Price (no. of times)
Based on Basic EPS of ₹ 3.27 as per the Restated Financial Information for Financial Year 2023	[●]	[●]
Based on Diluted EPS of ₹ 3.27 as per the Restated Financial Information for Financial Year 2023	[●]	[●]

Notes:
[1] Price/ earning (P/E) ratio is computed by dividing the price per share by earnings per share

Industry P/E ratio

Particulars	P/E Ratio
Highest	41.93
Lowest	9.35
Average	25.64

Notes:
[1] The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see "Basis of Offer Price– Comparison of Accounting Ratios with Listed Industry Peers" on page 116.

3. Return on Net Worth ("RoNW")

As derived from the Restated Financial Information of our Company:

Particulars	RoNW (%)	Weight
For the six months period ended September 30, 2023	13.99	NA
Financial Year 2023	32.08	3
Financial Year 2022	31.69	2
Financial Year 2021	21.41	1
Weighted Average	**30.17**	

Notes:
Return on Net Worth (%) = Restated net profit after tax, for the year/period, attributable to equity shareholders divided by the Restated net-worth, for year/period end attributable to equity shareholders
- Net Worth means the aggregate value of the paid-up share capital, securities premium, general reserve, capital reserve, employee stock options outstanding reserve, and retained earnings (including other comprehensive income) attributable to equity shareholders of the company as restated.
- The figures disclosed above are based on the Restated Financial Information of our Company
- The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weights.

4. Net Asset Value per Equity Share (Face value of ₹ 2/-)

Net Asset Value per Equity Share	(₹)
As on March 31, 2023	10.19
After the Offer	[●]
- At the Floor price	[●]

Net Asset Value per Equity Share	(₹)
- At the Cap Price	[●]
Offer Price*	[●]

**Offer Price per Equity Share will be determined on conclusion of the Book Building Process Notes: Net Asset Value per share = Restated net-worth) at the end of the year/ period*
Number of Equity Shares outstanding at the end of the year/ period, as adjusted for sub-division

5. Comparison of Accounting Ratios with Listed Industry Peers

Name of the company	Consolidated / Standalone	Total income (₹ in lakhs)	Face value per Equity Share (₹)	Closing price on December 26, 2023 (₹)	P/E	EPS (Basic) (₹)	EPS (Diluted) (₹)	RoNW (%)	NAV (₹ per share)
Nova Agritech Limited	Consolidated	21,093.35	2.00	-	-	3.27	3.27	38.27%	10.09
Aries Agro Ltd	Consolidated	48,107.54	10.00	203.35	15.44	13.17	13.17	6.82%	186.75
Aimco Pesticides Limited	Consolidated	20,730.93	10.00	129.10	(56.62)	(2.28)	(2.28)	(4.52)%	48.30
Basant Agrotech Limited	Standalone	55,019.32	1.00	21.29	10.54	2.02	2.02	11.34%	18.86
Best Agrolife Limited	Standalone	1,51,004.91	10.00	834.85	41.93	19.91	19.91	14.02%	152.04
Bhagiradha Chemicals & Industries Ltd	Consolidated	50,335.03	10.00	501.00	11.30	44.35	44.35	17.95%	301.04
Heranba Industries Limited	Standalone	1,33,796.00	10.00	373.05	13.56	27.52	27.52	14.39%	203.96
India Pesticides Limited	Standalone	89,812.80	1.00	371.00	29.51	12.57	12.57	20.44%	67.30
Madras Fertilizers Limited	Standalone	3,46,140.00	10.00	107.54	9.35	11.5	11.5	(46.77)%	(17.82)
Dharmaj Crop Guard Limited	Standalone	53,805.90	10.00	263.30	21.89	12.03	12.03	16.30%	95.10

Source for Industry Peer information included above:
i. Closing price of these Equity Shares as on December 26 2023 on BSE website
ii. All the financial information for listed industry peers mentioned above is on a consolidated basis (unless otherwise available only on standalone basis) and is sourced from the annual results/reports of the company for the year ended March 31, 2023.
*iii. *P/E Ratio has been computed based on the closing market price of equity shares on BSE on December 26 , 2023 divided by the Diluted EPS provided*

The Offer Price is [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company and Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in "*Risk Factors*" on page 63 and you may lose all or part of your investments. Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Restated Financial Statements*" on pages 29, 175, 324 and 260 respectively, to have a more informed view.

6. Key Operational and Financial Performance Indicators:

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of various verticals in comparison to our peers.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated December 26, 2023 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this RHP. Further, the KPIs herein have been certified by Statutory Auditors, by their certificate dated December 26, 2023.

The KPIs of our Company have been disclosed in the sections titled "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators*" on pages 175 and 326, respectively. We have described and defined the KPIs, as applicable, in "*Definitions and Abbreviations*" on page 2.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the completion of the proceeds of the Fresh Offer as per the disclosure made in the Objects of the Offer Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

The disclosure on appropriate KPIs for this section, why they are material to understand the business of the Company and how they have been used by the management historically to analyse, track or monitor the operational and/or financial performance of the Issuer Company. For further details on KPIs please refer to *Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators"* on Page 326.

Financial KPIs of our Company

(in ₹ lakhs except percentages and ratios)

Key Financial Performance	Six months period ended September 30, 2023	FY 2022-2023	FY 2021-2022	FY 2020-2021
Revenue from operations(1)	10,321.60	21,055.54	18,556.77	16,057.74
Total Income(2)	10,324.34	21,093.35	18,561.09	16,092.66
EBITDA(3)	1935.19	3,871.88	2,777.73	1,779.97
EBDITA Margin (%)(4)	18.75	18.39	14.97	11.08
PAT	1,038.22	2048.95	1,368.94	630.00
PAT Margin (%)(5)	10.06	9.73	7.38	3.92
Operating Cash Flows	504.28	544.94	248.17	518.13
Net Worth(6)	7423.08	6387.97	4,319.12	2,942.98
Net Debt(7)	(1,757.30)	(1,079.69)	216.89	1,213.97
Debt Equity Ratio(8)	0.92	1.11	1.49	1.74
ROCE (%)(9)*	12.87	27.25	23.81	19.87
ROE (%)(10) *	15.03	38.27	37.70	24.08

** Not Annualised*

(1) Revenue from operation means revenue from sales and other operating revenues.

(2) Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.

(3) EBITDA means Profit before depreciation, finance cost, tax and amortization, less other income.

(4) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.

(5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

(6) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.

(7) Net Debt is total of short-term borrowing, long-term borrowing and trade payables minus total liquid assets. Total liquid asset is summation of cash and cash equivalent and current and non-current bank balance and trade receivables.

(8) Debt equity ratio means ratio of total debt (long term plus short-term including current maturity of long-term debt) and Equity Share capital plus other equity.

(9) Return on Capital Employed is ratio of EBIT and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and Short-Term Borrowing.

(10) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total income	Total income is used by the management to track revenue from operations and other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Operating Cash Flows	Operating cash flows activities provides how efficiently our company generates cash through its core business activities.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Net Debt	Net debt helps the management to determine whether a company is overleveraged or has too much debt given its liquid assets
Debt-equity ratio (times)	The debt to equity ratio compares an organization's liabilities to its shareholder’s equity and is used to gauge how much debt or leverage the organization is using.
ROE (%)	ROE provides how efficiently our Company generates profits from shareholders’ funds.
ROCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

7. **Set forth below are the details of comparison of Key Performance of Indicators with our listed industry peers:**

Financial Parameters (FY 2023) (Rs. lakhs)	**Nova Agritech Limited (Consolidated)**	**Aries Agro Limited (Consolidated)**	**Aimco Pesticides Limited (Consolidated)**	**Basant Agrotech Limited (Standalone)**	**Best Agrolife Limited (Standalone)**	**Bhagiradha Chemicals & Industries Ltd (Consolidated)**	**Heranba Industries Limited (Standalone)**	**India Pesticides Limited (Standalone)**	**Madras Fertilizers Limited (Standalone)**	**Dharmaj Crop Guard Limited (Standalone)**
Revenue from Operations	21055.54	47,223.59	20,619.29	54,926.03	1,49,996.20	50,209.13	1,32,438.00	88,493.50	3,44,709.00	53,355.10
Total Income	21093.35	48,107.54	20,730.93	55,019.32	1,51,004.91	50,335.03	1,33,796.00	89,812.80	3,46,140.00	53,805.90
EBITDA	3871.88	4,774.49	210.19	3,592.57	8,604.47	7,732.51	16,106.00	19,755.80	32,213.00	4,737.70
EBITDA Margin	18.39%	10.11%	1.02%	6.54%	5.74%	15.40%	12.16%	22.32%	9.34%	8.88%
PAT	2048.95	1,592.95	(218.53)	1,838.49	4,708.11	4,515.16	11,011.00	14,447.80	18,533.00	3,311.00
PAT Margin	9.73%	3.37%	(1.060)%	3.35%	3.14%	8.99%	8.31%	16.33%	5.38%	6.21%
Operating Cash Flow	544.94	5,450.39	(1,112.73)	(2005.42)	(12,801.20)	1389.41	12,250.00	4,592.70	68,737	(741.50)
Net debt	(1,079.69)	3,710.75	6,406.56	12,963.82	14,412.06	(2,308.73)	(21,125.00)	(16,585.90)	92,049.00	3,319.60
Debt/Equity ratio	1.11	0.39	0.27	0.74	0.78	0.16	0.11	0.00	(5.20)	0.16
Return on Capital Employed (ROCE) (in %)	27.25	14.41	(0.67)	10.25	14.25	18.94	16.80	25.62	27.08	12.52
Net Worth	6,387.97	24,285.28	4,628.39	17,093.88	35,949.52	31,324.97	81,611.00	77,500.40	(28,707.00)	32,142.90
Return on Equity (in %)	38.27	6.82	(4.52)	11.34	14.02	17.95	14.39	20.44	(46.77)	16.30

8.Weighted average cost of acquisition

a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)

There has been no issuance of Equity Shares or convertible securities during the 18 months preceding the date of this RHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-Offer capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

b) The price per share of our Company based on the secondary sale / acquisition of shares (equity / convertible securities)

There have been no secondary sale / acquisitions of Equity Shares or any convertible securities, where the promoters, members of the promoter group, selling shareholder, or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-Offer capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Since there are no such transactions to report to under (a) and (b) therefore, information based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or Selling Shareholder or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this RHP irrespective of the size of transactions, is as below:

Primary transactions:

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this RHP:

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
January 6, 2023	5,00,000	10	25	Further Issue	Cash	125.00
Weighted average cost of acquisition (WACA)			**25**			

d) Weighted average cost of acquisition, floor price and cap price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Share)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
Weighted average cost of acquisition of primary / new issue as per paragraph 8(a) above.	NA^	NA^	NA^
Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 8(b) above.	NA^	NA^	NA^
Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 8(c) above	25^^	**[●]** times	**[●]** times

Note:
^ There were no primary/ new issue of shares (equity / convertible securities) or secondary sales / acquisition of shares of shares (equity/ convertible securities) transactions in last 18 months from the date of this Red Herring Prospectus.
^^ There were no primary issuances/ secondary transactions other than 5,00,000 Equity Shares to Nova Agritech Limited Employees Welfare Trust on January 6, 2023, in last 18 months and three years prior to the date of this Red Herring Prospectus
** To be updated at Prospectus stage.*

Explanation for Offer Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) along with our Company's key performance indicators and financial ratios for the six months ended September 30, 2023 and the Fiscals 2023, 2022and 2021.

[●]*

**To be included at Prospectus Stage*

Explanation for Offer Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in [●] above) in view of the external factors which may have influenced the pricing of the Offer.

[●]*
**To be included at Prospectus Stage*

The Offer Price will be [●] times of the face value of the Equity Shares. The Offer Price of ₹ [●] has been determined by our Company in consultation with the Selling Shareholder and the BRLMs, on the basis of the demand from investors for the Equity Shares through the Book Building Process. Our Company in consultation with the Selling Shareholder and the BRLMs, is justified of the Offer Price in view of the above qualitative and quantitative parameters. The trading price of the Equity Shares could decline due to the factors mentioned in the section titled "*Risk Factors*" on page 29 or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF SPECIAL TAX BENEFITS

The Board of Directors Nova Agritech Limited
Sy.No.251/A/1., Singannaguda Village, Mulugu Mandal, Siddipet,
Medak, Telangana – 502279 Dear Sir/Ma'am,

Sub: Statement of Special Tax Benefits available to Nova Agritech Limited and to its shareholders under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")

This Report is issued in accordance with the engagement letter dated October 3, 2022

We, NSVR & Associates LLP, the Statutory Auditors of the Company, hereby report that the enclosed statement is in connection with the possible special tax benefits available to (i) the Company and, (ii) to the shareholders of the Company and (iii) material subsidiary of the Company, Nova Agri Sciences Private Limited; identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (**Material Subsidiary**), under applicable tax laws presently in force in India including the Income Tax Act, 1961, as amended by the Finance Act, 2023, read with rules, circulars and notifications issued thereunder (**Act**) i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India and under indirect taxation laws presently in force in India, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017,the applicable States' Goods and Services Tax Act, the Customs Act, 1962 (**Customs Act**) and the Customs Tariff Act, 1975 (**Tariff Act**), as amended by the Finance Act 2022 including the relevant rules, notifications and circulars issued thereunder, Several of these benefits are dependent on the Company, its shareholders, and Material Subsidiary, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its shareholders, and Material Subsidiary to derive the special tax benefits is dependent upon their fulfilling such conditions prescribed under the relevant statutory provisions, which based on business imperatives, the Company, its shareholders and Material Subsidiary face in the future, the Company, its shareholders and Material Subsidiary may or may not choose to fulfil.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its Material Subsidiary and Shareholders. Further, the benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

We do not express any opinion or provide any assurance as to whether:

1. The Company, its Material Subsidiary, and /or its shareholders will continue to obtain these benefits in the future; or

2. The conditions prescribed for availing of the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

We hereby consent to the extracts of this certificate being used in the Red Herring Prospectus (**RHP**) to be filed with the Securities and Exchange Board of India (**SEBI**), the BSE Limited (**BSE**) and the National Stock Exchange of India Limited (**NSE** and together with the BSE, the **Stock Exchanges**) and the Prospectus (**Prospectus** and together with RHP, the **Offer Documents**), to be filed with the Registrar of Companies, Telangana at Hyderabad at (**ROC**) and submitted to the SEBI, and the Stock Exchanges with respect to the Offer, and any other regulatory or governmental authorities, and in any other material used in connection with the Offer and on the websites of the Company and the Book Running Lead Managers in connection with the Offer.

We undertake to update you of any change in the above-mentioned disclosures, in writing until the Equity Shares commence trading on the Stock Exchanges, once we are made aware of any update by the Company or that may come to our knowledge. In the absence of any such communication from us, the above information should be considered as an updated information until the Equity Shares commence trading on the Stock Exchanges, pursuant to the Offer.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes' (Revised 2016) issued by the Institute of Chartered Accountants of India (**ICAI**) which requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI. We hereby confirm that while providing this certificate we have complied with the Code of Ethics issued by the ICAI. We have also complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

This certificate is for information and for inclusion, in part or in full, in the Offer Documents or any other Offer-related material, and may be relied upon by the Company, the Book Running Lead Managers and the legal advisors to the Offer. We hereby consent to the submission and disclosure of this RHP to SEBI, ROC, Stock Exchanges and any other regulatory or governmental authorities and, or, for any other litigation purposes and, or, for the records to be maintained by the Book Running Lead Managers, in accordance with applicable law and for disclosure on the websites of the Company and the Book Running Lead Managers.

For and on behalf of

NSVR & ASSOCIATES LLP
Chartered Accountants
Firm Registration Number: 008801S/S200060

Name: Venkata Ratnam Pichikala
Designation: Partner
Membership No.: 230675
UDIN: 23230675BGWGXR8003

Place: Hyderabad
Date: December 26, 2023

ANNEXURE 1

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARY UNDER THE APPLICABLE LAWS IN INDIA – INCOME TAX ACT, 1961

Outlined below are the special tax benefits available to Nova Agritech Limited (the "Company"), its Shareholders and Material Subsidiary under the Income Tax Act, 1961 (the "Act") as amended by the Finance Act, 2023 applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

I. **Special tax benefits available to the Company-**There are no special tax benefits available to the Company

II. **Special tax benefits available to the Shareholders of the Company-**There are no special tax benefits available to the shareholders of the Company.

III. **Special tax benefits available to the Material Subsidiary-**There are no special tax benefits available to the Material Subsidiary

Notes:

1. This Annexure is as per the Income Tax Act, 1961 as amended by the Finance Act, 2023 read with relevant rules, circulars and notifications applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, presently in force in India.

2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Issue.

4. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

5. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE 2

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SHAREHOLDERS AND MATERIAL SUBSIDIARY UNDER THE APPLICABLE LAWS IN INDIA – OTHERS

Outlined below are the special tax benefits available to the Company, its Shareholders and Material Subsidiary under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017, applicable State Goods and Services Tax Act, 2017 ("GST Acts") and the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), presently in force in India.

I. There are no special tax benefits available to the Company.

II. Special tax benefits available to the Shareholders of the Company-The Shareholders of the Company are not entitled to any special tax benefits.

III. Special tax benefits available to the Material Subsidiary- There are no special tax benefits available to the Material Subsidiary.

Notes:

1. This Annexure sets out only the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017, applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), presently in force in India.

2. This Annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed IPO.

3. Our comments are based on our understanding of the specific activities carried out by the Company from April 1, 2020 till the date of this Annexure as per the information provided to us. Any variation in the understanding could require our comments to be suitably modified.

4. This annexure covers only indirect tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

5. These comments are based upon the existing provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION – IV – ABOUT OUR COMPANY

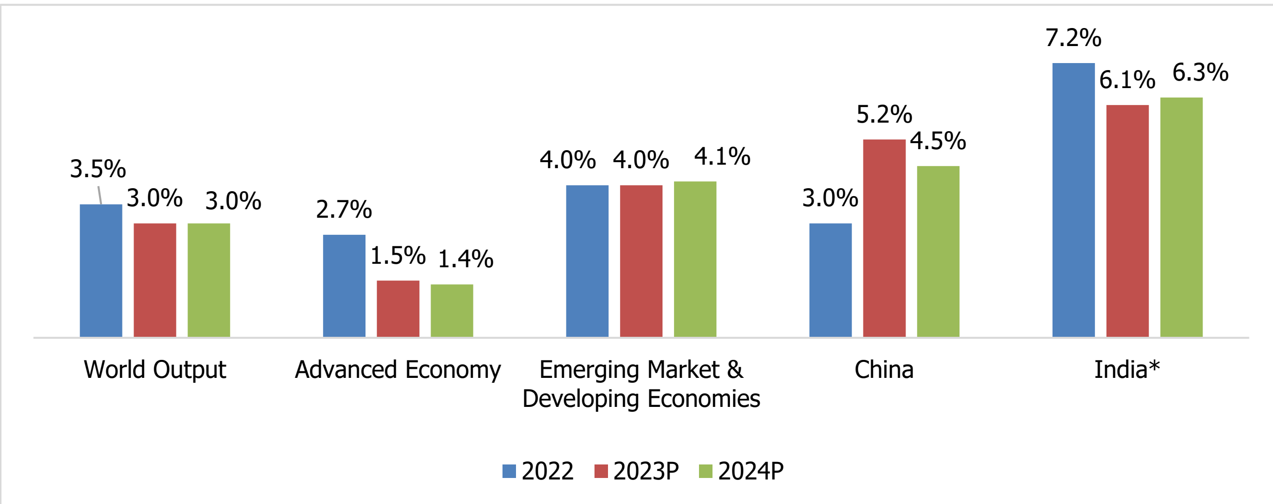
INDUSTRY OVERVIEW

*The information in this section is derived from the report titled "Report on Crop Nutrition and Crop Protection Industry" dated January 02 , 2024, by CARE Analytics and Advisory Private Limited ("**CARE Report**") commissioned and paid for by our Company. We commissioned the CARE Report for the purpose of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of the BRLMs, nor any other person connected with the Offer has verified the information in the CARE Report. Further, the CARE Report was prepared based on publicly available information, data and statistics as of specific dates and may no longer be current or reflect current trends. The CARE Report may also be based on sources that base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. CARE Analytics and Advisory Private Limited, has advised that it does not guarantee the accuracy, adequacy or completeness of the CARE Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CARE Report or the data therein. Further, the CARE Report is not a recommendation to invest / disinvest in any company covered in the report. CARE Analytics and Advisory Private Limited especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the CARE Report. Prospective investors are advised not to unduly rely on the CARE Report when making their investment decision.*

GLOBAL ECONOMY OUTLOOK

As per the International Monetary Fund (IMF)'s World Economic Outlook growth projections released in July 2023, the global economy growth for CY22 stood at 3.5% on a year-on-year (y-o-y) basis, down from 6.3% in CY21 due to disruptions resulting from the Russia-Ukraine conflict and higher-than-expected inflation worldwide. On the other hand, the global economic growth for CY23 is projected to slow down further to 3.0%, attributed to compressing global financial conditions, expectant steeper interest rate hikes by major central banks to fight inflation, and spill-over effects from the Russia-Ukraine conflict, with gas supplies from Russia to Europe expected to remain tightened. Whereas growth in CY24 is projected to remain broadly stable at 3.0%, with notable shifts across regions. For the next 5 years, the IMF projects world economic growth in the range of 3.0%-3.2% on a y-o-y basis.

Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection
*For India, data and forecasts are presented on a fiscal year basis and GDP from 2011 onward is based on GDP at market prices with fiscal year 2011/12 as a base year
Source: IMF – World Economic Outlook, July 2023

Advanced Economies Group

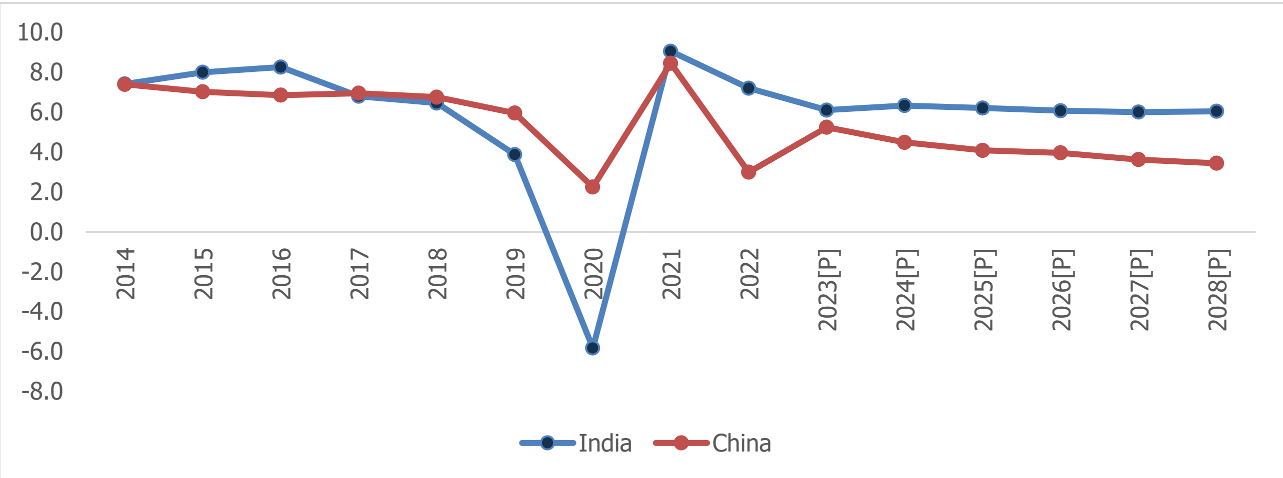
The major advanced economies registered GDP growth of 2.7% in CY22, down from 5.4% in CY21, which is further projected to decline to 1.5% in CY23. This forecast of low growth reflects increased central bank interest rates to fight inflation and the impact of the Russia-Ukraine war. About 93% of advanced economies are projected to witness declined GDP growth in CY23. In addition, this is further expected to decline to 1.4% in CY24.

One of the major countries from this group is the **United States**. The United States registered GDP growth of 2.1% in CY22 compared to 5.9% in CY21. Whereas growth for CY23 and CY24 is projected at 1.8% and 1.0%, respectively. This is reflective of declining real disposable incomes and savings impacting consumer demand with higher interest rates taking a toll on spending.

Further, the **Euro Area** registered GDP growth of 3.5% in CY22 compared to 5.3% in CY21. However, the boost from the reopening of the economy after the pandemic appears to be fading. For CY23 and CY24, the growth is projected at 0.9% and 1.5%, respectively. The accelerated pace of rate increases by the Bank of England and the European Central Bank has tightened the financial conditions, resulting in the cooling of demands in the housing sector and beyond.

<u>India to remain the fastest growing economy transcending China</u>

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the GDP has been estimated to be at USD 3.4 trillion for CY22 and is projected to reach USD 5.2 trillion by CY27. India's expected GDP growth rate for coming years is almost double compared to the world economy.



P- Projections; Source: IMF – World Economic Outlook (July 2023), World Economic Outlook Database (April 2023)

Besides this, India stands out as the fastest growing economy among the major economies. The country is expected to grow at more than 6% in the period of CY24-CY28, outshining China's growth rate. Accordingly, the Indian economy is paving its way towards becoming largest economy globally. Currently, it is the third largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7% share in the global economy, with China [~18%] on the top and followed by the United States [~15%]. Purchasing Power Parity is an economic performance indicator denoting the relative price of an average basket of goods and services that a household needs for livelihood in each country. Despite COVID-19's impact, high inflationary and interest rates globally, and the geo-political tensions in Europe, India has been a major contributor to world economic growth.

INDIAN ECONOMY OUTLOOK

GDP growth and Outlook

<u>Resilience to external shocks remains critical for near-term outlook</u>

India's GDP grew by 9.1% in FY22 and stood at Rs. 149.3 trillion despite the pandemic and geopolitical Russia-Ukraine spillovers. In Q1FY23, India recorded 13.2% y-o-y growth in GDP, largely attributed to improved performance by the agriculture and services sectors. Following this double-digit growth, Q2FY23 witnessed 6.3% y-o-y growth, while Q3FY23 registered 4.5% y-o-y growth. The slowdown during Q2FY23 and Q3FY23 compared to Q1FY23 can be attributed to the normalization of the base and a contraction in the manufacturing sector's output.

Subsequently, Q4FY23 registered broad-based improvement across sectors compared to Q3FY23 with a growth of 6.1% y-o-y. The investments, as announced in the Union Budget 2022-23 on boosting public infrastructure through enhanced capital expenditure, have augmented growth and encouraged private investment through large multiplier effects in FY23. Supported by fixed investment and higher net exports, GDP for full-year FY23 was valued at Rs. 160.1 trillion registering an increase of 7.2% y-o-y.

Furthermore, in Q1FY24, the economic growth accelerated to 7.8%. The manufacturing sector maintained an encouraging pace of growth, given the favourable demand conditions and lower input prices. The growth was supplemented by a supportive base alongside robust services and construction activities.

GDP Growth Outlook

- During FY24, strong agricultural and allied activity prospects are likely to boost rural demands. However, El Nino is being predicted in the current fiscal which may lead to deficit rainfall in the country and impact agricultural output. However, a rebound in contact-intensive sectors and discretionary spending is expected to support urban consumption.
- Strong credit growth, resilient financial markets, and the government's continual push for capital spending and infrastructure are likely to create a compatible environment for investments.
- External demand is likely to remain subdued with a slowdown in global activities, thereby indicating adverse implications for exports. Additionally, heightened inflationary pressures and resultant policy tightening may pose a risk to the growth potential.

Taking all these factors into consideration, in August 2023, the RBI in its bi-monthly monetary policy meeting estimated a real GDP growth of 6.5% y-o-y for FY24.GDP growth outlook

RBI's GDP Growth Outlook (Q-o-Q %)

FY24 (complete year)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
6.5	8.0	6.5	6.0	5.7	6.6%

Source: Reserve Bank of India

Gross Value Added (GVA)

Gross value added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

• The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest growing sector in the last 5 years.
• The agriculture sector was holding a growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than the previous year which affected the agricultural performance. Whereas, FY20 witnessed growth on account of improved production. During the pandemic year FY21, the agriculture sector was largely insulated in FY21 as timely and proactive exemptions from covid- induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY22.

Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

At constant Prices	FY18	FY19	FY20 (3RE0	FY21 (2RE)	FY22 (1RE)	FY23 (PE)
Agriculture, forestry & fishing	**6.6**	**2.1**	**6.2**	**4.1**	**3.5**	**4**
Industry	**5.9**	**5.3**	**-1.4**	**-0.9**	**11.6**	**4.4**
Mining & quarrying	-5.6	-0.8	-3	-8.6	7.1	4.6
Manufacturing	7.5	5.4	-3	2.9	11.1	1.3
Electricity, gas, water supply & other utility	10.6	7.9	2.3	-4.3	9.9	9

services						
Construction	5.2	6.5	1.6	-5.7	14.8	10
Services	**6.3**	**7.2**	**6.4**	**-8.2**	**8.8**	**9.5**
Trade, hotels, transport, communication & broadcasting	10.3	7.2	6	-19.7	13.8	14
Financial, real estate & professional services	1.8	7.0	6.8	2.1	4.7	7.1
Public administration, defence and other services	8.3	7.5	6.6	-7.6	9.7	7.2
GVA at Basic Price	**6.2**	**5.8**	**3.9**	**-4.2**	**8.8**	**7**

Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate; *Source: MOSPI*

Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices and a shortage of key inputs. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. It is expected to grow at 6.3% in CY24 compared to the world GDP growth projection of 3%. The bright spots for the economy are continued healthy domestic demand , support from the government towards capital expenditure, moderating inflation and improving business confidence. Likewise, several high-frequency growth indicators including the purchasing managers index, auto sales, bank credit and GST collections have shown improvement in FY23.

Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

Further, in line with the latest India Meteorological Department (IMD) projection, the rainfall activity has been muted during June 1, 2023 to September 20, 2023, with cumulative rainfall falling back to a 7% deficit. Also, weak-to-moderate El Nino conditions are expected to lead to a prolonged dry spell. A drop-in yield due to irregular monsoon and a lower acreage can lead to a demand-supply mismatch, further increasing the inflationary pressures on the food basket. Going ahead, consumption demand is expected to pick up during the festive season, but the quantum of rise in demand will be dependent on the extent of the impact of the irregular monsoon.

The main growth drivers for the agriculture sector are favorable government policy, Public and private (farmers') investments in building irrigation capacities, use of modern farm inputs like seeds and fertilizers and subsidies. For the long-term growth of Agriculture sector, advancement in science-led technology in agriculture, private sector participation in both pre and post-harvest phases and liberalized output market will act as some of the key contributing factors.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 10 lakh crores for FY24. The private sector's intent to invest is also showing improvement as per the data announced on new project investments. However, volatile commodity prices and economic uncertainties emanating from global turbulence may slow down the improvement in private CapEx and investment cycle.

Furthermore, the industrial sector is expected to perform better among all sectors, as input cost are now moderating. With flagship programmes like 'Make in India' and the Production Linked Incentive (PLI) schemes the government is continuing to provide the necessary support to boost the industrial sector. Similarly, the service sector is expected to see a continued growth in FY24. However, some segments in the service sector like Information Technology are likely to be impacted by the slowdown in the US and European economies.

SIGNIFICANCE OF AGRICULTURE IN THE INDIAN ECONOMY

Agriculture continues to remain the backbone of Indian Economy

Agriculture is the primary source of livelihood for about 58% of India's population. As a result, the share of agriculture and allied sectors to the total economy's Gross Value Added (GVA) has been significant and has increased over the years as shown here in the table.

Percentage share of GVA of agriculture and allied sector to total economy

Year	% share
2018-19	17.6
2019-20	18.4
2020-21	20.2
2021-22*	15.6
2022-23#	15.1

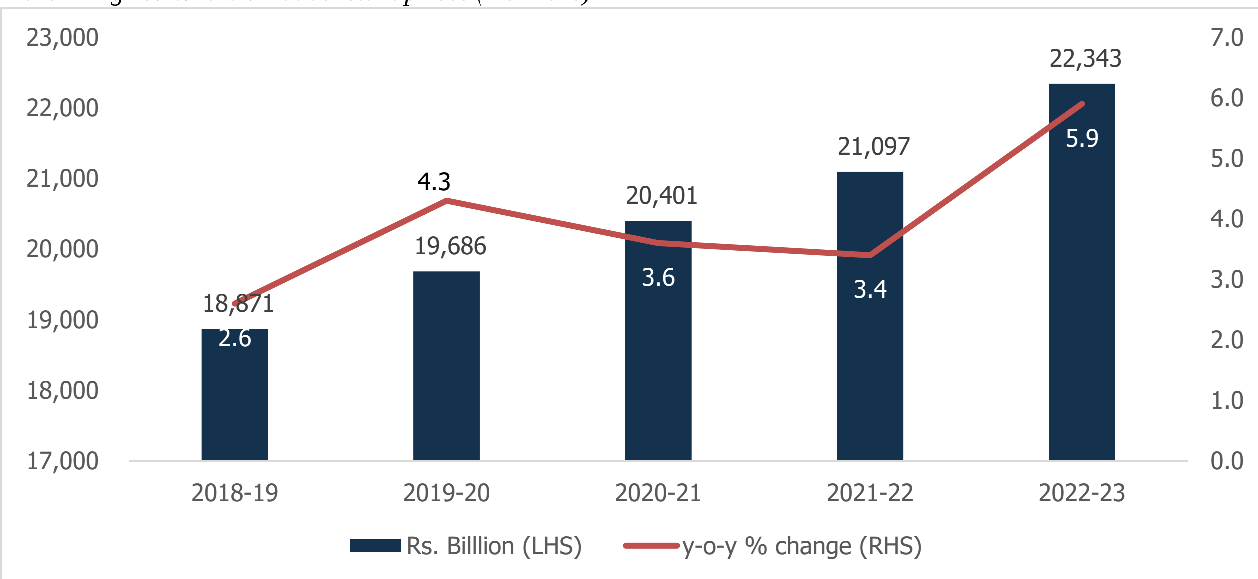
Source: PIB release and Economic Survey 2021-22, MOSPI

*Note: *denotes 1st Revised Estimates and # denotes Provisional Estimates*

The agriculture sector has experienced steady growth in the past two years. As of 2022-23, the sector is the largest employer of the workforce and accounted for a sizeable 15.1% of the in Gross Value Added (GVA) of the country. Growth in allied sectors including livestock, dairying and fisheries has also been a major growth driver in the sector.

The expansion in the share of agriculture and allied sector's GVA is backed by an upward trend in the GVA of agriculture activities. During the five-year period 2018-19 to 2022-23, the GVA for agriculture increased at a CAGR of 4.3% from ₹ 18,871 billion in 2018-19 to ₹ 22,343 billion in 2022-23.

Trend in Agriculture GVA at constant prices (₹ billions)



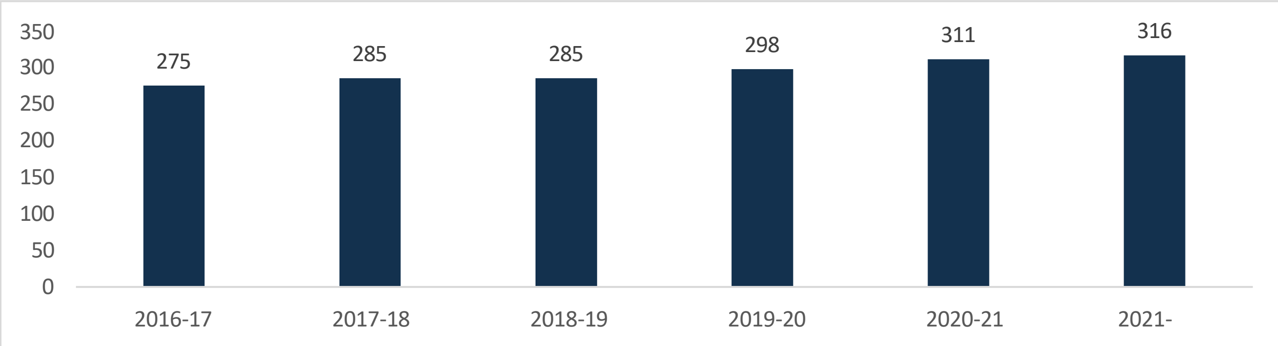
Source: MOSPI

Further, the growth in agriculture GVA has been supported by various measures on credit, market reforms and food processing. In addition to several measures aimed at increasing productivity and improving the marketing of agricultural produce, the government also carries out a large food management programme with a significant financial implication in terms of food subsidies.

While agriculture continues to be a significant part of the Indian economy, the quantum of arable land in India has remained constant for almost a decade at around 154 million hectares. This is a fall of about 3.8% compared to around 160 million hectares of arable land in the 2000 period as per the World Bank. On the other hand, population in India has almost increased in every passing year. From 2000, when the population was at 1.06 billion, it has grown significantly to 1.4 billion in 2023.

With the upward trend in population, the demand for food grains will continue to rise in India. To meet the domestic demand, food grain production in India has increased over the years. For instance, in the last five years 2018-19 to 2022-23, total foodgrain production in India grew at a CAGR of 3.2% from 285 million tonnes in 2018-19 to 324 million tonnes in 2022-23. With the increase in population and the arable land remaining almost constant, the crop protection industry's role becomes very critical to ensure that food grain productivity is enhanced.

Trend in India's Food Grain production (million tonnes)



Source: Government of India (Ministry of Agriculture and Farmers Welfare)
*Note: * indicates Second Advance Estimates*

To ensure that foodgrain production continues to rise with almost the same arable land and an expected increase in population, it becomes important for the Government to encourage farmers to focus on the farm productivity of India to ensure food security.

Minimum Support Price (MSP), agricultural marketing, food management, food processing sector, natural farming (detailed below) are some of the steps taken by the Government for the betterment of farmers in the country as per the Economic Survey 2021-22.

Government's Steps Towards Doubling Farmers Income

The Government is working towards doubling farmers income through:
1.Constant hike in MSPs
2.Agricultural marketing
3.Food management
4.Food processing sector
5.Natural farming
6.Promotion of new technologies such as usage of drones and other soil testing devices

Minimum Support Price (MSP)

The Government's price policy for major agricultural commodities seeks to ensure remunerative prices to the growers for their produce with a view to encourage higher investment and production and thereby to safeguard the interest of consumers by making available supplies at reasonable prices.

The Government fixes the MSP of 22 mandated agricultural crops on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP) and after due consideration of the views of State Governments and the concerned Central Ministries/ Departments.

Accordingly, the government has increased the MSP for all mandated kharif, rabi and other commercial crops with a return of at least 50% of over all India's weighted average cost of production from the agricultural year 2018-19 onwards. The MSPs announced for all the kharif and rabi crops for marketing season 2023-24 are given below.

MSPs for all Kharif crops for Marketing Season 2023-24 (₹ /quintal)

S.No.	Crop	MSP 2022-23	MSP 2023-24	Cost of production 2023-24	Increase in MSP (Absolute)	Return over cost (in %)
1.	Paddy (Common)	2,040	2,183	1,455	143	50
2.	Paddy (Grade A) ^	2,060	2,203	-	143	-
3.	Jowar (Hybrid)	2,970	3,180	2,120	210	50
4.	Jowar (Maldandi)^	2,990	3,225	-	235	-
5.	Bajra	2,350	2,500	1,371	150	82
6.	Ragi	3,578	3,846	2,564	268	50
7.	Maize	1,962	2,090	1,394	128	50
8.	Tur (Arhar)	6,600	7,000	4,444	400	58
9.	Moong	7,755	8,558	5,705	803	50

10.	Urad	6,600	6,950	4,592	350	51
11.	Groundnut	5,850	6,377	4,251	527	50
12.	Sunflower Seed	6,400	6,760	4,505	360	50
13.	Soyabean (yellow)	4,300	4,600	3,029	300	52
14.	Sesamum	7,830	8,635	5,755	805	50
15.	Nigerseed	7,287	7,734	5,156	447	50
16.	Cotton (Medium Staple)	6,080	6,620	4,411	540	50
17.	Cotton (Long Staple) ^	6,380	7,020	-	640	-

Source: PIB release

^Cost data are not separately compiled for Paddy (Garde A), Jowar (Maldandi) and Cotton (Long staple)

Agricultural marketing

Wholesale agricultural marketing is undertaken by a network of 6,946 regulated wholesale markets, set up under the provision of the respective State Agricultural Produce Market Committee (APMC) Act. The Government of India has been working continuously and has taken several concrete steps to link the farmers with markets in order to help in the trade and realise competitive and remunerative prices for their produce.

Food management

The major objectives of food management are procurement of foodgrains from farmers at remunerative prices, distribution of foodgrains to consumers, particularly the vulnerable sections of society at affordable prices and maintenance of food buffer stock for food security and price stability. The instruments used are procurement at MSP from farmers and sale at Central Issue Price (CIP) under the Targeted Public Distribution System (TPDS). The nodal agency which undertakes procurement, distribution and storage of foodgrains is the Food Corporation of India (FCI). The distribution of foodgrains is undertaken primarily under the National Food Security Act, 2013 (NFSA) and other welfare schemes of the Government of India.

Food processing sector

The Government has placed focus on the food processing sector, which is not only a major market of agricultural produce but is also a significant employer of the surplus workforce engaged in agriculture. The government therefore facilitates food processing through various measures of infrastructure development, subsidised transportation and support for the formalization of micro food enterprises. Also, India runs one of the largest food management programmes in the world. The Government has further extended the coverage of the food security network through additional provisions of foodgrains through schemes like the PM Gareeb Kalyan Yojana (PMGKY).

Natural Farming

The main aim of natural farming is promotion of good agronomic practices. Natural farming also aims to sustain agriculture production with eco-friendly processes in tune with nature to produce agricultural produce free of chemicals. Soil fertility & soil organic matter is restored by natural farming practices. Natural farming systems require less water and are climate friendly.

Natural farming in India is being promoted through a dedicated scheme of the Bharatiya Prakritik Krishi Paddhati Programme (BPKP). The scheme promotes on-farm biomass recycling with major stress on biomass mulching, use of on-farm cow dung-urine formulations, periodic soil aeration and exclusion of all synthetic chemical inputs. Under BPKP, financial assistance of Rs 12,200/ha for 3 years has been provided for cluster formation, capacity building and continuous handholding by trained personnel, certification and residue analysis.

In addition to above, the Government of India supports agriculture through various schemes/ programmes which are mentioned as follows.

1. Unprecedented enhancement in budget allocation
2. Increase in procurement from farmers
3. Income support to farmers through PM KISAN
4. Pradhan Mantri Fasal BimaYojana (PMFBY)
5. Institutional credit for agriculture sector

6. Providing Soil Health Cards to farmers
7. Promotion of organic farming in the country
8. Neem Coating of Urea
9. Agri Infrastructure Fund
10. Promotion of FPOs Scheme
11. National Bee and Honey Mission (NBHM)
12. Pradhan Mantri Krishi Sinchai Yojana (PMKSY)
13. Micro Irrigation Fund
14. Agricultural Mechanization
15. Changes in Disaster Relief Standards
16. Improvement in farm produce logistics, Introduction of Kisan Rail
17. Creation of a Start-up Eco system in agriculture and allied sector

India holds a Critical Position in World Agriculture

India holds a critical position in world agriculture. However, yield per hectare remains low. Apart from food grain production, India also produces oilseeds, fruits and vegetables and commercial crops. To understand the position of India better in world agriculture, the following table can be referred.

India's position in world agriculture - 2019

Production	India	World	India's position		
			% share	Rank	Next to
1. Crop (million tonnes)					
A. Total cereals	324	2,979	10.9	Third	China, USA
Wheat	104	766	13.5	Second	China
Rice (Paddy)	178	755	23.5	Second	China
Total Pulses	22	88	24.3	First	
B. Oilseeds					
Groundnut (with shell)	7	49	13.8	Second	China
Rapeseed	9	71	13.1	Third	Canada, China
2. Fruits & vegetables (million tonnes)					
Vegetables & Melons*	127	1,169	10.8	Second	China
Fruits excluding melons*	88	689	12.8	Second	China
Potato	50	370	13.5	Second	China
Onion (Dry)	23	100	22.8	Second	China
3. Commercial crops (million tonnes)					
Sugarcane	405	1,949	20.8	Second	Brazil
Tea	1.4	6.5	21.4	Second	China
Coffee (Green)	0.32	10.04	3.2	Eight	Brazil, Vietnam, Colombia, Indonesia, Ethiopia, Honduras, Peru

*Source: Fertilizers Association of India Note: * Data for latest available year is used*

From the above table, it can be seen that India holds one of the top 3 positions for most of the food items mentioned except for coffee, this shows significance of India in world agriculture. Even while India lead agriculture production in various food items, the yield per hectare of these crops in India is substantially lower than several other countries in the world.

<u>Yield per hectare of different crops</u>

It can be seen from the table below that the yield of crops in India is quite low compared to that of the countries that have maximum yield per hectare. Besides, the yield per hectare of crops like rice, paddy, wheat, maize, cereals, pulses is lower even than the average world yield.

Yield per hectare of different crops in kg – 2019

Crops	India's yield per hectare	Countries with maximum yield per hectare	Average world yield
Rice, Paddy	4,058	Australia - 8,771, USA - 8,374	4,662
Wheat	3,533	Belgium - 9,336, UK - 8,935	3,547
Maize	3,070	Iran - 23,224, Chile - 12,100	5,824
Cereals	3,405	Belgium - 8,989, Netherlands - 8,654	4,113
Pulses	698	Belgium - 4,164, Egypt - 3,890	992

Source: Fertilizers Association of India

Some of the reasons that have been affecting the crop yield in India includes uneven and uncertain rains, inadequate irrigation facilities, low fertility of soil among others. To improve the fertility of soils, application of micronutrients becomes very important in India and thus micronutrients have a significant demand potential going ahead.

Soil fertility status in India

Soil health and quality are a matter of great concern for the Government of India. Soil Health Card (SHC) scheme is a flagship programme launched in February 2015 under which there are uniform norms which are followed across different states for analysis of the soil and to diagnose fertility-related constraints and then make site-specific fertilizer recommendations accordingly.

As per the norms provided in the scheme’s operational guideline, the soil samples collected from different locations are then analyzed in the soil testing labs. The authorities provide a report to the farmers once in 3 years after observing the soil regularly.

Bhu-Parikshak

To determine the nutrients, present in the soil, a rapid soil testing device based on IoT technology is used called Bhu-Parikshak. It helps in detecting the deficiency of nutrients in soil and then usage of correct fertilizers to increase efficiency. These devices are portable in nature, provides result instantly on the smartphone and are affordable with adequate testing capacities. It is a very low power consuming device having battery backup which can analyse 120 soil samples in a single charge. Furthermore, the predicted life of the device is 5 years and is capable of analyzing 1 million samples.

The device based on near infrared spectroscopy technology that helps in the real-time soil analysis. It can detect the soil health in just 90 seconds through the embedded mobile application and the soil health report is generated. Bhu-Parikshak mobile application not only provides the report but also stores previous scans history and synchronizes cloud data. The accuracy of the device is more than 80%. With the help of this device, the farmers will come to know the recommended dose of fertilizers without having to go to the laboratory.

The analysis parameters are Available Nitrogen (N), Organic Carbon (OC), Available Phosphorous (P), Available Potassium (K), Cation Exchange Capacity (CEC) and clay contents. With only 5 grams of dry soil sample, the above-mentioned soil parameters can be analysed. To fetch fair market price for customers and providing market linkages, companies collaborate with various Farmer Producer Organisations (FPOs) and Farmer Producer Companies (FPCs). This device is also an effective tool to decrease the expenses and increase the efficiency of fertilizers.

Some of the advantages of the device are:
1.Instant soil pictogram of the mentioned parameters
2.Mapped field data availability in cloud storage for soil health and nutrient demand analysis
3.Recommendation for precise nutrient requirement

A lot of soil testing devices are not portable and heavy but some companies with the help of new technologies are now developing portable, light-weight devices that also provide results with a minute.

STAKEHOLDERS INVOLVED IN AGRICULTURE

As discussed above, agriculture is crucial for the Indian economy and involves various stakeholders that support the operations of agriculture in the country. These stakeholders primarily include farmers, labourers, dealers and the government.

1. **Farmers:** Farmers play a pivotal role in agriculture as they are producers of various foodgrains, fruits, vegetables and various crops. The crops produced by farmers in India are distributed in two marketing seasons – kharif marketing season and rabi marketing season. To make the agricultural produce available to the population or consumers, farmers engage labourers and dealers in their operations. As per the Department of Agriculture, Cooperation & Farmers' Welfare, the total number of eligible beneficiaries under Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) has been estimated at 12.5 crore (this indicates the farmer population in India). The number of eligible land holding farmer families has been estimated on the basis of projections of the Agricultural Census 2015- 16 data for the year 2018-19.

2. **Labour:** Labour forms a critical input in Indian agriculture as functions like sowing, ploughing, harvesting, levelling, weeding, sprinkling, spraying etc. are done mainly by labour. Even with the advancement of technology, many operations like weeding, irrigation, seed bed production, harvesting, etc., require the hand of labour. However, a shift in labour towards other opportunities has been affecting the quantum of labour in the agriculture industry. Thus, to avoid the loss of agricultural production, there is an impetus towards farm mechanization, usage of technology, and application of fertilizers and pesticides in the agriculture industry. This, in turn, is aiding the momentum of agricultural equipments, tractors, drones, crop nutrition and crop protection products in Indian agriculture.

3. **Dealers:** Dealers are important stakeholders in agriculture providing agricultural inputs like fertilizers, pesticides, and micronutrients to the farmers. They serve as a vital and credible source of information to the farmers. They are accessible and act as a linkage between the farmers and suppliers of agricultural inputs. Besides offering credit facilities to farmers, the dealers also provide agricultural education and technological information to the farmers. All these factors make dealers a very significant part of the agriculture industry. There are total 4,52,991 dealers in India.

4. **Government:** In addition to the above stakeholders, the government serves as an important contributor to agricultural operations. To augment agriculture facilities in India, the government has been taking various initiatives. As per Economic Survey 2022-23, Minimum Support Price (MSP), agricultural marketing, food management, food processing sector, and natural farming are some of the steps taken by the Government for the betterment of farmers in the country. The agriculture sector remained a bright spot even in the pandemic affected FY21. The Agriculture, Forestry & Fishing sectors had posted growth (of 4.0%) during FY23whereas sectors like industry and services recorded a growth of 4.4% and 9.5%, respectively, on a y-o-y basis. The growth in the agriculture sector will be backed by higher MSP for kharif and rabi crops for the marketing season 2022-23. Also, direct payment of MSP to farmers will lead to enhanced credit availability with the farmers thus aiding the growth in the agriculture sector.

CROP NUTRITION INDUSTRY

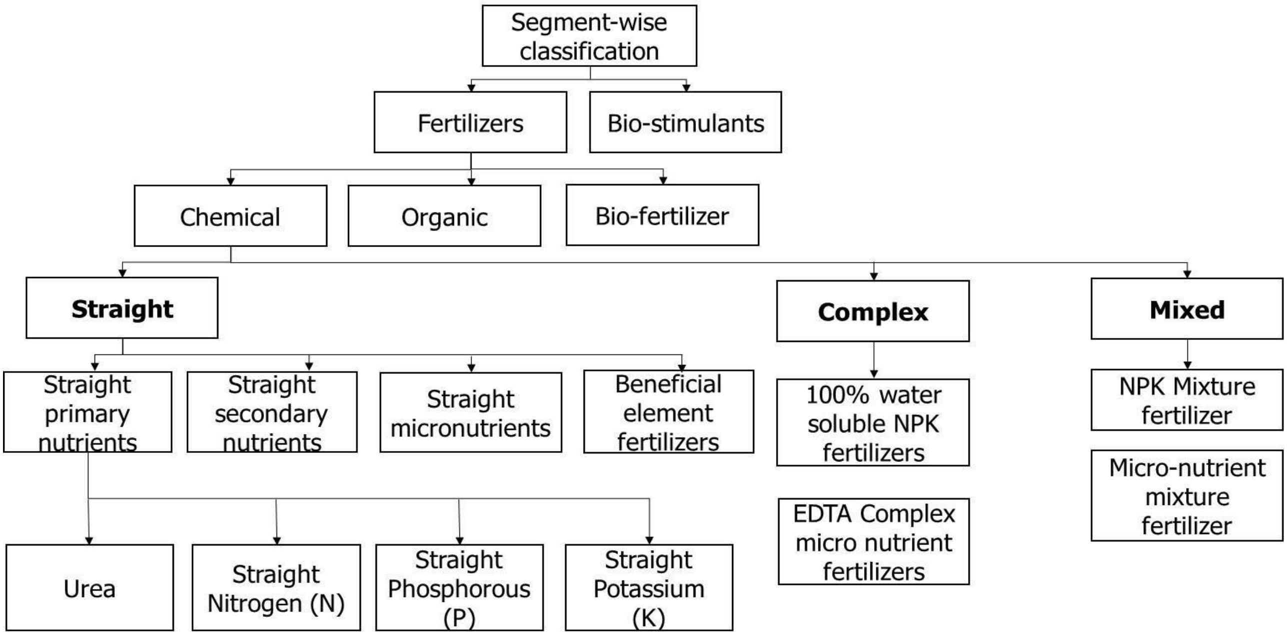
The crop nutrition industry primarily consists of fertilizers (chemical, organic and bio-fertilizers) and bio-stimulants.

Overview and types of fertilizers

Fertilizer is any material of natural or synthetic origin that is applied to plant tissues or soil to supply plant nutrients. For most modern agricultural practices, fertilization focuses on three main macro nutrients: Nitrogen (N), Phosphorous (P) and Potassium (K).

Fertilizers are mainly classified as :–
a. Chemical fertilizers
b. Organic fertilizers
c. Biofertilizers.

Classification of fertilizers



Source: CareEdge Research

1.Chemical fertilizers are artificial fertilizers manufactured in the industries. Some examples of chemical fertilizers are ammonium phosphate, and potassium sulphate. Chemical fertilizers are further classified into urea and non-urea fertilizers. The total production of chemical fertilizers as of March 2023 was 48.6 million tonnes. Of this, 28.5 million tonnes were urea and 20.1 million tonnes were non-urea fertilizers.

2.Biofertilizers are substances containing microbes, that enhance plant nutrition or increase nutrient availability in soils. For example: Azospirillum andrhizobium.

3.Organic fertilizers are natural products used by farmers to provide plant nutrients for crops. They increase the organic matter in the soil which further releases plant food in the available form for the use of crops.

Chemical fertilizers in India

Chemical fertilizers are primarily further classified into straight, complex and mixture fertilizers:

1.Straight fertilizers-

a. These kinds of fertilizers are those that only supply either of the primary plant nutrients like nitrogen or phosphorous or potassium.

b. Some examples are urea, ammonium sulphate, potassium chloride and potassium sulphate.

c. Apart from this, the straight fertilizers also include straight primary nutrients, straight secondary nutrients, straight micronutrients and beneficial element fertilizers, as described below-

- *Primary nutrients:* These are usually required in the largest amounts and are also known as macronutrients. These are namely, carbon, hydrogen, oxygen, nitrogen, phosphorous and potassium. Nitrogen, phosphorous and potassium together comprises over 75% of the mineral nutrients found in the plant.
- *Secondary nutrients:* These nutrients are usually needed in moderate amounts compared to essential primary nutrients. These are namely, calcium, magnesium and sulphur.
- *Micro or trace nutrients:* They are required in smaller quantities compared to primary or secondary nutrients. These are boron, chlorine, copper, iron, manganese, molybdenum and zinc.
- *Beneficial element fertilizers:* These fertilizers have elements that the stimulate growth of the plant but are not essential or are essential only for certain plant species or under specific conditions. These elements are namely: aluminium, cobalt, sodium, silicon and selenium.

2. Complex fertilizers-

a. These kinds of fertilizers contain two or three primary plant nutrients of which two primary nutrients are in a chemical combination. They are usually produced in granular form. Some examples are diammonium phosphate, nitro phosphates and ammonium phosphate.

b. According to the number of components present, complex fertilizers are classified as dual, for example containing phosphorous-potassium, nitrogen-phosphorous, nitrogen-potassium and triple, containing nitrogen, potassium and phosphorous.

c. The advantage of complex fertilizers is that there is high content of nutrients but the production cost of complex fertilizers (in terms of nutrients per unit) is higher. But at the same time, the cost of delivery, storage and application is much lower.

d. *EDTA complex micronutrient fertilizers:* EDTA (Ethylene Diamine Tetra Acetic Acid) is an organic molecule that works as a chelating agent to bind nutrients. The chelated product is meant to keep the nutrient in a soluble but stable form till the nutrient is absorbed by the root. These are namely; Iron EDTA, Manganese EDTA, Zinc EDTA, Copper EDTA and Boron EDTA.

e. *100% water soluble NPK fertilizers:* These fertilizers have varying ratio of primary, secondary and micronutrients with low salt index and are compatible with other agrochemicals. The FCO has created a separate category of 100% water soluble fertilizers where several NK/PK/NPK grades with 100% solubility in water are described.

3. Mixed fertilizers-

a. A mixed fertilizer is a mixture of two or more straight fertilizers. For example, to get a mixed fertilizer, ammonium sulphate and single super phosphate may be thoroughly mixed. They are mixed manually or mechanically. Mixed fertilizers are marketed as wheat fertilizer mixtures, paddy fertilizer mixtures, etc. There is no subsidy given for these fertilizers.

b. *NPK mixture fertilizers:* These fertilizers contain two or more elements out of nitrogen, phosphorous and potassium, which are essentially good for plant growth and ensures higher crop yield.

c. *Micro-nutrient mixture fertilizers:* Micro-nutrient mixture fertilizers are the most effective source of correcting micro-nutrient deficiencies, ensuring better and balanced crop nutrition.

CHEMICAL FERTILIZERS PRODUCTION IN INDIA

Urea and non-urea fertilizers

During the five-year period FY19 to FY23, fertilizers output in India increased at a Compound Annual Growth Rate (CAGR) of 3.9% from 41.7 million tonnes in FY19 to 48.6 million tonnes in FY23. The fertilizers production is primarily divided into broad categories, urea and non-urea fertilizers where urea dominates the total output with an average share of 59% and non-urea contributing the remaining 41% on an average.

These mentioned fertilizers receive huge amounts of subsidy from the government. However, their market has stagnated.

Accordingly, the government is also on the path to discourage subsidies and promote alternative fertilizers like the ones mentioned below. Hence, farmers will also be more inclined to the usage of alternative fertilizers.

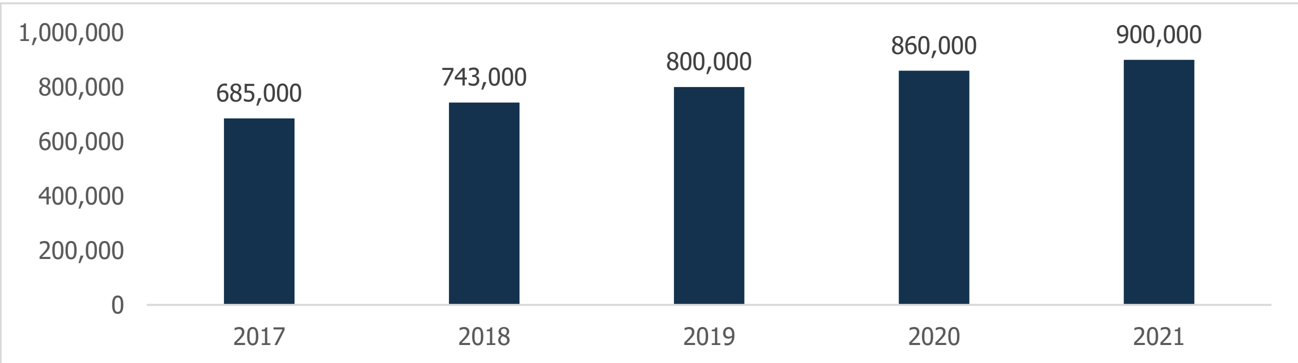
Micronutrients

Micronutrients are crucial for plant growth and play an important role in balancing crop nutrition. The deficiency is visible on the crops and the soil &plant tissues can be tested for it.

Micronutrient formulations are easily soluble in water, improves plant resistance, enhance plant health and yield, controlimmature flower or fruit drop, and provide a strong growth action thereby acting as a natural chelating agent and assuring quicker absorption in the plants.

It supplies plants with micronutrients to the level that fulfils plant requirements by preventing deficiencies that occur due to the absence of micronutrients such as Zinc, Manganese and Boron. It is used for crops such as chilli, tomato, cotton, paddy, groundnuts, pulses, vegetables, etc.

Micro-nutrient market in India (MT)



Source: Indian Micro-fertilizers Manufactures Association

The micronutrient market has grown at a Compound Annual Growth Rate (CAGR) of 7.1% from 6,85,000 MT in FY17 to 9,00,000 MT in FY21. The Indian agricultural micro-nutrient market size was USD 538.4 million in 2021. Going forward, the market size is likely to grow at a CAGR of around 8%-10% by 2025. Given that various micronutrients have the ability to deal with a wide range of soil conditions & problems and the fortification of fertilizers with essential micronutrients will help eliminate various problems efficiently, this market is expected to see further growth.

Some of the factors promoting the growth of the micronutrients market are:

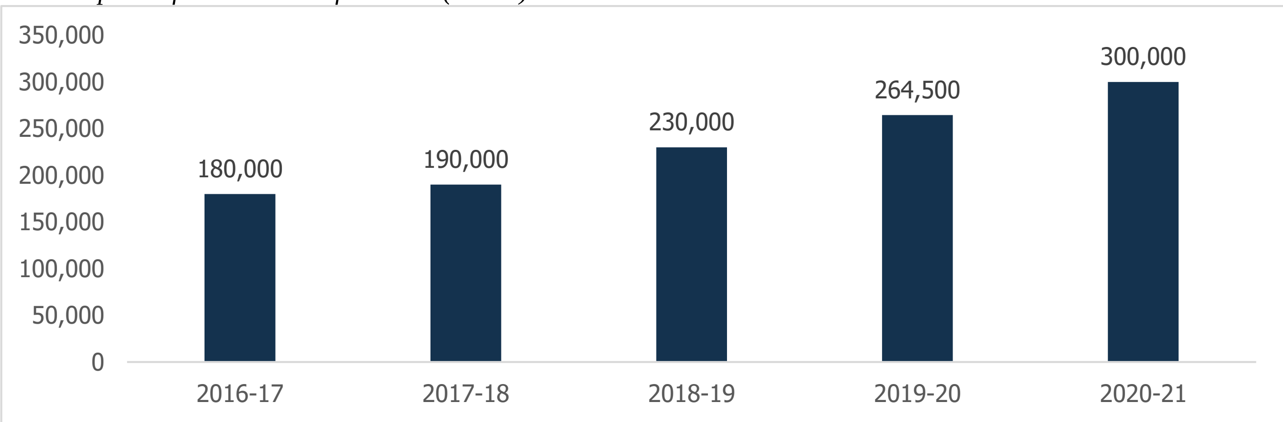
1.**Rising micronutrient deficiencies in agricultural soils of India:** Intensive farming and changing environmental conditions like global warming, have micronutrients in the soil. Hence, crop cultivation and crop yield have been adversely affected, thus leading to crop losses. Also, sustainable production of agricultural crops in India has been hampered due to the lack of adoption of soil testing.

2.**Substantial demand for high-value crops and increasing government support to boost the growth:** In the Indian agriculture industry, the demand for high-value crops such as nutrient-rich fruits and vegetables has increased. Also, the rising knowledge about the relationship between healthy crops and increased yield has amplified the agricultural micronutrients market growth. Further, the Indian government is also taking initiatives to educate farmers about soil health by launching lucrative agricultural schemes and promoting the adoption of micronutrients. For instance, in 2020, the Government of India implemented the Nutrient Based Subsidy (NBS) scheme and promoted fortified and customized fertilizers. Along with other primary nutrients, the government has offered additional subsidies on zinc and boron.

Water soluble NPK fertilizers

This is the kind of water-soluble fertilizer with a varied combination of nitrogen, phosphorous and potassium percentages. It is best suited for drip irrigation and foliar application of fertilizer. These fertilizers promote cell division and elongation, which is vital for plant growth and provide uniform shape, size and colour to the produce. It increases yield both in quantity and quality while improving drought resistance. It focuses on crops like cereals, pulses, flower and fruit crops and commercial vegetable crops.

Consumption of water soluble fertilizers (tonnes)



Source: Fertilizer Association of India

The consumption of water-soluble fertilizers has grown at a Compound Annual Growth Rate (CAGR) of 13.6% from 1,80,000 tonnes in FY17 to 3,00,000 tonnes in FY21 and is expected to see further traction.

Some of the factors promoting the growth of water-soluble fertilizers (WSFs) market are:

1. The exponential increase in the area under drip irrigation is due to scarcity of water, constraints in power and labour availability. Water soluble fertilizers applied through drip irrigation enhance the nutrient use efficiency, uptake efficiency, and uptake speed of the nutrients. Thus, the wide adoption of water-soluble fertilizers application in field crops through foliar feeding is driving the market for WSFs.

2. The increasing rural income and the bright outlook of the Indian economy are also major growth drivers as the government is holding awareness campaigns (on the benefits of WSFs) and how investing in drip irrigation will not only save costs but also lead to increased rural income.

Import of some fertilizers by India (in '000 tonnes)

	FY18	FY19	FY20	FY21	FY22	CAGR
Other mineral/ Chemical fertilizers (in '000)	42,426	49,352	52,233	63,787	58,712	8.5
Value (₹. Lakhs)	19,446	26,110	26,619	32,889	36,227	16.8
Mineral or chemical fertilizers containing two fertlizer elements phosphorus and potassium ('000)	25,683	29,877	29,991	43,069	39,108	11.1
Value (₹. Lakhs)	16,997	23,125	23,469	34,800	42,077	25.4
Potassium Sulphate('000)	68,069	39,199	58,747	61,967	56,463	-4.6
Value (₹. Lakhs)	21,003	14,024	20,440	21,560	24,470	3.9
Mineral or chemical fertilizers containing three fertilizer elements- nitrogen, phosphorus and potassium ('000)	3,02,690	6,19,733	5,25,036	8,43,526	10,08,604	35.1
Value (₹. Lakhs)	68,876	1,60,704	1,37,316	2,06,492	3,85,952	53.9

Mixtures thereof with diammonium phosphorus ('000)	1,45,729	1,92,239	1,70,667	1,50,229	2,07,501	9.2
Value (₹. Lakhs)	41,247	65,161	52,872	50,440	1,20,780	30.8

Source: Ministry of Commerce and Industry

Certain fertilizers that are used in manufacturing of WSFs are also imported. The imports of these fertilizers during the period FY18 to FY22 have increased over the years in the range of 8%-35% except for potassium sulphate which has declined at a CAGR of 4.6%. An increase in imports of these fertilizers indicates a growing demand for these fertilizers.

Growing significance of liquid fertilizers

Liquid fertilizer capacity utilization has improved over the years, but the capacity is still underutilized. For example, due to the solid essence of granulated urea, the ammonia escapes into the atmosphere and interacts with the oxygen to form nitrous oxide, a greenhouse gas, which is harmful to the environment.

Liquid fertilizers ensure higher crop yields; better food quality and they are easier to transport and store.

With the help of substituting conventional solid fertilizers for liquid fertilizers, the government can avoid paying for transportation, storage space, subsidies and imports.

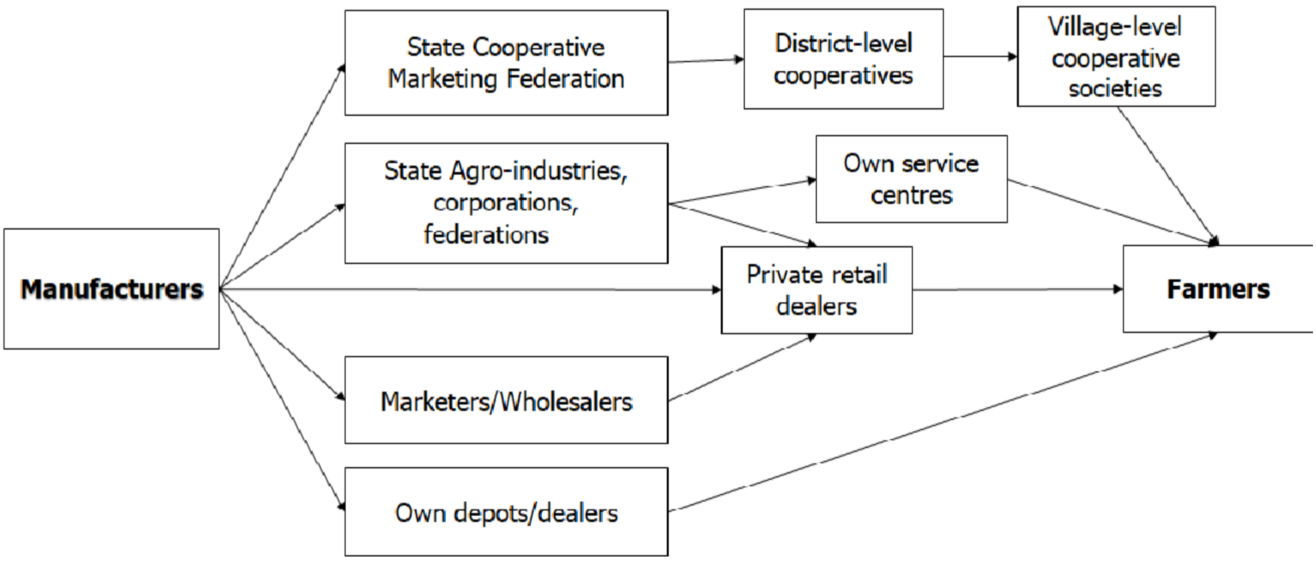
Indian Farmers Fertiliser Cooperative Limited (IFFCO) is the only nano fertilizer approved by the Government of India and included in the Fertilizer Control Order. During FY21-22, IFFCO sold 2.15 crore bottles of nano urea, which is equivalent to 9.67 lakh MT of conventional urea.

As per IFFCO, the application of 1 bottle of nano urea can effectively replace at least 1 bag of urea. When sprayed on leaves, nano urea easily enters through stomata and other openings and is assimilated by the plant cells. It is easily distributed through the phloem from source to sink inside the plant as per its need. Unutilized nitrogen is stored in the plant vacuole and is slowly released for proper growth and development of the plant.

VALUE-CHAIN OF FERTILIZERS

The system of fertilizer marketing and distribution in India is represented in the figure below. Indigenous fertilizers are distributed through institutional channels like cooperative societies, agro-industries corporations, state commodity federations and private dealers.

Value-chain of fertilizers industry in India



Source: CareEdge Research

The value-chain of fertilizers (which do not form part of subsidies) is similar to the one above. The fertilizers that are not subsidized are distributed through two chains i.e. from manufacturers, wholesalers, and dealers to farmers and directly from manufacturers to dealers and then farmers.

While distributors are a large portion of the system, the trend is shifting and manufacturers are moving to enagage directly with dealers. This is expected to make the supply chain more effective going forward as it will reduce time as well as cost for the players.

GOVERNMENT REGULATIONS FOR FERTILIZERS INDUSTRY

1.**Subsidy Budget for 2023-24**

For FY24, the upfront subsidy budget is Rs. 1.75 lakh crore as compared to Rs. 2.25 lakh crore in the previous year. The raw material prices were high in the previous fiscal year. However, in this fiscal, the subsidy budget is lowered on account of reduced prices of raw materials and natural gas. The urea subsidy for FY23-24 is Rs. 1.31 lakh crore, which is 14.9% less compared to last year's amount. The total nutrient based subsidy budget for P & K fertilizers is Rs. 44,000 crores.

2.**Fertilizer Control Order, 1985:**

a. To ensure adequate availability of right quality of fertilizers at right time and at right price to farmers, the fertilizer was declared as an essential commodity and Fertilizer Control Order (FCO) was promulgated under Section 3 of Essential Commodities Act (ECA),1955 to regulate, trade, price, quality and distribution of fertilizers in the country.

b. The FCO provides for compulsory registration of fertilizer manufacturers, importers and dealers, specification of all fertilizers manufactured/imported and sold in the country, regulation on manufacture of fertilizer mixtures, packing and marking on the fertilizer bags, appointment of enforcement agencies, setting up of quality control laboratories and prohibition on manufacture/import and sale of non-standard/spurious/adulterated fertilizers.

c. Furthermore, there are 74 Fertilizer Quality Control Laboratories in the Country which includes 4 set up by Central Government as CFQC&TI (Central Fertilizer Quality Control & Training Institute), Faridabad and its three Regional Laboratories.

d. The order also provides for cancellation of authorization letter/registration certificates of dealers and mixture manufacturers and also imprisonment from 3 months to 7 years with fine to offenders under ECA. The FCO offence has also been declared as cognizable.

e. The enforcement of this Order has primarily been entrusted to State Governments. The Central Government provides training facilities and technical guidance to States and supplements their efforts through random inspection of manufacturing units and their distribution network through the Inspectors.

f. The latest amendment is the 6th Amendment and it came into effect in September 2021. It had amendments related to micro nutrient zinc polyphosphate and liquid fertilizer potassium thiosulphate and calcium thiosulphate, magnesium, lead, arsenic, cadmium. It includes the method of analysis, procedure and calculation related to it.

g. In addition to the above-mentioned points, the FCO also deals with the following:

- *Price Control:* Fixation of prices of fertilisers- the Central Government may, with a view to regulating equitable distribution of fertilisers and making fertilisers available at fair prices, by notification in the Official Gazette, fix the maximum prices or rates at which any fertiliser may be sold by a dealer, manufacturer, importer or a pool handling agency.
- *Control on distribution of fertilisers by manufacturer/importer:* Any manufacturer/importer may be directed, by notification in the Official Gazette, by the Central Government, with a view to secure equitable distribution and availability of fertilisers to the farmers in time in any such state or states and within such period as may be specified in the said notification.
- *Registration of industrial dealers and authorization of other dealers:* No person shall sell, offer for sale or carry on the business of selling of fertilizer at any place as wholesale dealer or retail dealer except under and in accordance with clause 8.
- *Restrictions on manufacture/import, sale, etc of fertilizer:* There are various restrictions on manufacture/import, sale and distribution of fertilizers. No person by himself or by any other person on his behalf will be allowed to

manufacture/import for sale, sell, offer for sale, stock or exhibit for sale or distribute any fertilizer which is not of prescribed standard or special mixtures of fertilizers that do not conform to the particulars specified in the certificate of manufacture granted to him under the order in respect of special mixture. Restrictions are also on:

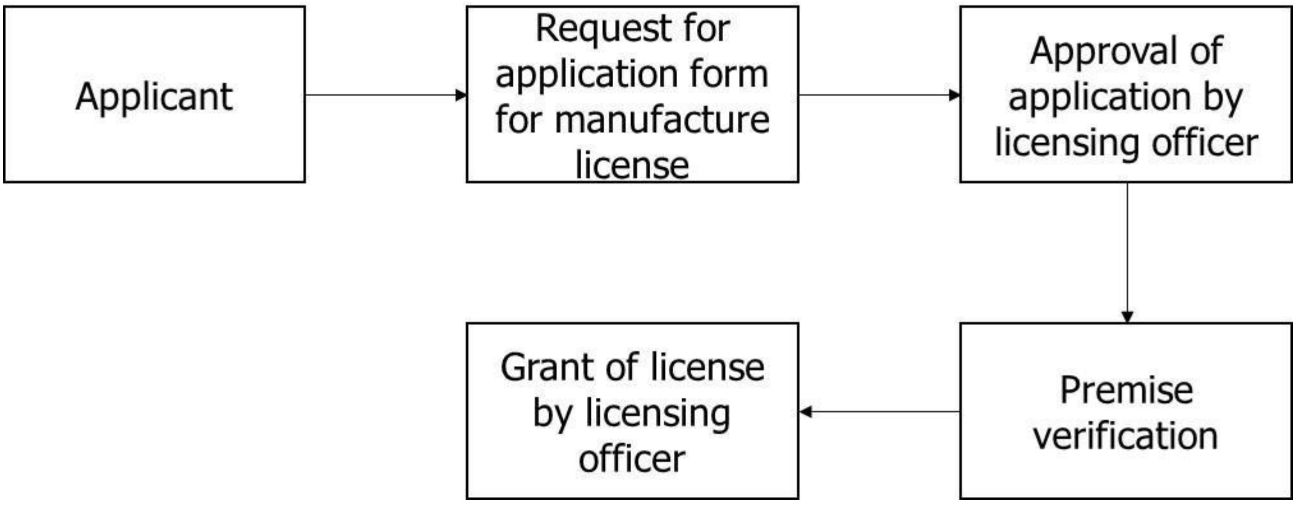
○ Any fertilizer which is not packed and marked in a manner laid down in the order.
○ Any fertilizer which is a substitute for another fertilizer under the name of it sold.
○ Any fertilizer that is adulterated.
○ Any substance as a fertilizer which substance is not that of a fertilizer
○ Any fertilizer for which the label or container bears a statement containing a false claim for the fertilizer which is misleading or false.

Central government may by an order publish in Official Gazette fix separate specifications in respect of imported fertilizers. And in case of a provisional fertilizers and customized fertilizer, the government can notify specifications valid for not exceeding 3 years.

Manufacturers/importers pool handling agencies need to comply with certain requirements in regard to packing and marking. The requirements are as follows:
○ Every container in which fertilizer is packed shall be superscribed with the word 'FERTILISER'. If the gross weight of container is 5kg or less, no such printing shall be necessary.
○ Every container in which biofertilizer or organic fertilizer is packed shall be superscribed with the word 'BIOFERTILISER/ORGANIC FERTILISER OR NON-EDIBLE DE-OILED CAKE FERTILISER'.
○ Every container should be packed and sealed properly and the contents should not be tampered with without breaking the seal.

- *Process for obtaining the approval of manufacturing fertilizers:* The applicant has to reach out to the licensing officer of the state agriculture department requesting the application form for manufacturing license. After receiving the prescribed fee from the applicant, the licensing officer grants the application form. The applicant then gets an intimation for inspection of premises where the fertilizer will be manufactured. If all the criteria is satisfied, the license is granted to the manufacturing unit.

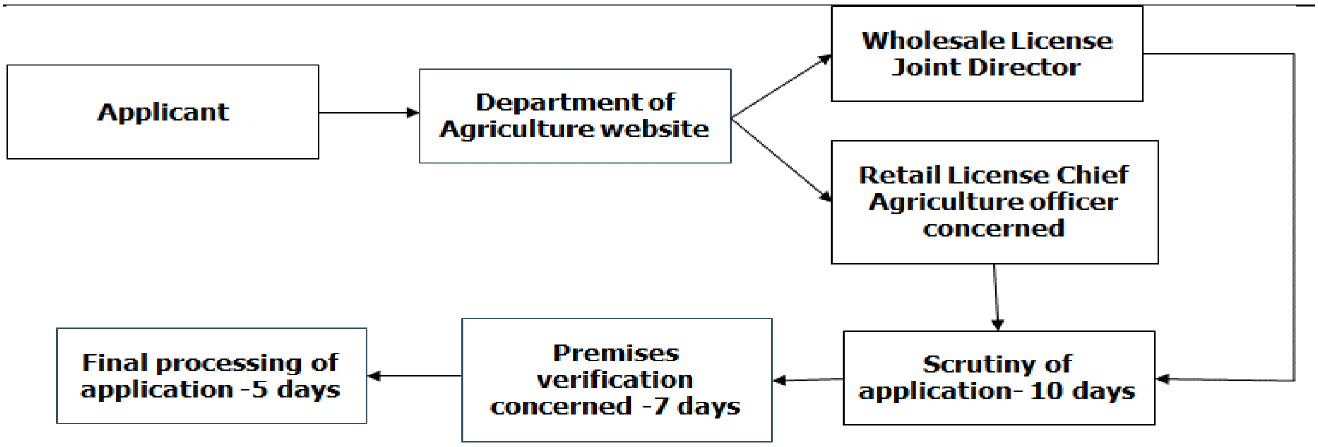
Process for obtaining the approval of manufacturing fertilizers



Process for selling and storage of fertilizers

An applicant has to follow the below process for selling and storage of fertilizers where the scrutiny of application takes 10 days followed by premises verification which takes 7 days and final processing of application that takes 5 days.

Process chart for selling and storage of fertilizers



Total period of issuance of license= 22 days

3.**Integrated Plant Nutrition Management Bill 2022**

a. This bill is to promote the development and sustainable use of balanced fertilizers, including bio-fertilizers, bio-stimulates, nano-fertilizers and organic fertilizers for the purpose of sustaining India's food and nutritional security without causing adverse harm to the quality of the environment and health of the soil. This bill encourages the promotion of research and innovation of high-yielding and climate smart systems for agriculture which will in turn improve the ease of doing business. It also supports the welfare of farmers.

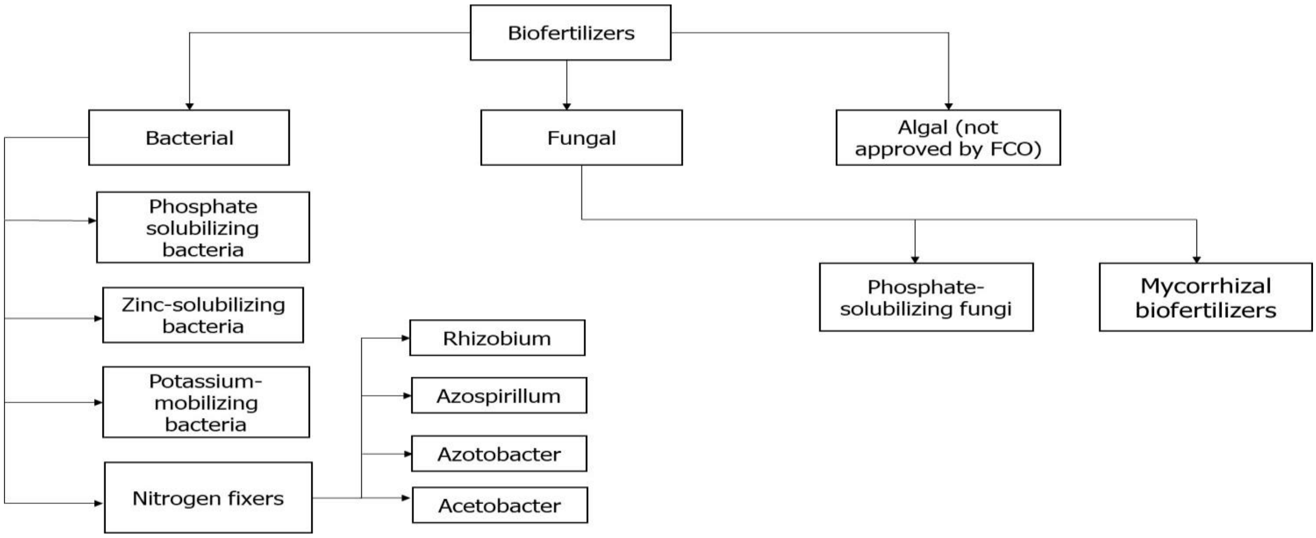
BIO-FERTILIZERS INDUSTRY

Overview and key types of bio-fertilizers

As per several studies conducted by the Centre of Science & Environment, crops no longer respond to chemical fertilizers as they used to. The fertilizer response ratio used to be 13.4 in 1970 which further reduced to 2.7 by 2015. Due to heavy subsidies provided for nitrogen, the nitrogen-phosphorous-potassium ratio has been skewed towards nitrogen. However, the continuous use of nitrogenous fertilizers adversely affected the soil health in India. The crops displayed symptoms of deficiencies inmacro and micro nutrients. This became a growing concern and led to the search for alternative non-chemical choices which included biofertilizers and organic fertilizers.

Bio fertilizers contain microbes, that enhance plant nutrition or increase nutrient availability in soils. E.g. azospirillum, rhizobium, etc. They are regulated under the Fertilizer Control Order (FCO).
Biofertilizers are primarily classified into two types:
1.Bacterial biofertilizers
2.Fungal biofertilizers

Classification of bio-fertilizers



Source: CareEdge Research

1.Bacterial bio fertilizers:

Of the two types of biofertilizers, bacterial biofertilizers account for a major share while fungal biofertilizers account for relatively smaller share. This is because bacterial biofertilizers include nitrogen fixers that are used largely to fix the nitrogen levels of plants. As nitrogen fixers are used in large quantities, their application is made convenient with two physical forms: carrier based and Liquid based.

Apart from nitrogen fixers, bacterial biofertilizers include phosphate-solubilizing, zinc-solubilizing and potassium-mobilizing biofertilizers. The application of these biofertilizers however is low compared to that of nitrogen fixers.

Some of the types of bacterial biofertilizers are:

a. Nitrogen fixers:

- *Rhizobium:* This belongs to a bacterial group and classic example is symbiotic nitrogen fixation. The bacteria infect the legume root and form root nodules within which they reduce molecular nitrogen to ammonia further utilized by the plant to produce valuable vitamins, proteins and other nitrogen containing compounds. It is a relatively more effective and widely used biofertilizer. The rhizobium population in the soil is dependent on the presence of legumes crops in the field. When there is an absence of legume, the population of rhizobium in the soil diminishes.
- *Azotobacter*: It is a common soil bacterium. Soil organic matter is an important factor that decides the growth of this bacteria. It is well known as a free-living nitrogen fixing aerobic bacterium and is used as a biofertilizer for all non- leguminous plants especially rice, cotton, vegetables, etc.
- *Azospirillum*: This is known to have a close associative symbiosis with the higher plant system. It is known to fix the considerable quantity of nitrogen in the rhizosphere in non-leguminous plants such as cereals, millets, oilseeds, cotton, and other minor millets and fodder grasses.

b. Phosphate Solubilizing Bacteria (PSB): These bacteria are beneficial in solubilizing inorganic phosphorous from insoluble compounds. One of the most important traits associated with plant phosphate nutrition is the solubilization ability of rhizosphere microorganisms.

Phosphorous is a major essential macronutrient for plants, and hence it is applied to soil in the form of phosphate fertilizers. The main purpose of managing soil phosphorous is to optimize crop production and minimize the loss of phosphorous from soils.

c. The other types of bacterial biofertilizers are zinc-solubilizing bacteria and potassium-mobilizing bacteria. However, these are not as widely used as the aforementioned.

2.Fungal biofertilizers:

a. Fungal biofertilizers are of two types: Phosphate solubilizing and mycorrhizal. Both are essential for plants as phosphorous is a major essential macronutrient. These biofertilizers manage soil phosphorous to optimize crop production, minimize loss of phosphorous and also protects plants from nematodes or worms.

b.*Vesicular Arbuscular Mycorrhiza (VAM):* VAM associates symbiotically with the roots of the plants and helps in increased absorption of phosphorous. It is an effective soil inoculant. Mycorrhizae in nature are obligate and require a living host for its survival. Further, it protects the plants from nematodes or worms and pathogenic fungi and acts as an accessory to the root hairs in the process of nutrient absorption and mobilization. VAM is used as a biofertilizer for fibre and sugar crops, cereals, millets, pulses, fruits, vegetables, etc.

c. Another *type* of fungal biofertilizer used is phosphate-solubilizing fungal bacteria.

Modes of dissemination of biofertilizers

1.Carrier-based fertilizers:

a. In this category of fertilizers, biofertilizers are supplied as carrier- based microbial inoculants to the soil to provide extra immunity and/or enrich soil fertility. The carrier is a medium that under specified conditions carries microorganisms in sufficient quantities and keeps them viable. One crucial factor for the production of good quality biofertilizers is ensuring that the ideal carrier material is used.

b.An ideal carrier material should have the following characteristics;

- It should be highly-absorptive and easy to process
- Non-toxic to microorganisms
- Should be easily sterilizable
- Available in low-cost and ample amounts
- Provide good adhesion to seeds
- Should have a good buffering capacity
- Should have high organic matter content and a water-holding capacity of more than 50%

c. Biofertilizers are supplied to the soil by seed inoculation in which the bacteria-carrier mixture is mixed with water to make a slurry and then mixed with seeds or by soil inoculation, wherein it is spread over the field during cultivation.

2.**Liquid biofertilizers**:

a. In this category of fertilizers, as the name suggests the formulation is liquid and contains the dormant form of desired microorganisms and their nutrients alongside a few other substances that enable the formation of cysts or resting spores for longer shelf-life and tolerance to adverse conditions.

b.On reaching the soil, the dormant forms germinate to produce a fresh batch of active cells. Further, with the help of a carbon source in the soil or root exudates, the cells grow and multiply.

c. These biofertilizers are more advantageous compared to conventional carrier based biofertilizers.

d. Some of the advantages of liquid biofertilizers over conventional carrier based biofertilizers are:

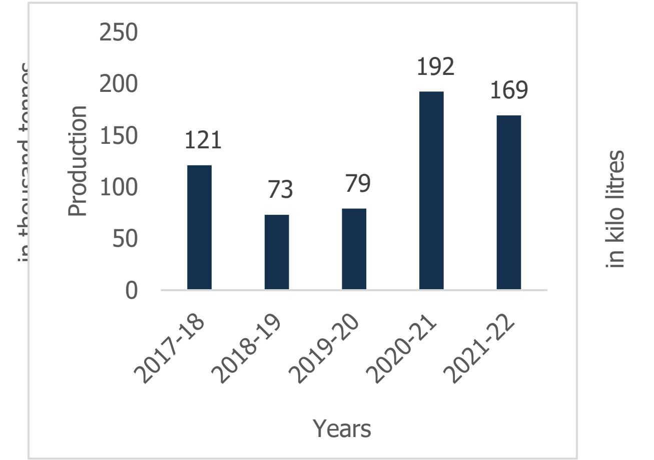
- Longer shelf life, typically 12-24 months
- No contamination
- No loss of properties takes place as the storage is up to 45 degrees Celsius
- Can be identified easily as it has typical fermented smell
- A lot of cost is saved on carrier material, pulverization, neutralization, sterilization, packing and support
- Quality control protocols are easy and quick
- Can be easily used by the farmer
- High commercial revenues and export potential

e. Different kinds of carrier-based and liquid biofertilizers are listed below. These are the most commonly used biofertilizers in the country.

TREND IN BIO-FERTILIZER PRODUCTION AND OUTLOOK

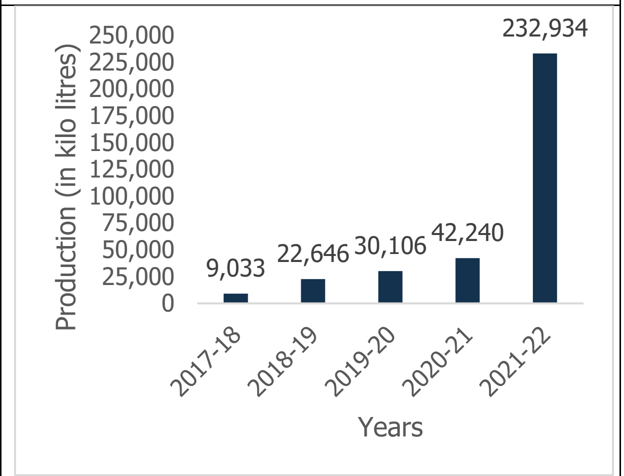
The total production in 2021-22 of carrier-based solid biofertilizers in India was about 169 thousand tonnes. This marked a growth of about 40% from 2018-19. It increased at a CAGR of 8.7% during 2017-18 to 2021-22.
In the case of liquid fertilizers, India produced about 2,32,934 kiloliters of liquid biofertilizers in 2021-22. This marked a growth of about 2,479% from 9,033 kiloliters in 2017-18. This segment grew by a higher 125% CAGR during 2017-18 to 2021-22.

Chart 1: Trend in Carrier-Based Fertilizer (In Thousand Tonnes)



Source: Biofertilizer Statistics 2019-20, Fertilizer Association of India, Department of Agriculture & Farmers Welfare

Chart 2: Trend in Liquid Fertilizers (In Kilolitres)



Source: Biofertilizer Statistics 2019-20, Fertilizer Association of India, Department of Agriculture & Farmers Welfare

The following reasons are attributed to the growth in the production of carrier-based fertilizers as well as liquid fertilizers:

1.**Development of new eco-friendly technologies for production:**

a. Development of new technologies like the development of mixed inoculants has taken place. This is considered an important approach as different microbial strains facilitate combined biofertilization effect and help plants to promote better uptake of nutrients.

b. Such technologies will overcome the shortcomings of conventional chemical-based farming and have a positive influence on both soil sustainability and plant growth.

2.**Rising government support to promote biofertilizers:**

a. The government has taken various initiatives and programmes such as the National Food Security Mission (NFSM) which assists of up to Rs.300 per hectare for the promotion of various biofertilizers such as rhizobium, azospirillum, azotobacter, phosphate-solubilizing bacteria, potash-mobilizing bacteria, zinc-solubilizing bacteria and mycorrhiza culture. Under the Capital Investment Subsidy Scheme (CISS) of Soil Health Management Scheme (SHM) of National Mission of Sustainable Agriculture (NMSA), Government is aiding for setting up of state of art liquid/ carrier-based bio-fertilizer/ bio-pesticide units of 200 Ton Per Annum (TPA) capacity. 100% assistance is provided to State Government / Government agencies up to a maximum limit of Rs.160.00 lakh/unit. Similarly, for individuals/ private agencies assistance up to 25% of cost limited to Rs.40 lakh/unit as capital investment is provided through NABARD.

3.**Increasing emphasis on organic culture:**

a. The excessive use of synthetic fertilizers has led to the contamination of soil and the destruction of microorganisms. To reduce the increasing pollution of soil, organic farming is being adopted.

b. The rising demand for organic food is further motivating farmers to adopt bio-fertilizers. Also, the general population is increasingly concerned about the quality of food they consume and are willing to pay for the same. Thus, farmers too consider investing in bio-fertilizers.

4.**Increased demand for cereals and grains:**

The demand for cereals and grains has increased and rhizobium is widely used as a biofertilizer and crop enhancer for cereal. It has been found that rhizobia can make an association with gramineous plants without forming nodule like structure or any disease symptoms.

Outlook

The market for biofertilizers is expected to continue to grow in the coming years. This will be backed by a higher understanding of environmental hazards caused by the use of synthetic agrichemicals, primarily the pollution and contamination of soil and growing health concerns that come along with it.

As evidenced by past trends, liquid based biofertilizers are expected to increase at a faster rate than carrier based biofertilizers.

Also, there is an urgent need for a shift to more sustainable agricultural production methods with a greater focus on promoting sustainable mechanisms. Accordingly, biofertilizers are considered one of the best strategies and a possible solution to meet the parallel challenges of global food security and environmental stability.

Similarly, factors like increased plant nutrient absorption, improved soil fertility, and lower human health risks associated with the product are some of the factors that will help in augmenting the biofertilizer industry market growth.

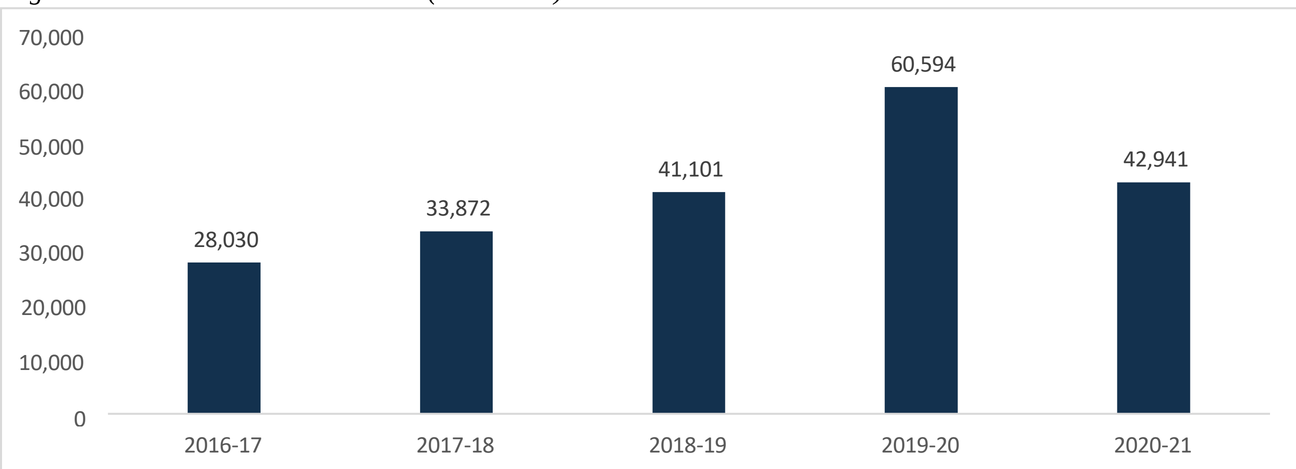
Usage of bio-fertilizers in crops and plantations

Biofertilizers like bacterial biofertilizers include nitrogen fixers that are used largely to fix the nitrogen levels of plants which is generally low in Indian states. Despite India holding a prominent position in the production of crops like rice and cotton, the level of nitrogen for these crops continues to be a barrier. The usage of biofertilizers helps in improving the crop yield, aids in nutrition absorption and is environment-friendly unlike chemical fertilizers (which are also used to fix the nitrogen levels).

OVERVIEW OF ORGANIC FERTILIZERS

Organic fertilizer are natural products used by farmers to provide plant nutrients for crops. They increase the organic matter in soil which in turn releases plant food in available form for the use of crops. They also enable the soil to hold more water and help in improving the drainage in clay soils.

Organic Fertilizers Production in India (in ‘000 MT)

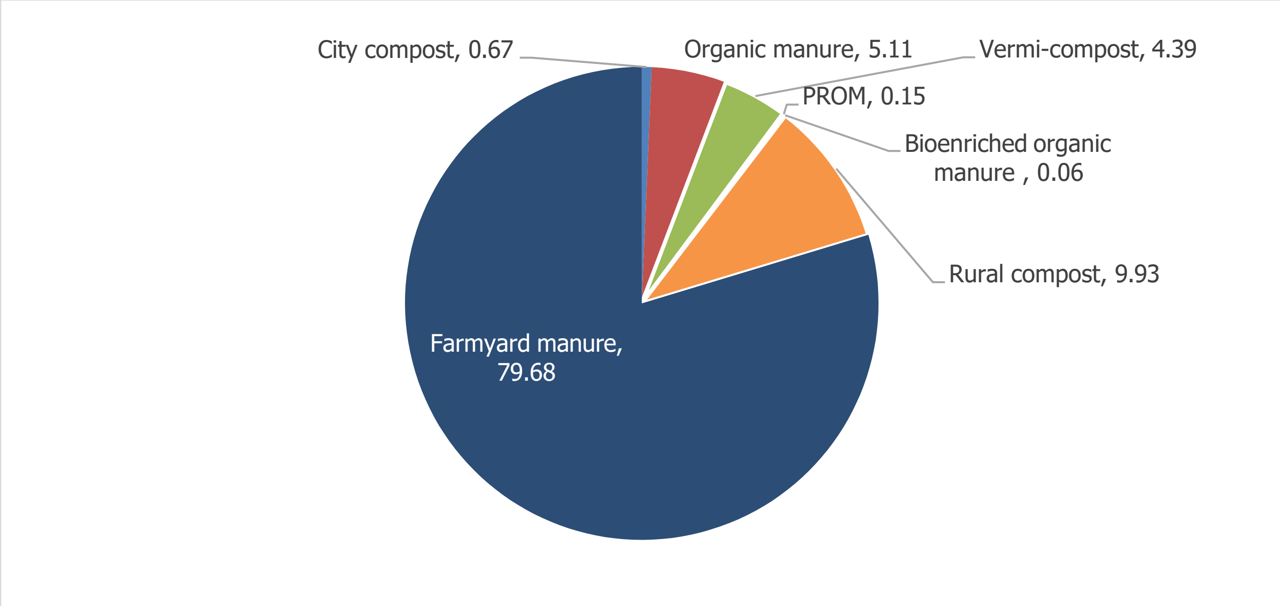


Source: National Centre for Organic and Natural Farming

During the five-year period 2017-2021, the production of organic fertilizers has grown at a Compound Annual Growth Rate (CAGR) of 11.3% from 28.03 million tonnes in 2017 to 42.94 million tonnes in 2021.

The most widely used organic fertilizer is farmyard manure, holding approximately 80% share followed by rural compost which is around 10%.

Share of different types of organic fertilizers in 2019-20 (in %)



Source: National Centre for Organic and Natural Farming

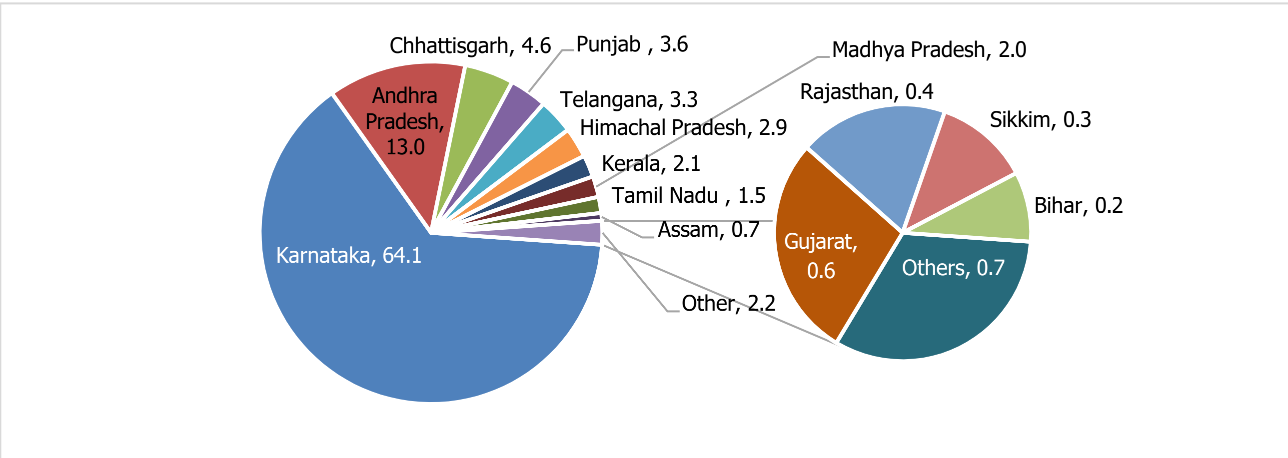
Organic manure

Organic manure us a well decomposed material used in organic agriculture. It is free from chemicals, harmful chemicals, organisms and weed seeds and the origin is from either plant or animal. Organic manure increases the organic matter in the soil and in turn releases the plant food available for the use of crops.

<u>All India production of organic manure</u>

In 2020, Karnataka was the highest organic manure producing state. It had a share of 64.1% of the total production of organic manure.
After Karnataka, Andhra Pradesh is the second highest organic manure producing state, it holds a share of 13% and the third highest organic manure producing state is Chhattisgarh with a share of 4.6%. Accordingly, it can be inferred that organic fertilizer production is the highest in southern part of India.

All India production of organic manure pie chart



Source: National Centre for Organic and Natural Farming

(Note: The 'others' category of the state comprises of the following states: Maharashtra, Nagaland, West Bengal, Odisha, Tripura, Jammu & Kashmir, Meghalaya, Puducherry, Arunachal Pradesh, Jharkhand, Goa, Delhi, Uttar Pradesh, Uttarakhand and Haryana

KEY GROWTH DRIVERS FOR BIOFERTILIZERS AND ORGANIC FERTILIZERS INDUSTRY

Introduction and promotion of new technologies such as usage of drones

The necessity of increasing food production to meet the demand of the ever-increasing population in India needs no emphasis, but doing so while maintaining soil nutrients and fertility is more crucial.

The use of conventional methods for application of fertilizer has its own limitations and challenges of labor shortage, energy, low input use efficiency. Furthermore, the conventional machines used for crop nutrient spraying are heavy and may compact the soil along with mechanical damage to the crop.

This is when Unmanned Aerial Vehicles (UAVs) which are usually known as drones become a vital alternative to overcome these challenges. Drones can be used for targeted input application, timely diagnosis of nutrient deficiency, crop health monitoring, rapid assessment of crop yield and crop losses. There is a variety of imaging technologies which includes multi spectral, hyper spectral and thermal imaging, with the help of which farmers are able to get a better picture of farms and fields.

Some of the features of drones are:

- It can be used to spray up to 35 acres in a day
- Drones spray evenly on crop surfaces without the wastage of chemicals
- When drones are used, the farmers don't come in direct contact with the chemicals and hence, risk of respiratory diseases and cancer can be reduced to a great extent
- They're capable of sensing the trees, poles and mountains around it and can divert itself and spray in other way
- Can be of great use in places where labour is not readily available.

Crop nutrient spraying through drone ensures rapid application and can be used to treat large areas quickly. The drones also have the capability to fly at low height (1-3m) over the canopy of the crop and this makes them even more suitable for spraying crop nutrient and is more viable compared to aerial spray. This also saves input cost and environment.

Drones use multiple batteries and it is very beneficial for farmers as it helps in saving effort, time and dependencies on labor. It is also helpful for tall crops like sugarcane, bushy crops like cotton and fields like paddy.

Drones can be more effectively used in hilly regions where it is difficult for another farm equipment to reach. Drones not only encourage farmers to solve other problems and receive plenty of benefits through precision agriculture but enhances the overall performance of the farmers, crop and soil.

The Ministry of Civil Aviation on 25th August 2021 published the Drone Rules and on 26th January 2022 the Certification Scheme for Unmanned Aircraft Systems.

The classification of drones is based on weight and payload and it is as follows:

- Nano unmanned aircraft system: weighing less than or equal to 250 grams
- Micro unmanned aircraft system: weighing more than 250 grams, but less than or equal to 2 kilograms
- Small unmanned aircraft system: weighing more than 2 kilograms, but less than or equal to 25 kilograms. Agricultural drones fall under this category.
- Medium unmanned aircraft system: weighing more than 25 kilograms, but less than or equal to 150 kilograms
- Large unmanned aircraft system: weighing more than 150 kilograms.

Registration of unmanned aircraft system

- No person shall operate an unmanned aircraft system without first registering it on digital sky platform and obtaining a unique identification number, unless exempted from the requirement of a unique identification number under Drone Rules, 2021.
- The Director General of all such unmanned aircraft systems to which unique identification number has been issued under Drone Rules 2021, should maintain a registration record.
- It shall be the responsibility of the person operating an unmanned aircraft system to ensure that such unmanned aircraft system conforms to a valid type certificate.

Government's push towards adoption of drones in agriculture to go a long way in modernising agricultural practices in the country

Over the years, Indian agriculture has benefitted from adoption of new technologies by farmers. Technologies such as drip irrigation, mechanised farming etc. are being used for sustainable farming in India. However, many small and marginalised farmers are still conducting agriculture work via old ways leading to hassles, low productivity and wastage. Government has acknowledged these concerns and has been continuously making policy changes in order to address the issue.

While, technology is rapidly evolving, drones are one of the emerging technologies that has been embraced across the globe. In India itself, drones have found utility in various sectors, agriculture being one of the major potential sectors. Use of drone in agriculture has gained prominence and government is actively engaged in checking the suitability of this new technology in agriculture. Drones will be critical for increasing efficiency of crop protection with chemicals, reduce manpower, reducing the volume of water and saving drift to environment along with reducing exposure to humans to harmful pesticides.

Government acknowledges that drones will emerge as gamechanger in the agriculture sector and has taken several policy initiatives to promote the adoption of drones in farming. Following are the steps taken by the government to promote drones in the sector –

- Production Linked Incentives (PLI) scheme of ₹ 12,000 lakhs for drones and drone's component manufacturer
- Granting up to 100% of the cost of agriculture drone or ₹ 10 lakhs, whichever is less, as grant for purchase of drones by the Farm Machinery Training & Testing Institutes, ICAR institutes, Krishi Vigyan Kendras and State Agriculture Universities for taking up large scale demonstrations of this technology on the farmers' fields
- Farmers' producer associations could obtain a grant for up to 75% of the drone's cost for forwarding demonstrations
- The government will also pay implementing agencies ₹ 6,000 per hectare if they hire drones for demonstrations rather than buying them
- 40% of the basic cost of drone and its attachments or ₹ 4 lakhs, whichever less would be available as financial assistance for drone purchase by existing Custom Hiring Centres (CHCs)

These initiatives will go a long way in implementing new technology in the agriculture space. Moreover, Directorate General of Civil Aviation (DGCA) and Ministry of Civil Aviation has framed rules to allow usage of drones in India and also segregated different zones based on security inputs. These rules are reviewed time to time and the government has been trying to make the policy more liberal to promote usage of drones. While the current adoption of drones in agriculture is very limited, it is expected to grow strongly in the coming future. Nova Agri Tech in collaboration with IoTech World Aviation was among the first to get DGCA approval for their agricultural drone named Agribot.

Drone adoption to exponentially rise worldwide across various sectors, including agriculture

Drones are used across multiple sectors for multiple applications ranging from photography/videography, emergency rescue and relief, land surveys, spraying of pesticides, e-commerce delivery and the list has been continuously increasing. In India as well, drones have found usage across many sectors, however, government envisions agriculture to be the biggest beneficiary through the adoption of this technology in the future.

According to a Ministry of Aviation estimate, India's drone sector will achieve a turnover of Rs 12,000-15,000 crore by 2026, from about Rs 80 crore in 2021. Government is taking necessary steps to support the sector and make India the global hub for drone manufacturing. While China continues to remain the largest drone supplier, with China plus one trend catching up, India is well poised to take advantage and increase the share in the global market.

Recent Developments

1.*Digital Sky Platform:* A unique unmanned traffic management (UTM) system was launched by the Ministry of Civil Aviation which will facilitate registration and licensing of drones and operators in addition to giving instant online clearances to operators for every flight. It will enable online registration of pilots, devices, service providers, and no permission, no take-off (NPNT).

2.Government is working as an enabler by creating demand and structure for drones: Drones play a crucial role in connecting people from the length and breadth of the country. The government is now working as an enabler and not a regulator and they are now making evidence-based policies for drones. Nova Agribot launched by the Nova Group is the first Directorate General of Civil Aviation (DGCA) approved agricultural drone and it is also QCI (Quality Council of India) certified.

Other Key Growth Drivers:

Changing Perception

There is an increased awareness about the harmful effects of chemical fertilizers on the environment in recent times. People are now more focused on their well-being and what goes into their food. They are willing to pay more alongside wanting to do better for the environment. Such aspects have led to the increased use of biofertilizers.

Farm Mechanization

Farm mechanization is the process of using agricultural machinery to mechanize the work of agriculture, which greatly increases farmer productivity. It helps in increasing farm labour efficiency and reducing workload. It is estimated that farm mechanization can help reduce time by approximately 15-20%.

Additionally, farm mechanization helps in improving the harvest and reducing post-harvest losses alongside improving the quality of cultivation. These benefits help in the reduction of production costs and allow farmers to earn more income. As of June 2019, the percentage of farmers accessing technical advice was 42% and the percentage of farmers who adopted the advice was 90%. This means farmers are willing to adopt technical advice and assistance for improving the crop yield, as well as their income.

Further, the cost of deploying labour is also increasing substantially and farm mechanization is the only way to reduce labour costs, and thus, the cost of cultivation. It also helps in the conversion of uncultivable land to agricultural land through advanced tilling techniques, improvement in the safety of farm practices, and helps encourage the youth to join farming, attracting more people to work and live in rural areas. However, the increasing levels of mechanization do not necessarily mean big investments.

Besides, women play an important role in farming-based communities and more percentage of total farm labour comprises women. This implies the power sources should be chosen accordingly (human, animal, or motor-based), depending on the work to be done. Accordingly, taking into consideration technologies that are apt to women's needs and improving their access to appropriate forms of farm power can reduce drudgery and lead to sustainable mechanization.

Government initiatives

Declining soil quality due to overuse of chemical fertilizers and their ill-effects on human health is a rising concern and thus, has encouraged the government to opt for various plans, schemes and other initiatives to encourage the adoption of bio- based fertilizers among farmers.

For instance, regular training courses and frontline demonstrations are organized by the National Center for Organic Farming (NCOF) and the Indian Council of Agricultural Research (ICAR) to educate farmers about biological fertilizers.

Surging demand of cereals and grains

Biofertilizers help to fix atmospheric nitrogen in the soil and root nodules of legume crops. Rhizobium is used as a biofertilizer and crop enhancer for increased cereal production.

It has been found that rhizobia can make an association with gramineous plants such as wheat, rice, maize, barley and other cereals without forming any nodule like structure or causing any disease symptoms. Hence, the increase in demand for cereals and grains will also result in increasing use of biofertilizers.

Increasing Farm incomes

The National Statistical Office (NSO) has conducted a survey twice since 2003 and the farmer’s average monthly income has increased over a period of time. In 2013, income increased from ₹ 969 to ₹ 6,426 and as of 2019, income stood at ₹ 10,218.

Average monthly income of farmers in India (in Rs.)

Year	2003	2013	2019
Income (₹)	969	6,426	10,218

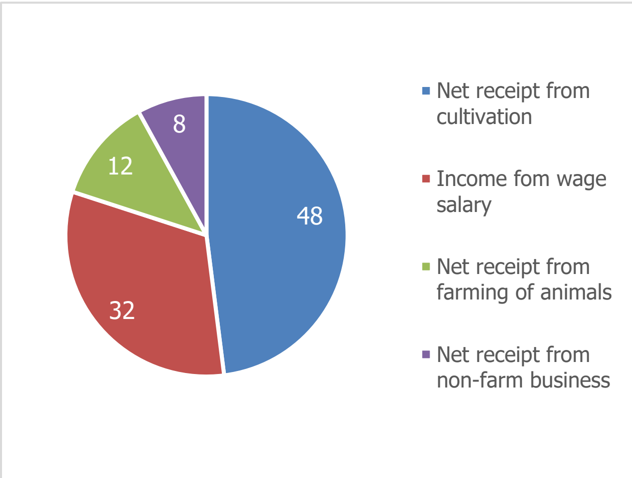
Source: National Statistical Office (NSO)

Similarly, the income of agricultural households has increased over the years backed by growth in income from farm activities and farm allied activities as shown in the below chart and MSP fixed by the Government has been supporting farmer's income over the years. The MSPs are primarily linked to market prices and have been very important in passing better prices to farmers.

MSP has also encouraged farmers to move towards crops that provide better yield and value.

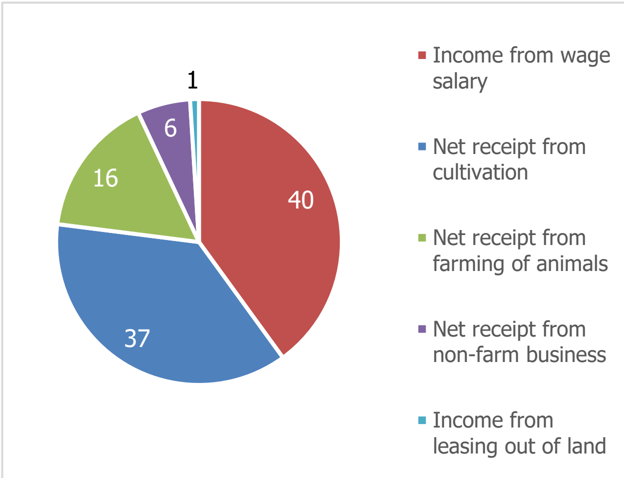
Apart from this, agricultural marketing, food management practices, encouragement of food processing sector coupled with various initiatives by the Government have been aiding the income of agricultural households.

Chart 3: Composition of Average Monthly Income of Agricultural Households in % (2013)



Source: Economic Survey 2021-22

Chart 4: Composition of Average Monthly Income of Agricultural Households in % (2019)



Source: Economic Survey 2021-22

The above charts show class-wise distribution of sources of incomes among the agricultural households and depicts that there is a visible diversification in the sources of income of the farmers. The net receipts from cultivation (crop production) continued to account for a major share of agricultural household income and contributed 37% of the agricultural household income. The income from cultivation increased by 22.6% to Rs.3,781 in 2019 from Rs.3,084 in 2013. The net receipts from other sources (excluding income from cultivation) increased by 92.6% where total income grew by 59%. However, the income still remains very low due to which usage of pesticides also remains lower compared to developed nations. Government's support and impetus to improve the situation of farmer income, is likely to help the industry.

Kisan Programmes

There are several business segments of companies wherein the aim is to create a bridge between point of research to farmer fields to attain its objective of generating revenue by adding more satisfied loyal customers by providing need-based solutions with production, technologies and usage skills.

With the help of such applications, data related to farmers are collected, which can be used to connect and provide support further.

The role of people involved is to provide information about a product, help in identifying the problem, and help in solving it. The problem is fed into the system, identification is done, and the solution is provided accordingly. Furthermore, feedback is taken and if the problem still persists. It is addressed again.

Some of the companies which have such initiatives are:

- Indian Farmers Fertiliser Cooperative (IFFCO Kisan Sanchar Ltd)
- Nova Agritech Limited (Nova Kisan Seva Kendra)

Increasing emphasis on organic agriculture to drive the market growth

One of the fastest growing agricultural methods is organic farming. The excessive use of synthetic fertilizers has led to contamination of soil and the destruction of microorganisms.

To reduce the increasing pollution of soil, organic farming is being adopted. Besides, the rising demand for organic food is further motivating farmers to adopt biological fertilizers.

BIO-STIMULANTS

Bio-stimulants are compounds or products that include microorganisms, whose function when applied to plants/seeds/ rhizosphere is to enhance and regulate the crop's physiological process to improve input use efficiency, growth, yield, quality and stress tolerance. These bio-stimulants may include products of plants/ animals or microbial origin.

It not only enhances plant immunity but is also effective in the management of pests and withstanding abiotic as well as biotic stress. It shows immense effect on pests like leaf eating caterpillars and borers that last for a long time.

There are many categories of bio-stimulants. Some of the widely used bio-stimulants are:

- Humic and fulvic acids: This has parts of soil organic matter resulting from the decomposition of plant, animal and microbial residues.

- Seaweed extracts: These are in soluble powder or liquid form and are derived through different extraction processes.

Amino chelated fertilizers

- These contain micro nutrients based on key amino acids that increase nitrogen using efficiency and optimizes overall plant metabolism by improving crop production.

- These helps accelerate the growth of the plant by inducing stress resistance and tolerance and significantly enhancing seedling growth, postponing plant deterioration with age and increasing plant canopy.

- In addition, these act as a deficiency corrector and assist in the rapid and healthy growth of plants which results in good quality high yields. These fertilizers focus on crops like chilli, jasmine, rose, rice, sugarcane, red gram, melon, etc.

CROP PROTECTIONINDUSTRY

The crop protection industry primarily consists of pesticides which is discussed briefly in the following sections:

Segments and structure of global the pesticides industry

The global pesticides industry is dominated by the herbicides segment followed by the fungicides and insecticides segments. Of the global market size of around USD 81 billion in the year 2022, herbicides accounted for the highest share of about USD 29 billion (around 35% of the industry). The other two major segments fungicides and insecticides contributed approximately USD 18 billion and USD 17 billion, respectively, towards the global pesticides industry during the year. The major three segments of the global pesticides industry are listed in the table below:

Segment of global pesticide industry and outlook (in USD billion)

Segments (USD billion)	2022	2028P	Outlook CAGR
Crop market			
Herbicides	29	~40	4.5%-5.5%
Fungicides	18	~25	4.5%-5.5%

Insecticides	17	~23	4.5%-5.5%
Others	6	~7	1.5%-2.0%
Total crop market	70	~95	5.0%-6.0%
Non-crop market	11	~14	4.1%-5.0%
Total global pesticides market	81	~109	5.0%-6.0%

Source: CareEdge Research estimates based on industry resources Note: 2022 data is estimate

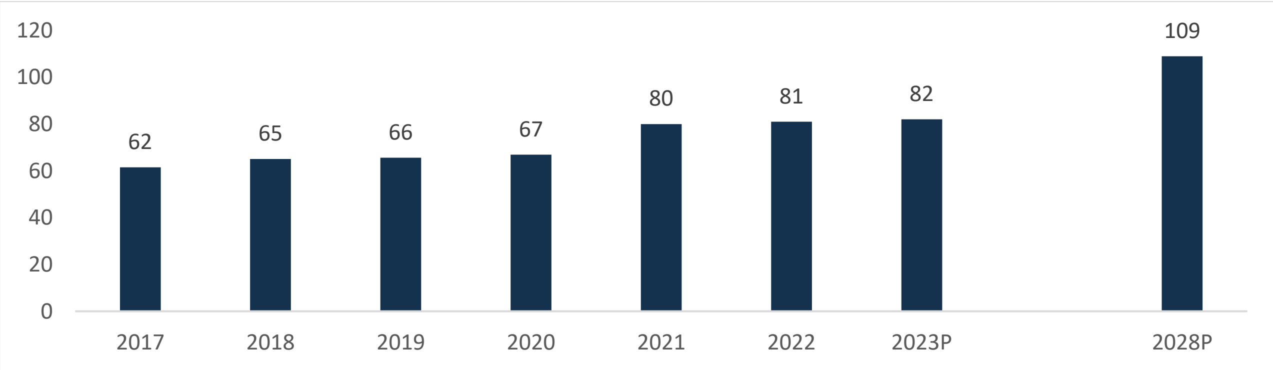
Apart from the crop market, another segment that has contributed to the global pesticides market includes the non-crop market. This segment had a market size of about USD 11 billion.

With the expected increase in the application of these pesticides on account of the benefits offered by them, the -crop market is estimated to grow at a faster CAGR compared to thatglobal non-crop. Accordingly, the global non-cop market is expected to rise at a CAGR of about 4.1%-5% by 2028 and is estimated to reach the level of approximately USD 14 billion.

Trend in global pesticides industry

During 2017-2022, the global pesticides market is estimated to have grown at a Compound Annual Growth Rate (CAGR) of 5.1% from USD 62 billion in 2017 to USD 81 billion in 2022.

Trend in the global pesticides market (USD billion)



Source: CareEdge Research based on industry sources
P is projected

Pesticides, also called agrochemicals are used in agriculture to support the growth and safety of plants, protect crops from pests and are increase the yields of crops. They also protect crops from insects, diseases and weeds. These pests when not controlled affects the volume and quality of food crops. The mentioned benefits are the primary reasons that have supported the growth of this industry globally over the years. In addition to this, the sufficiency of global food production in the world to meet the requirements of the increasing in world population has also been supporting the market of the pesticides industry globally.

Moreover, the above-mentioned factors are expected to continue to provide support to the global pesticides industry. Thus this market is expected to register a growth in the range of5.0%-6.0% during the period 2023-2028 and is likely to reach approximately USD 109 billion by 2028.

Growth drivers for the global pesticides industry

Asia Pacific market

The Asia Pacific market that accounts for the largest share of the global pesticide industry includes populous countries like India and China with an increasing population that demands food security. This, in turn, prompts of food requirements. In addition to this, agriculture forms an important part of these countries' economies, requiring these nations to focus on productivity levels. Thus, it is expected that the pesticides market in this region will grow at a faster CAGR of 6.0%-6.5% by 2028 compared to other regions.

CROP PROTECTION INDUSTRY IN INDIA

Evolution of pesticides industry in India

The evolution of pesticides in India was led by the Green Revolution. In 1943, India saw one of the worst food disasters during the Bengal famine. Food shortages have resulted in the death of around 40 lakh people in the eastern part of India. The problem of food shortage in India continued even after independence during different time periods and the frequent food scarcity issue led to the beginning of the Green Revolution in India.

Around the 1960s, the Green Revolution was launched by the government of India with the support of M.S. Swaminathan, a geneticist, who is now referred to as the father of India's Green Revolution. The revolution started in 1967 and continued till 1978.

The Green Revolution in India resulted in growth in agricultural production, primarily in the states of Haryana, Punjab, and Uttar Pradesh. The main achievement in this revolution was the development of a high-yielding variety of seeds of wheat and rust-resistant strains of wheat.

Aspects of Green Revolution in India

1.High Yielding Varieties (HYV);
2.Mechanization of agriculture;
3.Use of chemical fertilizers and pesticides; and
4.Irrigation

The Green Revolution that engaged agricultural production with the usage of modern tools and techniques involved the aspect of pesticides and chemical fertilizers. This revolution resulted in the conversion of agricultural systems into industrial systems. This further required the utilization of modern methodologies like high yielding variety seeds, tractors, pesticides, fertilizers, and irrigation facilities. Until 1967, the government primarily focused on augmenting the farming areas. However, the rapid growth in population compared to food production demanded a major and immediate requirement to raise yield, which resulted in the evolution of the Green Revolution.

The Green Revolution started around the world in several countries between the 1950s andthe late 1960s. This had resulted in various research technology transfer initiatives throughout the world, which in turn, focused on increasing agricultural production. The revolution started with Norman Borlaug's genetic testing. A hybrid wheat plant that could withstand diseases and fungi (in addition to high yield) was created by him. He is also known as the father of the Green Revolution.

Types of pesticides and their application

The Indian agrochemicals industry can be primarily divided into the following types: a. Insecticides b. Fungicides c. Herbicides

1. Insecticides

Insecticides enable protection of the crops from insects by either preventing their attack or destroying them. They help in controlling the pest population below a desired threshold level. They can be further classified based on their mode of action:
a.Contact insecticides: Insects get killed on direct contact with these insecticides and they leave marginal residual activity which affects the environment minimally.
b.Systemic insecticides: Plant tissues absorbs these insecticides and destroy insects when the insects feed on plants. These are generally related to long term residual activity.

2. Fungicides:

Fungicides are used to prevent fungi attacks on crops and to tackle crop diseases. Protectants and eradicants are two types of fungicides. Protectants protect or hinder fungal growth and eradicants destroy the diseases on usage. This, results in better productivity, contraction in crop blemishes and increased storage life.

3. Herbicides: Herbicides also known as weedicides are used to destroy unwanted plants. The unavailability of cheap labor leads to the major usage of herbicides in rice and wheat crops. The demand for herbicides is seasonal as they develop in damp, warm climates and perishes in cold spells. They are of two types depending on the way of action, selective and non-selective. Selective herbicides destroy specific weeds not harming the desired crop and non-selective herbicides are used for widespread ground clearance to handle weeds pre-crop planting.
Based on the usage, there are three types of herbicides:
a. Application prior to sowing of the crop (pre- planting);
b. Application post development of weeds (pre-emergence); and
c. Application right away subsequent to sowing (post-emergence).

4. Bio-pesticides: These are the new age chemicals produced from substances of nature like plants, animal waste, bacteria and minerals. Bio-pesticides have a small share in the agrochemicals market in India which is expected to grow backed by government support and increased awareness about pesticides that are eco- friendly.These pesticides are environment friendly and easy to use.

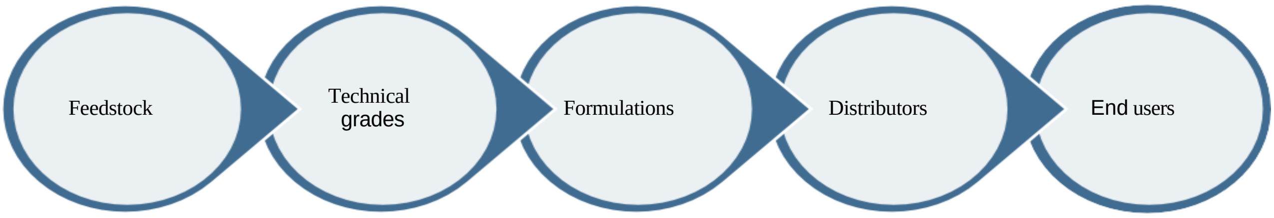
5. Others: This others segment comprises fumigants, bio stimulants, nematicides, rodenticides and plant growth regulators (PGR). Plant growth regulators are chemicals used to modify and enhance plant growth such as increasing branching, suppressing shoot growth, increasing return bloom, removing excess fruit, or altering fruit maturity. Various factors such as how well the chemical is absorbed by the plant, tree vigour and age, dose, timing, and weather conditions before, during and after application affect the PGR performance. They prevent cops from attacking pests at the time of crop storage.

Overview of pesticide value chain

The value chain of the pesticide industry involves five stages as shown in the chart below. The chain starts with intermediates move to technical grades, formulations, distributors and concludes at end users.

The intermediates consists of petrochemical derivatives, natural feedstock and chemicals that go into the making of technical grades. Once the technical grade or active ingredient is synthesized, the process move to formulations. Chemical synthesis is the method of transforming a reactant or starting material into a product or several products by one or more chemical reactions. The active ingredient controls pests and gives controlling action to the pesticides. This ingredient repels, destroys or alleviates pests. It is also known as pesticide's technical grade. The active ingredient is the technical grade of the pure pesticide.

Pesticide value chain



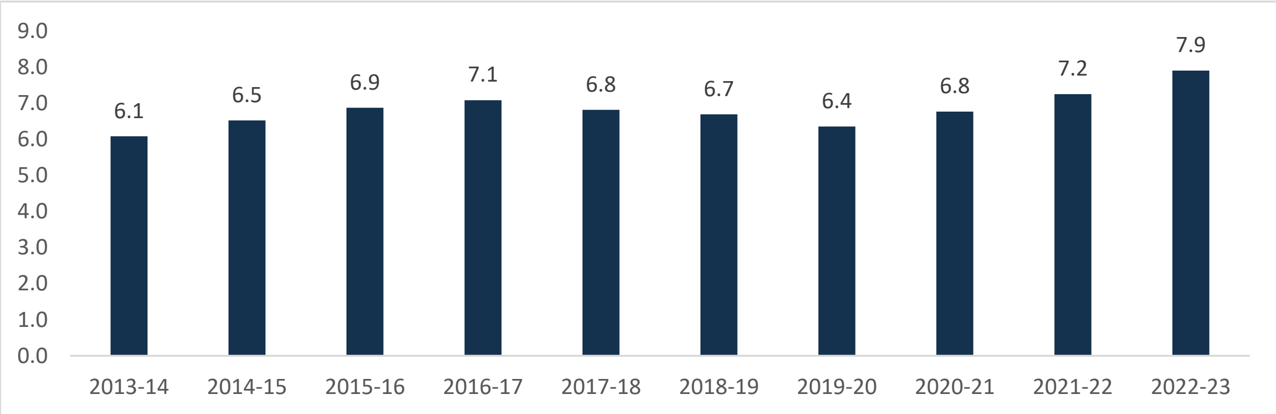
Pesticides are generally not applied in their pure form. It is usually formulated by adding inert ingredients that improve storage, handling, application, effectiveness or safety. The inert ingredients, which involve solvents, adjuvants, and fillers aid in the handling, application, storage, effectiveness, or safety of the pesticides. This is the formulation process of pesticides. While the active ingredient destroys the pest, the inert ingredient facilitates ease of handling, spraying and coating on plants. Following this, formulations are available to distributors who sell then it to the end users like farmers.

Trend in growth of Indian pesticides industry

Review

The overall Indian pesticides market grew at a CAGR of 6.6% from Rs.368 billion in 2013-14 to Rs.655 billion in 2022-23*. In terms of USD, the Indian market increased at a CAGR of 3.0% from USD 6.1 billion in 2013- 14 to USD 7.9 billion in 2022-23.

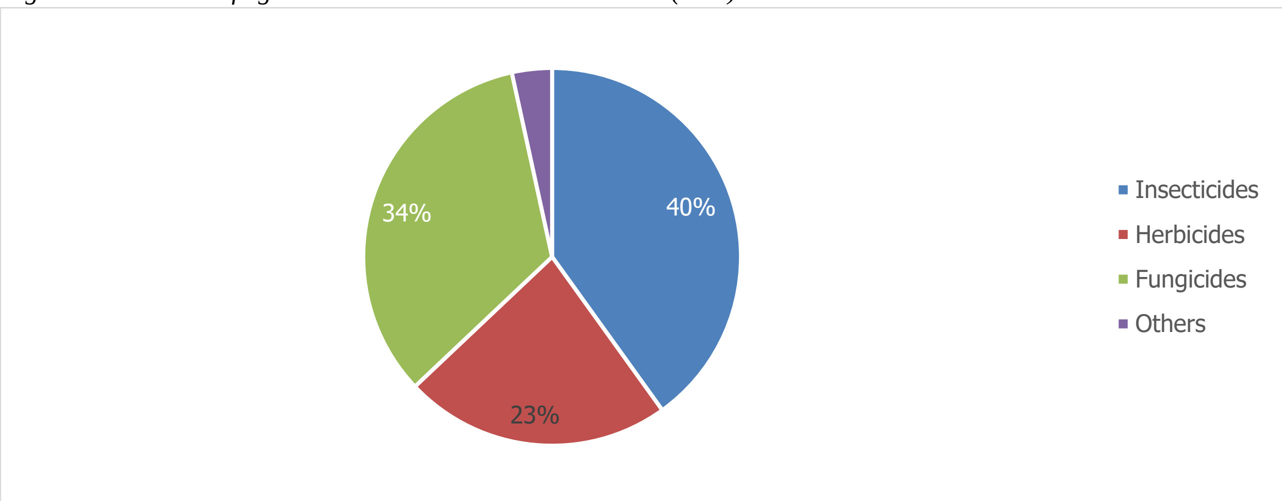
Indian pesticides industry (USD billion)



Source: Department of Chemicals and Petrochemicals
Note: The market size of industry for years 2020-21 and 2021-22 and 2022-23are CareEdgeResearch estimates

The Indian pesticide industry can be primarily divided into the following types: a. Insecticides b. Fungicides c. Herbicides. Insecticides account for a major share of around 40% followed by fungicides and herbicides with an approximate share of 34% and 23%, respectively.

Segment-wise share of agrochemicals in Indian market in 2023 (in %)



Source: Based on Industry sources, CareEdge Research estimates, Directorate of Plant Protection, Quarantine & Storage

Outlook

The overall Indian pesticides is estimated to increase at a CAGR of around 6.0%-6.5% by 2027-28 on account of an upward growth expected in the international market and a likely increase in domestic usage of pesticides in India.

Outlook of pesticides industry size in India (USD million)

Segment	2023E	2028P	Outlook CAGR
Insecticides	3,167	4,169	5.5%-6.0%
Herbicides	1,806	2,489	6.5%-7.0%
Fungicides	2,656	3,626	6.0%-6.5%
Others	271	381	6.5%-7.0%
Total	**7,900**	**10,665**	**6.0%-6.5%**

Source: CareEdge Research estimates, E is estimate and P is projected

While the demand for India's pesticides is likely to remain high, India aims to strengthen the process of backward integration for industry. This is because India is dependent on China for some of the technical insecticides and thus any disruptions at this source destination (like a chemical plant shutdown in China to reduce pollution) have the potential to affect India's supply chain. While such situations also provide an opportunity for India to increase the exports of pesticides, it does impact the supply chain of the industry. To avoid such instances, the Indian government said that it is considering increasing the scope of the Production Linked Incentive (PLI) scheme to include the domestic manufacturing of agrochemicals. If implemented, the scheme will result in increased competitiveness of domestic producers, and given the reliance on exports, benefits will help India increase its market share in the global agrochemicals markets. The scheme will also help the industry become self-sufficient and will be able to integrate backward to produce its own technical grade ingredients instead of relying on China for supplies.

Moreover, many countries across the world are looking forward to a 'China plus one strategy' to avoid excess dependence on China. The adoption of this strategy internationally will benefit India, as the countries that import pesticides from China may now opt for India, which is the 4th largest producer and 13th largest exporter of agrochemicals globally.

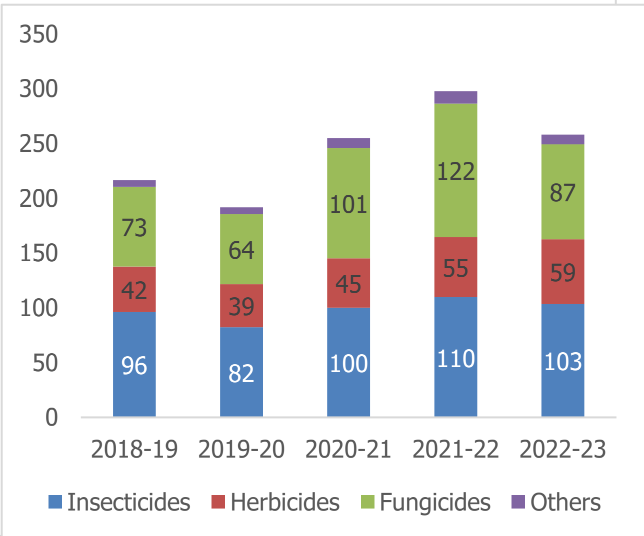
While the above-mentioned factors will support the Indian pesticide industry going forward, it is worth to mention that the Indian pesticide industry remained resilient even during the pandemic year (2021-22) as exports from the Indian pesticide industry increased by a healthy 22% to 648 thousand tonnes and grew by 37.7% to Rs.365 billion on a y-o-y basis.

In addition, India has a competitive edge in terms of low labour cost and has support towards chemical clusters, which will also aid the growth of agrochemical industry in the coming years.

Review of domestic pesticide industry and production capacity

The output of pesticides in India (which includes 42 technical grades) increased at a CAGR of 4.5% from 217 thousand tonnes in 2018-19 to 258 thousand tonnes in 2022-23.

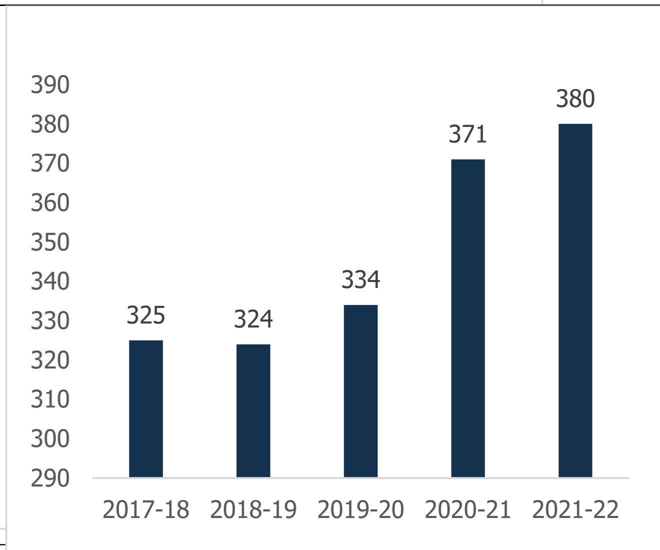
Chart 5: Trend in Production of Pesticides in India ('000 tonnes)



Source: Directorate of Plant Protection, Quarantine & Storage

Note: The production data includes quantity of technical grades only. 'Others' include plant growth regulators, fumigants, bio stimulants, rodenticides and nematicides.

Chart 6: Trend in Production Capacity of Pesticides in India ('000 tonnes)



Source: Department of Chemicals and Petrochemicals

Note: The capacity refers only to technical grade

During the year 2022-23, the production of pesticides declined by 13.3% y-o-y to 258 thousand tonnes. The demand for pesticides from agriculture was also subdued globally and domestically, which is believed to be the reason for the degrowth.

The pesticide production capacity in India meets the domestic and export requirements of the nation. Over the years, the production capacity in India has increased at a CAGR of 4.0%. It has increased from 325 thousand tonnes in 2017-18 to 380 thousand tonnes in 2021-22.

It can be seen that the pesticide production capacity has grown in each of the years for the period 2018-2022 except for 2018-19 where the capacity declined by a marginal 0.3% to 324 thousand tonnes. It is important to note that the industry's capacity utilisation on an average has been around 65% in these last five years.

Outlook

The upward momentum in pesticides industry output is expected to continue going forward backed by growth in food consumption in the domestic market amid an expected increase in population, government support towards agriculture, and demand from export markets, horticulture and floriculture markets among others. The penetration of pesticides and agrochemicals in India is low and this poses an opportunity for growth for agrochemical producers. In addition to this, the government's aim to reduce dependency on China and improve self-sufficiency is expected to support the industry's backward integration and thus its growth.

These factors are estimated to increase the pesticides industry output at a CAGR of 4.0%-5.0% by 2027-28 (Refer table below).

Estimates of pesticides production by 2027-28 for technical grade (thousand tonnes)

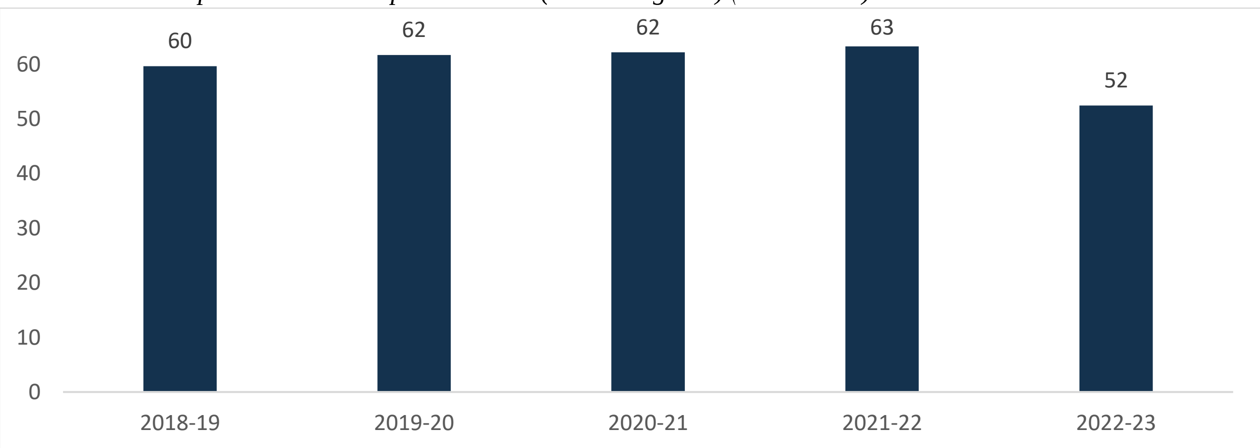
Segments	2022-23	2027-28P	CAGR
Insecticides	103	~130	4.5%-5.0%
Fungicides	87	~102	2.5%-3.5%
Herbicides	59	~80	6.0%-6.5%
Others	9	~11	5.0%-5.5%
Total	**258**	**~323**	**4.0%-5.0%**

Source: Directorate of Plant Protection, Quarantine & Storage, CareEdge Research estimates based on industry sources

Trend in chemical pesticides consumption

The domestic consumption of chemical pesticides grew at a CAGR of 3.2% from 60 thousand tonnes in 2018-19 to 52 thousand tonnes in 2022-23. This is an impact of new-age agrochemicals where the active ingredient or formulation is at a lower dosage per acre.

Trend in chemical pesticides consumption in India (technical grade) ('000 tonnes)



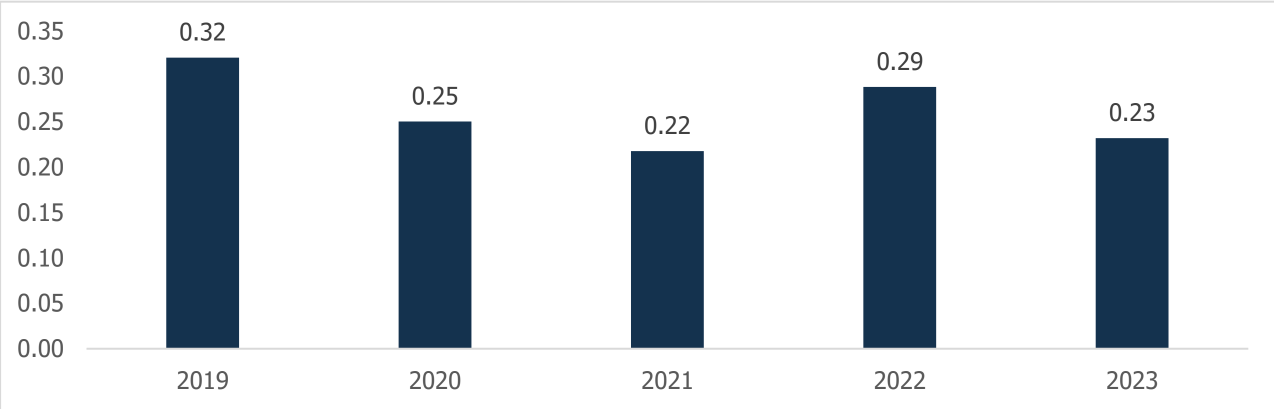
Source: Directorate of Plant Protection, Quarantine & Storage

Note: This does not include data on the states/UTs that have not reported pesticides consumption. Also, figures of 2019-20 for Haryana, Jammu and Kashmir, Tripura, Pondicherry, Goa and Nagaland have been taken from inputs provided by the States/UTs during Zonal Conference (PP) for Rabi, 2020-21 Season.

Low per hectare pesticides consumption in India

Of the total pesticides produced in India, the average per hectare chemical pesticides consumption accounted to 0.26 kg/hectare during the period 2018-19 to 2022-23. In FY 23, the per hectare pesticide consumption in Indiawas 0.23 kg/hectare. India's share is the smallest compared to all other nations. India's per hectare consumption is even lower than the world average of 2.6 kg per hectare and that of Asia which stood at 3.7 kg per hectare. The per hectare consumption of pesticides in India is minimal 0.2 kg compared to the per hectare consumption of 13 kg and 12 kg in China and Japan, respectively. The low consumption at home has made India the net exporter of pesticides and India has emerged as the 13th largest exporter of pesticides globally which is discussed later in the report.

Per hectare pesticide consumption in India (kg/hectare)



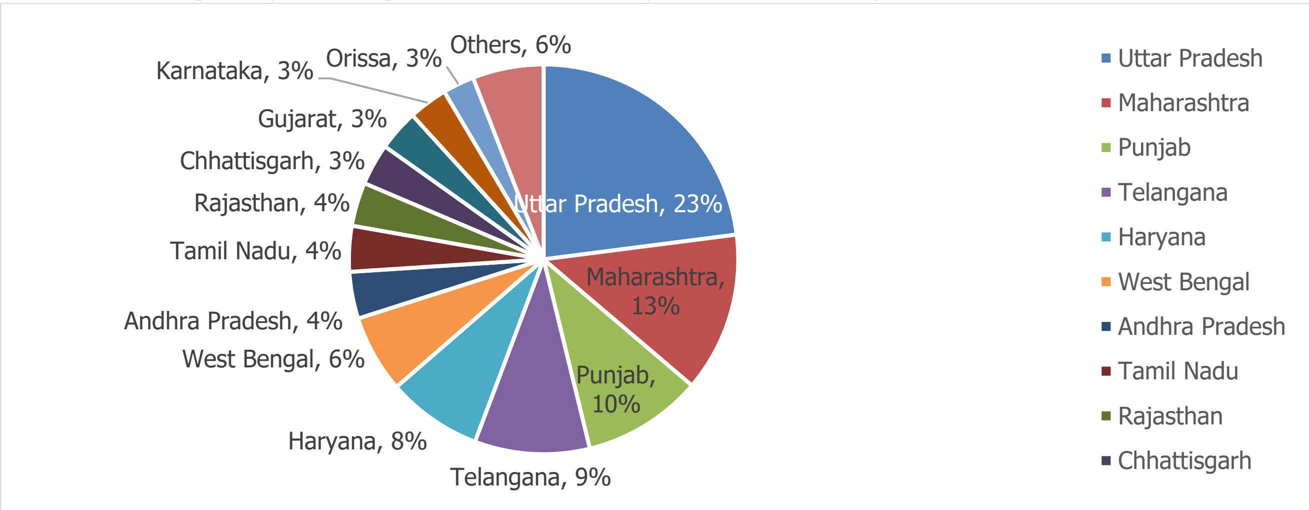
Source: Directorate of Plant Protection, Quarantine & Storage

State-wise consumption of chemical pesticides in India

The top ten states and UTs that reported chemical pesticide consumption accounted for around 83 % of the total chemical pesticide domestic consumption in India during 2022-23.

Of the total, Uttar Pradesh and Maharashtra contributed to a significant share of 23% and 13%, respectively. Telangana accounted for around 9% in overall chemical pesticides consumption. Following this, Haryana, West Bengal, Rajasthan, Andhra Pradesh, Karnataka, Tamil Nadu, and Gujarat contributed to the range of around 3%-8%. Others (which include remaining states and UTs) accounted for 6% of the total chemical pesticides consumption during the year 2022-23.

State-wise consumption of chemical pesticides in India during 2022-23 (technical grade) (in %)

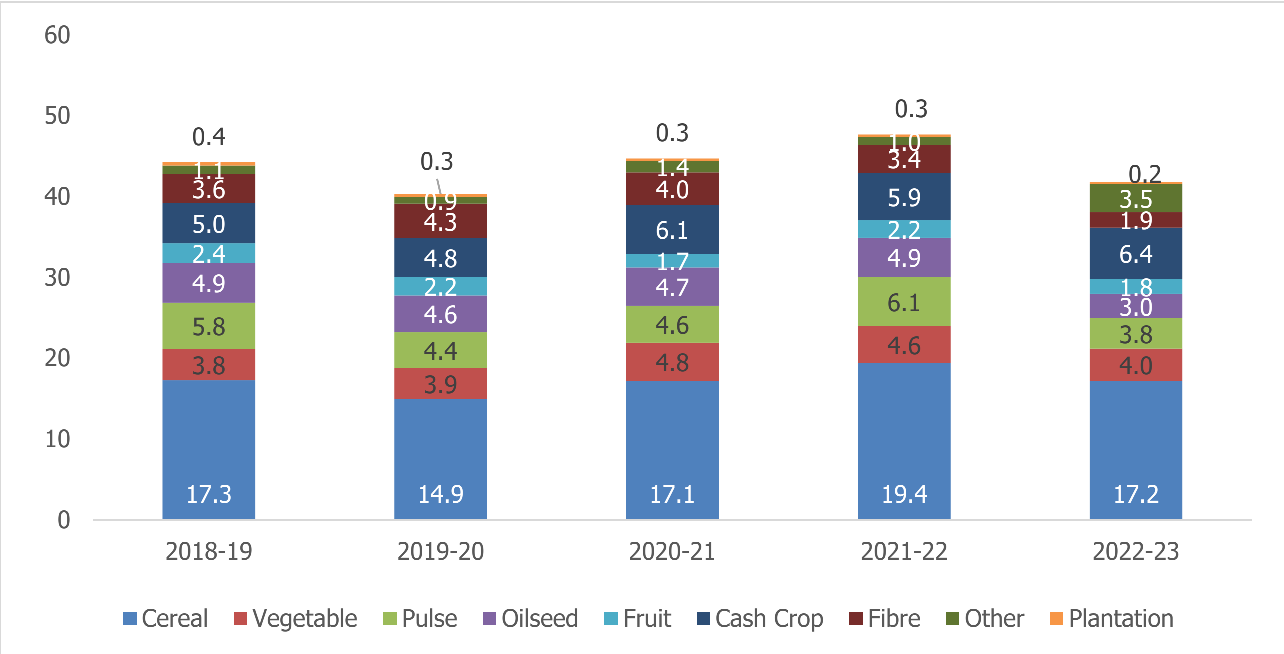


Source: Directorate of Plant Protection, Quarantine & Storage

Commodity-wise consumption of chemical pesticides

Pesticides are used and applied across a variety of commodities which includes cereals, vegetables, pulses, oilseeds, fruits, plantation, cash crops, fibre and others.

Commodity-wise consumption of chemical pesticides (technical grade) ('000 tonnes)



Source: Directorate of Plant Protection, Quarantine & Storage

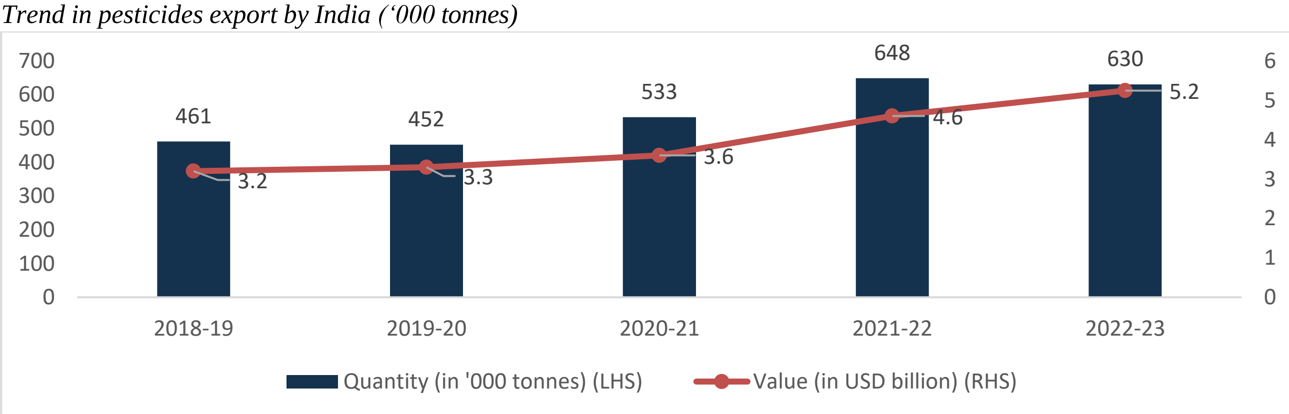
Of the total commodities covered by pesticides, cereals account for the majority of the share contributing around 39% on an average during the five-year period 2018-19 to 2022-23. Following this, pulses, cash crops, oilseeds, vegetables and fibres contributed to the range of about 10%-12% on average. The other commodities that have a small share include fruits (4%), plantation (73%) and others (3%).

Pesticides exports

Trend in pesticides exports by India

India is net exporter of pesticides and the outbound shipments account for a significant share of the total market size of the Indian agrochemicals industry. Exports of pesticides (technical and formulations both) grew at a CAGR of 8.1% from 461 thousand tonnes in 2018-19 to 630 thousand tonnes in 2022-23. It is to be noted that export CAGR increased at a faster pace compared to that of production, which grew at a CAGR of 4.5%. Moreover, the export value of pesticides grew at a relative higher CAGR of 22% from USD 3.2 billion (₹ 225 billion) in 2018-19 to USD 5.2 billion (₹ 431 billion) in 2022-23.

Trend in pesticides export by India ('000 tonnes)



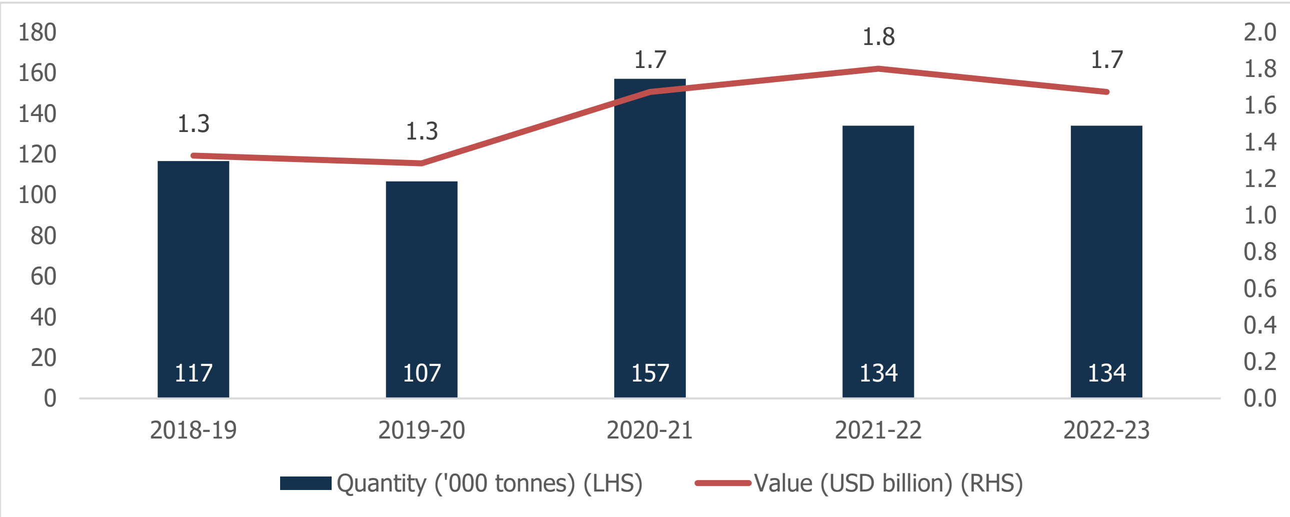
Source: Directorate of Plant Protection, Quarantine & Storage
Note: This includes data on both technical and formulations

Pesticides imports

<u>Trend in pesticides imports by India</u>

The quantity of pesticides imported by India is quite less compared to that of the pesticide's exports. However, the quantity of pesticides imported by India has increased at a faster CAGR of 3.5%. The imports increased to 134 thousand tonnes in 2022-23 from 117 thousand tonnes in 2018-19. The value of imports grew at a higher CAGR of 6.0% from USD 1.3 billion (₹ 89 billion) in 2018-19 to USD 1.7 billion (₹ 140 billion) in 2022-23.

<u>Trend in imports of key pesticides by India</u>



Source: Directorate of Plant Protection, Quarantine & Storage Note: This includes data on both technical and formulations

China is the major source of pesticide imports and accounted for more than half of India's total imports with a share of 51.97% during 2022-23. This was followed by USA,Israel and Taiwan contributing 10.24%, 7.69% and 6.91%, respectively. Other countries from which pesticides were imported included Thailand (share of around 4%), while Singapore, Japan and Belgium each accounted for 2-3% of the total pesticide imports by India.

Volume-wise top source of pesticides imports for India 2021-22

Country	%Share
China	51.97%
USA	10.24%
Israel	7.69%
Taiwan	6.91%

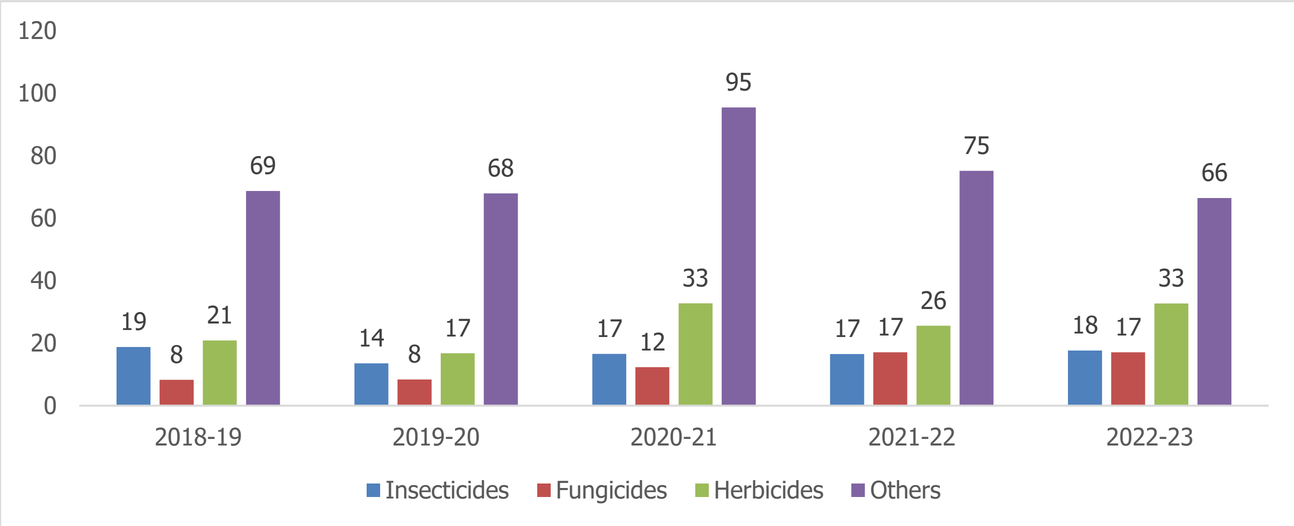
Source: CMIE

<u>Trend in segment-wise imports</u>

Segment-wise import volume

Of all the pesticides segment imported by India, herbicides accounted for 19.8% followed by insecticides and fungicides with a share of 12.8% and 9.7%, respectively, on an average during 2018-19 to 2022-23. In terms of CAGR, while herbicides and fungicides grew in the range of around 10%-20%, the quantity of insecticides imported decrease at a CAGR of 11.5% during 2018-19 to 2022-23.

Segment - wise pesticides import volume ('000 tonnes)



Source: Directorate of Plant Protection, Quarantine & Storage
Note: Others include fumigants, plant growth regulators and miscellaneous (where miscellaneous comprises disinfectants, paper impregnated, repellent for insect, weedicides and weed killing agents etc.).

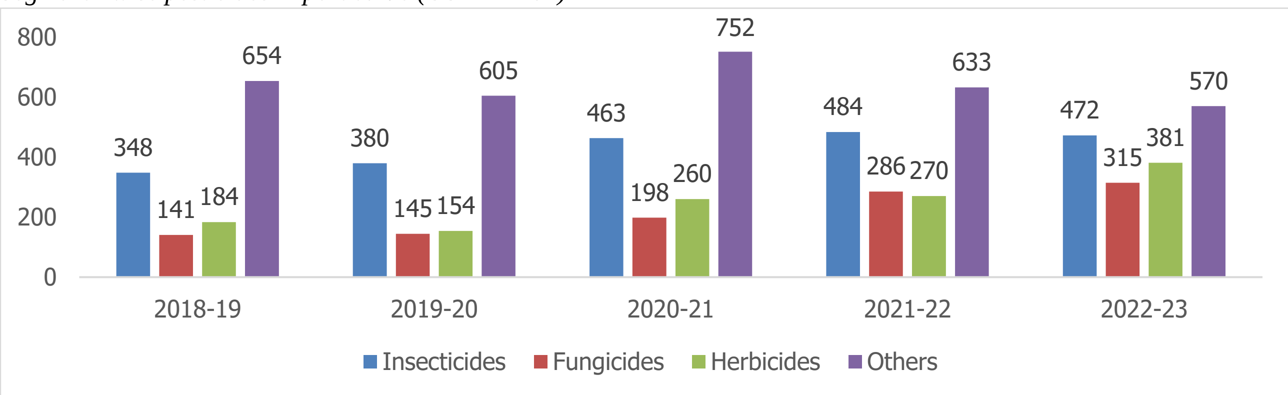
Apart from this, imports also include fumigants, plant growth regulators and miscellaneous (where miscellaneous includes disinfectants, paper impregnated, repellent for insect, weedicides and weed killing agents etc.) covered under the others segments. The component others accounted for the remaining share of 57.8% on an average during the period 2018-19 to 2022-23. It largely remained flat at 66 thousand tonnes in FY23 vs 69 thousand tonnes in FY19.

Segment-wise import value

During the five-year period 2018-19 to 2022-23, insecticides, herbicides and fungicides contributed about 29.2%, 13.3% and 12.0%, respectively, in the overall import value of pesticides. The component others as described above accounted for the remaining share of 45.3% on an average in terms of import value.

Whereas, on the import front, the pesticides import of all the four components grew in double-digit in the range of 8%-16% during these years.

Segment - wise pesticides import value (USD million)



Source: Directorate of Plant Protection, Quarantine & Storage
Note: Others include fumigants, plant growth regulators and miscellaneous (where miscellaneous comprises disinfectants, paper impregnated, repellent for insect, weedicides and weed killing agents etc.)

Generic and premium pesticides

The Indian pesticides market is primarily dominated by generics that account for almost 75%-80% of the total market with speciality or premium pesticides accounting for the remaining share. The generic pesticides are sold at a cheaper price compared to speciality pesticides that offer higher effectiveness.

Further, generic pesticides are manufactured with the availability of molecules that go off-patent since this enables the commercial development of generic pesticides. A patent is an exclusive right granted by the government for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem.

In addition, a patent confers on its owner the legal right to exclude others from making, using, offering for sale, or importing a patented product or product obtained from a patented process without his/her consent for a period of 20 years.

The period of 20 years commences from the date of the filing of the relevant patent application. The patent protection period of 20 long years gives the patentee ample opportunity to recoup the money spent on initial research and subsequent commercial introduction. The patent rights are territorial and limited to the country where they have been granted.

Industry growth drivers

Agriculture

Agriculture is the primary source of livelihood for about 58% of India's population. As a result, the share of agriculture and allied sectors to the total economy's Gross Value Added (GVA) has been significant and has increased over the years as shown in the table.

Percentage share of GVA of agriculture and allied sectors to total economy

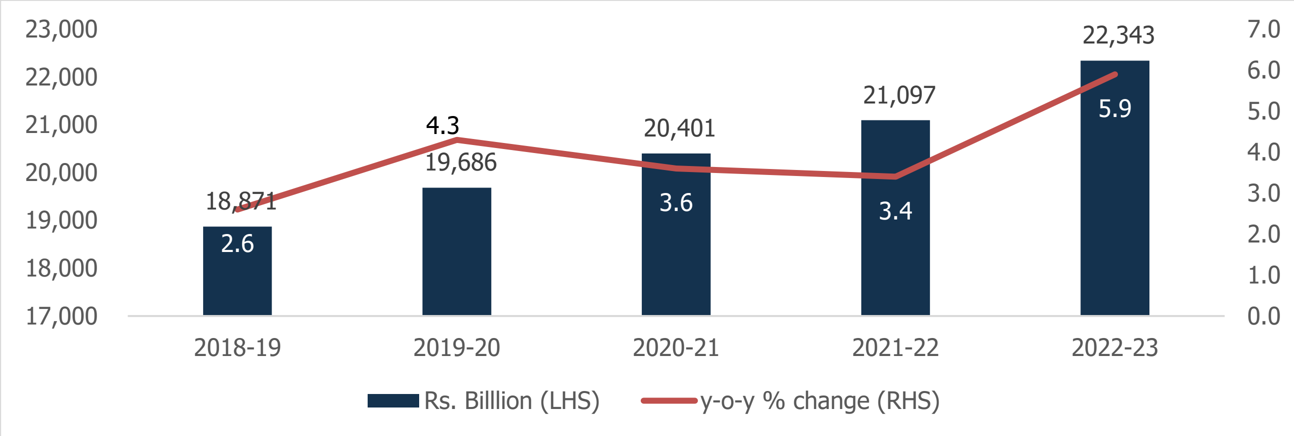
Year	% share
2018-19	17.6
2019-20	18.4
2020-21	20.2
2021-22*	15.6
2022-23#	15.1

Source: PIB release and Economic Survey 2021-22, MOSPI
*Note: *denotes 1st Revised Estimates and # denotes Provisional Estimates*

As on 2022-23, the sector is the largest employer of workforce, and accounted for a sizeable 15.1% in Gross Value Added (GVA) of the country. Growth in allied sectors including livestock, dairying and fisheries has also been the major drivers of overall growth in the sector.

The expansion in share of agriculture and allied sector's GVA is backed by an upward trend in the GVA of agriculture activities. During the five-year period 2018-19 to 2022-23, the GVA for agriculture increased at a CAGR of 4.3% from ₹ 18,871billion in 2018-19 to ₹ 22,343 billion in 2022-23.

Trend in agriculture GVA at constant prices (Rs. billion)



Source: CMIE

The growth in agriculture GVA has been supported by various measures on credit, market reforms and food processing. Moreover, in addition to several measures aimed at increasing productivity and improving marketing of agricultural produce, the government also carries out a large food management programme with a significant financial implication in terms of food subsidies.

The growth in agriculture sector is expected to result in more demand of agrochemicals in India thus aiding its overall production and consumption.

Government support

The government provides aid to the rural economy through various budget announcements that aim at reviving rural areas and raising farmer's income. In addition, growth in credit facilities to farmers through institutional credit mechanisms and low interest rate farm loans are likely to motivate farmers towards usage of pesticides that help increase the productivity and yields of crops. Besides, the increases minimum support price (MSP) of crops also may contribute to pesticide usage. Moreover, in the recent Union Budget 2022-23, the government promoted the concept of natural and organic farming thereby encouraging the usage of environment friendly agrochemicals.

Growth in food demand

With the expected increase in population, the demand for food grain in India is likely to rise. Accordingly, the growing consumption needsare to be met with almost same arable land. Thus, raising farm productivity becomes important and this can be done with optimal usage of products like agrochemicals. It is to be noted that per hectare consumption of pesticides in India is one of the lowest in the world.

Increasing demand for horticulture and floriculture

Fruits and vegetables have a significant share of around 90% of the Indian horticulture output. With increased consumption of healthy and nutritive foods, the demand for fruits and vegetables is likely to increase. This, in turn, is expected to support higher consumption of fungicides which helps in contracting post-harvest losses in fruits and vegetables.

Growing awareness of Bio-pesticides

in the rising awareness with respect to the environment friendly usage of agrochemicals and the use of integrated pest management (IPM) mechanism are expected to encourage the application of bio-pesticides. The bio-pesticides market in India constitutes a small proportion, offering growth opportunities for the segment.

Off-patent molecules

Any pesticide that goes off-patent provides an opportunity for the Indian industry to develop generic molecules. Such an event thus opens up opportunities for Indian manufacturers to increase their exports. An opportunity amounting to around USD 5 billion is estimated to go off-patent by FY27. This is likely to support pesticide exports from India going forward.

Export markets

The outbound shipments account for a major share of the Indian agrochemicals market and have grown at a CAGR of around 8.8% over the five-year period 2016-17 to 2020-21 thus driving the overall agrochemicals industry. These exports have not just supported the agrochemicals industry but also the overall chemical exports from India as the contribution of pesticides has been significant. Pesticide exports accounted for about 45% of the chemical export value during 2019-20. To support the ambition of making India a USD 5 trillion economy by 2025, the Indian agrochemical industry is estimated to make outbound shipments of around ₹ 385 billion by 2025. This target is also likely to encourage agrochemical/pesticide exports from India.

Challenges faced by the industry

Research & Development (R&D) costs

The companies are required to invest in R&D to develop new molecules which usually involves high costs. Also, developing a new molecule takes around 9 years on average. While R&D is important to introduce innovation, the investment and time it demands restricts the development of R&D.

Distribution systems

The weak distribution system hinders the reach of agrochemicals to each and every remote area of the country. This, in turn, restricts its availability to the users that are spread at the remotest location in India. The industry requires efficient distribution through retailers to enhance its availability.

Spurious products

The unavailability of pesticides at different locations gives an opportunity for spurious products to make their way. The usage of these counterfeit products, in turn, may also affect the crops, thus harming the honour of the agrochemicals industry and its sales. Besides, the unawareness among farmers also contributes towards the growth of such products.

Lack of awareness

There is a lack of awareness among farmers with respect to the optimum and proper application of pesticides which is affecting the growth of the agrochemicals industry. The companies however have been working toward increasing awareness about the usage of pesticides by farmers. Also, companies have been educating the farmers about the benefits of agrochemicals and their safe usage. This is further expected to increase the demand for pesticides.

Also, companies are educating farmers on aspects such as the right quantity, right use, the right application method for the usage of pesticides. Besides, farmers are trained with respect to appropriate chemicals that are to be used for identified pest problems.

Genetically Modified (GM) seeds

GM seeds have the potential to decrease the application of pesticides. These seeds introduce pest avoidance qualities in high yielding crops. GM seeds thus have immunity developed in them which tends to prevent them from the vagaries of nature. Accordingly, this quality of GM seeds has the potential to affect the demand for agrochemicals.

Organic farming

With growing health-consciousness among people, there has been an increase in demand for organic food, and thus, organic farming. Thus, there is a need for the agrochemicals industry to consider and work toward these concerns to prevent their impact of such concerns on industry growth.

Industry regulations and government initiatives

Regulation of pesticides awaiting to undergo modifications

The Government of India regulates the manufacture, sale, transport, export/import etc. of pesticides under the guidelines of the Insecticides Act, 1968. The Insecticide Act, 1968 is administered through Ministry of Agriculture, Department of Agriculture and Cooperation (DAC). Central Insecticides Board and the Registration Committee are the agencies under the Department to regulate the manufacture, distribution, export, import, ban and usage of pesticides. Insecticide Act is enforced by the State Governments.

As per this act, no pesticide is allowed for production/import without registration. Compulsory registration is needed for the product at the central level and licenses for manufacture, formulation and sale at the state level. This creates hinderance as various state governments have different set of rules. Also, the government has proposed a steep hike in registration fees of pesticides. Price hike proposed is from ₹ 5000 to ₹ 4,50,000.

The government is in the process of replacing the old legislation with the proposed Pesticides Management Bill, 2020.

Registration of insecticides under the Insecticides Act, 1968

1.Any person desiring to import or manufacture any insecticide may apply to the Registration Committee for the registration of such insecticide and there shall be separate application for each such insecticide. Provided that any person engaged in the business of import or manufacture of any insecticide immediately before the commencement of this section shall make an application to the Registration Committee within a period of 17 months from the date of such commencement for the registration of any insecticide which he has been importing or manufacturing before that date: Provided further that where any person referred to in the preceding proviso fails to make an application under that proviso within the period specified therein, he may make such application at any time thereafter on payment of a penalty of one hundred rupees for every month or part thereof after the expiry of such period for the registration of each such insecticide.

2.Every application under sub-section (1) shall be made in such form and contain such particulars as may be prescribed.

3.On receipt of any such application the registration of an insecticide, the Committee may, after such inquiry as it deems fit and after satisfying itself that the insecticide to which the application relates conforms to the claims made by the importer or by the manufacturer, as the case may be, as regards [on such conditions as may be specified by it and on payment of such fee as may be prescribed, the insecticide, allot a registration number thereto and issue a certificate of registration in token thereof within a period of twelve months from the date of receipt of the application. Provided that the Committee may, if it is unable within the said period to arrive at a decision on the basis of the materials placed before it, extend the period by a further period not exceeding six months. Provided further that if the Committee is of opinion that the precaution claimed by the application as being sufficient to ensure safety to human beings or animals are not such as can be easily observed or that notwithstanding the observance of such precautions the use of the insecticides involves serious risk to human beings or animals, it may refuse to register the insecticide.

3A. In the case of applications received by it prior to the 31st March, 1975 notwithstanding the expiry of the period specified in sub-section (3) for the disposal of such applications, it shall be lawful and shall be deemed always to have been lawful for the Registration Committee to dispose of such applications at any time after such expiry but within a period of one year from the commencement of the Insecticides (Amendment) Act, 1977 (24 of 1977): Provided that nothing contained in this sub-section shall be deemed to make any contravention before the commencement of the Insecticides (Amendment) Act, 1977 (24 of 1977), of a condition of a certificate of registration granted before commencement, an offence punishable under this Act.

3B. Where the Registration Committee is of opinion that the Insecticide is being introduced for the first time in India, it may, pending any inquiry, register it provisionally for a period of two years on such conditions as may be specified by it.

3C. The registration Committee may, having regard to the efficacy of the insecticide and its safety to human beings and animals, vary the conditions subject to which a certificate of registration has been granted and may for that purpose require the certificate-holder by notice in writing to deliver up the certificate to it within such time as may be specified in the notice.

4.Notwithstanding anything containing in the section, where an insecticide has been registered on the application of any person, any other person desiring to import or manufacture the insecticide or engaged in the business of, import or manufacture thereof, shall on application and on payment of prescribed fee be allotted a registration number and granted a certificate of registration in respect thereof on the same conditions on which the insecticide was originally registered.

Registration of insecticides under the Insecticides Rules, 1971

1.An application for registration of an insecticide under the Act shall be made in Form I and the said Form including the verification portion, shall be signed in case of an individual by the individual himself or a person duly authorised by him ; in case of Hindu Undivided Family, by the Karta or any person duly authorised by him ; in case of partnership firm by the managing partner ; in case of a company, by any person duly authorised in that behalf by the Board of Directors

; and in any other case by the person in-charge or responsible for the conduct of the business. Any change in members of Hindu Undivided Family or partners or the Board of Directors or the person in charge, as the case may be shall be forthwith intimated to the secretary, Central Insecticides Board and Registration Committee and the Licensing Officer.

2.The Registration Committee may, if necessary, direct inspection of the 'testing facility' for establishing the authenticity of the data.

3.An application form duly filled together with a bank draft of Rs.100 only, drawn in favour of the Accounts Officer, Directorate of Plant Protection, Quarantine & Storage, payable at Faridabad towards registration fee shall be sent to the Secretary, Registration Committee, Directorate of Plant Protection, Quarantine & Storage, NH-IV, Faridabad- 121001, Haryana. One Self-addressed stamped envelope and one stamped envelope must be enclosed along with the application.

4.The registration fee payable shall be paid by a demand draft drawn on the State Bank of India, Faridabad, in favour of the Accounts Officer, Directorate of Plant Protection, Quarantine and Storage, Faridabad, Haryana.

5.The certificate of registration shall be in Form II or Form II-A, as the case may be and shall be subject to such conditions as specified therein.

There are a total of 802 pesticide formulations registered as on 01-07-2022.

The Pesticide Management Bill 2020

The Insecticides Act, 1968 (the Act) was enacted to regulate the import, manufacture, sale, transport, distribution and use of insecticides with a view to prevent risk to human beings or animals. In the said Act, there is a lack of sufficient deterrence against violations and there is no stricter penalty to safeguard the farmers interest. There is also no mechanism to regulate pricing and disposal in an environmentally sound manner. Further, the Act is more than fifty years old and its provisions are inadequate to meet the multi-dimensional management and administration of pesticides in present times. It is also important to align India's obligations with various International forums.

In view of the above, stricter penalties are required for safeguarding the interest of farmers, which is jeopardised by the rampant availability of the pesticides which are of dubious and deceptive identity, composition and source. Representation of farmers and greater participation of States in formulation of technical standards for holistic management of pesticides is required. It is also pertinent to strike a balance amongst all stakeholder’s aspirations.

In this background, a need was felt to bring a new legislation providing for better management of pesticides. With this in view, it is proposed to replace the Insecticides Act, 1968 by a new legislation, namely, the Pesticide Management Bill,

2020.

The Pesticide Management Bill 2020 was under assessment by the Parliamentary Standing Committee on Agriculture. The government had asked for public inputs. The Committee has recently submitted its report in December 2021 where it suggested several measures to further strengthen the Pesticide Management Bill, 2020 and to inculcate sufficient safety provisions for farmers and introduce a system of checks and balances against possible misuse of power by pesticide inspectors. Also, the Committee rejected the pesticides industry’s demand on three key issues – price control, criminalization and data protection.

The bill was presented in Rajya Sabha in 2008 with an aim to upgrade the act of 1968. In 2017, the act was upgraded and presented as a draft. The bill was introduced by the Agriculture Minister in the Rajya Sabha in 2020. The bill is expected to protect farmers from spurious brands and will promote pesticides that are biological in nature.

Central Insecticides Board and Registration Committee

All the provisions of the Insecticides Act were brought into force with effect from 1st August, 1971. In the Act and the Rules framed there under, there is compulsory registration of the pesticides at the central level and license for their manufacture, formulation and sale are dealt with at the state level. With the enforcement of the Insecticides Act in the country pesticides of very high quality are made available to the farmers and general public for house-hold use, for protecting the agricultural crops from the ravages of their pests, humans from diseases and nuisance caused by public health pests and the health hazards involved in their use have been minimized to a great extent. For the effective enforcement of the Insecticides Act, the two bodies have been constituted at the Central level viz. Central Insecticides Board and Registration Committee.

Central Insecticides Board - established Under Section 4 of the Insecticides Act, 1968

Objectives:

1.The Central Insecticides Board advises the Central Government and State Governments on technical matters arising out of the administration of this Act and to carry out the other functions assigned to the Board by or under this Act.

2.The matters on which the Board may advise includes:
a. the risk to human being or animals involved in the use of insecticides and the safety measures necessary to prevent such risk; and
b. the manufacture, sale, storage, transport and distribution of insecticides with a view to ensure

Proposal to ban certain pesticides

The government considering the demands of nations that imports from India have banned certain pesticides to avoid the loss of exports from India. For example, pesticide residue problems affected the exports of Basmati rice to the European Union (EU) following strict rules imposed by the EU on usage of chemicals. Similarly, Saudi Arabia also insisted on tightening norms on the minimum residue levels of pesticides on Basmati rice imported from India. Punjab, which accounts for close to half of the exported rice from India, then announced a ban on the usage of 9 chemicals during the kharif season 2020.

Government initiatives

Agriculture being a state subject, the State Government is primarily responsible for the growth and development of agriculture sector and developing perspective plans for their respective states and ensuring effective implementation of the programmes/schemes. However, Government of India supplements the efforts of the State Governments through various schemes / programmes. The details of various schemes, reforms and policies are given below:
1. Unprecedented enhancement in budget allocation
2. Fixing of MSP at one-and-a half times the cost of production
3. Increase in procurement from farmers
4. Income support to farmers through PM KISAN
5. Pradhan Mantri Fasal BimaYojana (PMFBY)
6. Institutional credit for agriculture sector
7. Providing Soil Health Cards to farmers
8. Promotion of organic farming in the country
9. Neem Coating of Urea
10. Agri Infrastructure Fund
11. Promotion of FPOs Scheme
12. National Bee and Honey Mission (NBHM)
13. Pradhan Mantri Krishi Sinchai Yojana (PMKSY)
14. Micro Irrigation Fund
15. Agricultural Mechanization
16. Changes in Disaster Relief Standards
17. Setting up of E-NAM extension Platform
18. Improvement in farm produce logistics, Introduction of Kisan Rail
19. Creation of a Start-up Eco system in agriculture and allied sector

Overview of bio-pesticides industry

The biopesticides sector comprises products based on microorganisms, biochemicals extracted from biological sources, macrobials (largely invertebrates) used for pest control. It is usually applied in a manner similar to chemical pesticides, but achieve pest management in an environment friendly way.

Bio-pesticides cover a wide spectrum of potential products and they can be classified as follows:

1.<u>Microbial pesticides and other entomopathogens:</u> These are pesticides that contain microorganisms like bacteria, fungi or virus which attacks specific pest species. Although most of these agents attack insect species (called entomopathogens; products referred to as bioinsecticides), there are also microorganisms (i.e. fungi) that controls weeds (bioherbicides).

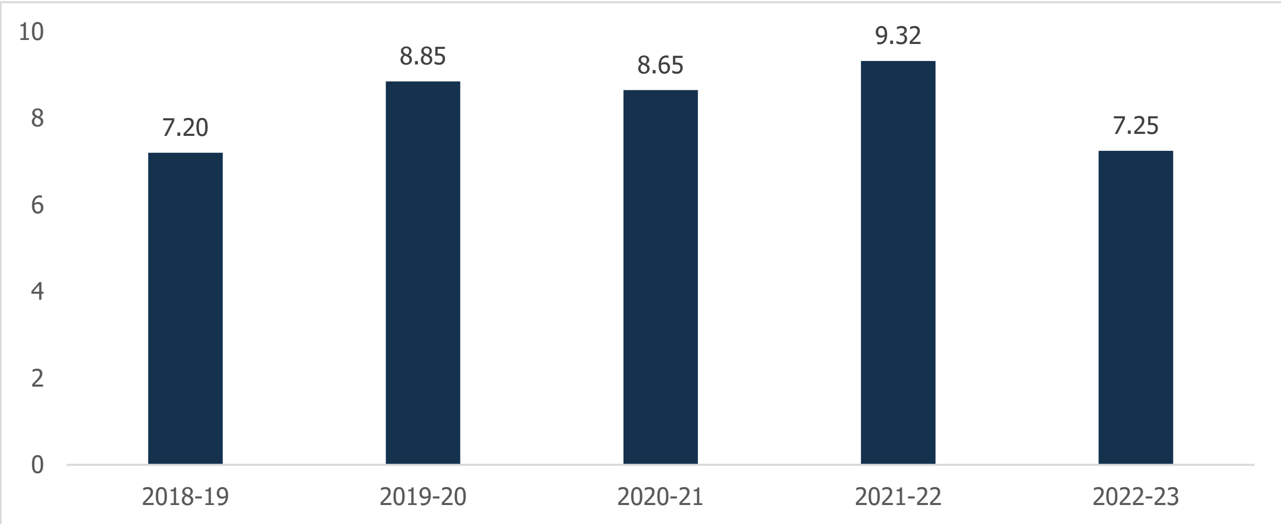
2.Plant-incorporated protectants: These include pesticidal substances that are produced in genetically modified plants or organisms, i.e., through the genetic material that has been incorporated into the plant.

3.Biochemical pesticides: These pesticides work in contrast to chemical pesticides that contain synthetic molecules which directly kill the pest. Biochemical pesticides are based on naturally occurring substances that control pests by non-toxic mechanism. They fall into different biologically functional classes including plant extracts and natural insect growth regulators.

Increasing the adoption rate of organic cultivation in India is a major driving factor for the biopesticide industry in India. Along with this, increasing food safety awareness among the households, coupled with rising environmental issues, the Government of India has banned certain chemical ingredients used in pesticides which has further augmented the growth of biopesticides.

Over the five-year period 2018-19 to 2022-23, the domestic consumption of bio-pesticides grew marginally from 7.2 thousand tonnes in 2018-19 to 7.25 thousand tonnes in 2022-23, driven by increasing adoption of organic way of farming.

Consumption of bio-pesticides (technical grade) ('000 tonnes)



Source: Directorate of Plant Protection, Quarantine & Storage

Advantages of bio-pesticides

1.Biopesticides are made of organic products, they don't possess fatal properties and are easily degradable thus do not affect the plant adversely.
2.They're pest specific and kill only one or two species of pest at a time.
3.It is pocket friendly and a little amount of biopesticide is enough for application of large fields.
4.Biopesticide is a better option as all the components are natural and plant digestible. Even the plants benefit from the nutrients of pesticides.

Disadvantages of bio-pesticides

1.Compared to conventional pesticides, biopesticides have a slower rate of control and often a lower efficacy and shorter persistence.
2.Bio-pesticides also have a greater susceptibility to adverse environmental conditions.
3.Biopesticides are not as robust as conventional pesticides and they also require a greater level of knowledge to use them effectively.

Key Players

1. Aries Agro Limited

Aries Agro Ltd was founded by Dr. T. B. Mirchandani and Mrs. Bala Mirchandani in 1969. The business of the company is manufacturing of micronutrients and other customized nutritional products for plants and animals. They started the business by manufacturing a small range of mineral feed additives for animals & birds and then diversified into mineral additives for the agriculture use.

In 1975, they diversified into nutrients for plants. They had in-house expertise in the area of mineral nutrition and hence conducted research on compounds that could deliver mineral nutrients to plants more efficiently. This research identified "Metal Chelates".

Through in-house R&D efforts, the Company branched out into Agrochemicals in 1975 with the introduction of Chelated Micronutrients. They pioneered the concept of Chelates in India with the introduction of "Agromin", a micronutrient fertilizer in the year 1975.

The company's plants are presently located at Bangalore, Mumbai, Hyderabad, Kolkata, Chattral and Lucknow, Raipur, Fujairah, UAE (Associate company). The company has a total installed capacity of 95,400 MT in India and the total capacity utilization stood at 71.43%.

Aries Agro Limited (Consolidated)				
Financial indicators	**FY21**	**FY22**	**FY23**	**H1FY24**
Net Sales (Rs. lakh)	47,451	43,237	47,223	33,970
y-o-y % change	27.7	-8.9	9.2	NA
Operating margin (PBIDTM) (in %)	12.0	11.7	12.0	12.4
Net margin (in %)	4.8	3.0	3.4	5.0
Total debt (Rs. lakh)	13,460	10,590	9,554	15,255
Return on Capital Employed (ROCE) (in %)	25.6	20.9	21.4	14.8
Interest coverage (in times)	2.2	1.0	2.4	3.2
Net Worth (Rs. lakh)	19,052	22,424	24,285	25,944
Return on Equity (in %)	11.9	5.8	6.6	6.5

Source: CareEdge Research

2. Aimco Pesticides Limited

AIMCO – An abbreviation for 'All India Medical Corporation', is a Global Entity which has its roots in the agrochemicals industry. The company is in the field of agrochemical manufacturing, formulations and marketing. The company is into the business of herbicides like triclopyr, atrazine, insecticides like fipronil, chlorpyrifos, imidacloprid, emamectin benzoate, fungicides like hexaconazole, difenoconazole among others. It also operates in business of combinations, rodenticides and fumigant, plant growth regulators.

The company has presence across 42 plus countries and exports accounted for around 58% of the sales during FY21. The company has manufacturing facility located at Lote Parshuram. In FY23, the company significantly elevated its technical-grade manufacturing capacity from 4,500 TPA to 6,000 TPA.

Aimco Pesticides Limited				
Financial indicators	**FY21**	**FY22**	**FY23**	**H1FY24**
Net Sales (Rs. lakh)	17,569	31,199	20,619	12,639
y-o-y % change	-5.2	77.6	-33.9	NA
Operating margin (PBIDTM) (in %)	5.6	6.0	1.6	7.8
Net margin (in %)	1.2	3.4	-1.1	-3.6
Total debt (Rs. lakh)	1,037	1.3	1,262	1,863
Return on Capital Employed (ROCE) (in %)	22.8	37.1	7.0	23.0
Interest coverage (in times)	2.2	12.7	1.3	6.2
Net Worth (Rs. lakh)	4080.4	5048.9	4,628.3	4,046.6
Return on Equity (in %)	5.1	21.1	-4.7	-11.3

Source: CareEdge Research

3. Basant Agrotech Limited

Basant Agrotech Limited is a part of 130-year-old 'Bhartia Group' of Akola, Maharashtra. They have a multi-product portfolio which involves various grades of fertilizers, seeds, agriculture plastics, organic products and they have also recently ventured into chemicals.

They are a leading supplier of SSP in Maharashtra and are one of the largest seed processors in India. The major types of fertilizers manufactured by them are NPK granulated mixed fertilizers and Single Super Phosphate. They have 6 manufacturing plants of fertilizers namely in Akola, Sangli, Jalgaon, Hospet, Neemuch, Madhya Pradesh, Karnataka.

Basant Agrotech Limited (Standalone)				
Financial indicators	**FY21**	**FY22**	**FY23**	**H1FY24**
Net Sales (Rs. lakh)	32,298	44,815	54,926	23,248
y-o-y % change	13.0	38.8	22.6	NA
Operating margin (PBIDTM) (in %)	5.7	6.8	6.7	5.4
Net margin (in %)	2.7	4.2	3.3	-0.7
Total debt (Rs. lakh)	3,267	7,209	12,388	14,871
Return on Capital Employed (ROCE) (in %)	12.2	17.7	18.4	6.3
Interest coverage (in times)	4.6	5.1	3.5	1.7
Return on Equity (ROE) (in %)	6.5	12.4	10.8	-1.0
Net Worth (Rs. lakh)	13,484	15,328	17,094	16,921

Source: CareEdge Research

4. Best Agrolife Limited

Incorporated in 1992, Best Agrolife Ltd. has been servicing the agrochemical industry of India and international markets, with its niche product offerings. The company has a wide range of product offerings starting from technicals, intermediates & novel formulations in the form of insecticides, herbicides, fungicides, plant-growth regulators, and public health products. The company's products are accessible in 30 plus countries across the globe and pan-India.

The company manufactures fungicides like azoxystrobin TC, picoxystrobin TC, validamycin TC, insecticides like diflubenzuron TC, ethion TC, herbicides like pinoxaden TC, metribuzin TC, plant growth regulators like forchlorfenuron (CPPU) TC, paclobutrazol TC. The company's manufacturing units are located at Gajraula in Uttar Pradesh and Jammu in Jammu & Kashmir. They have about 7,000 MTPA technical manufacturing capacity and 30,000 MTPA formulations manufacturing capacity. The company has a formulation, research & development centre at Greater Noida.

Best Agrolife Limited (Standalone)				
Financial indicators	**FY21**	**FY22**	**FY23**	**H1FY24**
Net Sales (Rs. lakh)	90,544	1,13,427	1,49,996	1,34,628
y-o-y % change	31.2	25.3	32.2	NA
Operating margin (PBIDTM) (in %)	6.5	11.5	6.4	6.2
Net margin (in %)	4.1	7.7	3.1	3.4
Total debt (Rs. lakh)	2,663	13,121	27,900	32,655
Return on Capital Employed (ROCE) (in %)	44.1	41.6	26.1	20.6
Interest coverage (in times)	12.3	12.3	4.0	4.5
Return on Equity (ROE) (in %)	28.6	27.9	13.1	11.6
Net Worth (Rs. lakh)	12,966	31,230	35,949	39,855

Source: CareEdge Research

5. Bhagiradha Chemicals & Industries Ltd

Bhagiradha Chemicals & Industries Limited (BCIL) is a professionally organized public limited company based at Hyderabad, India and dedicated to the manufacture of high-quality pesticides that includes various technical grade of insecticides, herbicides and fungicides. The company is also capable of manufacturing liquid and powder formulations using their technical grade pesticides conforming to international standards. Also, the company manufactures specialty intermediates.

The company is one of the leading manufacturers of azoxystrobin (fungicide) and fipronil (insecticide) and is engaged in the manufacturing of products such as chlorpyriphos, triclopyr, imidacloprid, diafenthiuron and others. BCIL's manufacturing unit is located near the eastern coastal town of Ongole with three production blocks, 300 kms north of Chennai. They have a production capacity of 3,250 MT. They have also commenced the construction of subsidiary's plant at Kadechur, Karnataka. Exports account for about 50% of the company's sales in general.

Bhagiradha Chemicals & Industries Ltd (Consolidated)				
Financial indicators	**FY21**	**FY22**	**FY23**	**H1FY24**
Net sales (Rs. lakhs)	31,789	43,566	50,209	22,202
y-o-y % change	29.4	37.0	15.2	NA
Operating margin (PBIDTM) (in %)	15.0	15.9	15.9	9.8
Net margin (in %)	7.4	8.2	9.0	3.8
Total debt (Rs. lakhs)	6,224	8,054	4,997	8,042
Return on Capital Employed (ROCE) (in %)	27.2	34.6	24.0	6.4
Interest coverage (in times)	4.8	6.6	15.9	5.4
Return on Equity (ROE) (in %)	15.1	18.9	14.4	2.7
Net Worth (Rs. lakhs)	15,583	18,987	31,325	31,803

Source: CareEdge Research

6. Heranba Industries Limited

Heranba Industries Ltd offers a wide range of technicals, intermediates, formulations and public health products. The segments covered by the company includes insecticides, herbicides, fungicides, plant growth which offers deltamethrin, profenophos, temephos, metribuzin, hexaconazole etc. The company has four independent manufacturing facilities located at Vapi in Gujarat. Two of these units are are involved in production of various technicals and intermediates, while the third plant is purely a formulation and packing facility. They have aggregate capacity of 16,224 MTPA across plants. Exports accounted around 48% of the company's revenues in the past three years.

Heranba Industries Ltd. (Standalone)				
Financial indicators	**FY21**	**FY22**	**FY23**	**H1FY24**
Net sales (Rs. lakh)	1,21,865	1,45,037	1,32,438	71,175
y-o-y % change	28.1	19.0	-8.7	NA
Operating margin (PBIDTM) (in %)	18.7	19.2	13.2	8.7
Net margin (in %)	12.7	13.0	8.3	4.8
Total debt (Rs. lakh)	5,028	5,233	8,901	8,384
Return on Capital Employed (ROCE) (in %)	43.2	39.1	21.4	7.3
Interest coverage (in times)	42.3	68.4	22.0	14.1
Return on Equity (ROE) (in %)	29.2	26.5	13.5	4.0
Net Worth (Rs. lakhs)	52,813	71,445	81,611	84,523

Source: CareEdge Research

7. India Pesticides Limited

India Pesticides have diversified into manufacturing herbicide and fungicide technical and Active Pharmaceutical Ingredients (API). It offers technical/APIs such as thiocarbamate, folpet, cymoxanil, captan etc. The company has two complexes at Industrial area of Uttar Pradesh State Industrial Development Corporation (UPSIDC) on outskirts of Lucknow city. The sites are equipped with facilities to manufacture both technical and formulations such as WDG, EC, WP, SL, SC etc. for domestic as well as international markets in small and bulk packing. The company has manufacturing capabilities of 30,900 KLPA and 1,21,320 MTPA which consists of granules, powder and active ingredient and bulk. The company had earned about 57% of the revenues from export market during FY21.

India Pesticides Ltd. (Standalone)				
Financial indicators	**FY21**	**FY22**	**FY23**	**H1FY24**
Net sales (Rs. lakh)	64,895	71,614	88,493	40,341
Net sales (y-o-y % change)	35.3	10.4	23.6	NA
Operating margin (PBIDTM) (in %)	29.2	31.7	23.8	14.3
Net margin (in %)	20.7	22.1	16.2	8.9
Total debt (Rs. lakh)	3,030	1,435	359	755
Return on Capital Employed (ROCE) (in %)	47.7	35.4	27.1	7.2
Interest coverage (in times)	55.2	34.8	29.4	29.8
Return on Equity (ROE) (in %)	34.5	24.8	18.5	4.5
Net Worth (Rs. lakhs)	38,949	63,837	77,501	80,229

Source: CareEdge Research

8. Madras Fertilizers Limited

Madras Fertilizers Limited was incorporated on December 8, 1996 and is a joint venture between Government of India and AMOCO in accordance with the Fertilizer Formation Agreement and the equity contributions are 51% and 49% respectively.

The company is engaged in manufacture of ammonia, urea, complex fertilizers and biofertilizers. They have their plant facilities and headquarters located across 329 acres of freehold land in Manali, about 20km north of Chennai city. The capacity utilisation of plants are at 106.8% and 2.7% for urea and NPK plants respectively.

Madras Fertilizers Limited (Standalone)				
Financial indicators	**FY21**	**FY22**	**FY23**	**H1FY24**
Net Sales (Rs. lakh)	1,53,279	2,30,216	3,44,709	91,389
y-o-y % change	18.6	50.2	49.7	NA
Operating margin (PBIDTM) (in %)	9.1	11.7	9.8	7.6
Net margin (in %)	0.2	7.0	5.4	-3.4
Total debt (Rs. lakh)	1,37,578	1,73,490	1,49,407	1,40,252
Return on Capital Employed (ROCE) (in %)	-20.1	-53.2	-117.2	-30.4
Interest coverage (in times)	1.3	2.7	4.3	2.1
Return on Equity (ROE) (in %)	-0.4	-32.1	-64.6	13.6
Net Worth (Rs. lakhs)	-69,523	-50,539	-28,707	-22,814

Source: CareEdge Research

9. Dharmaj Crop Guard Limited

Dharmaj Crop Guard offers a full-suite range of products that includes a wide array of agrochemicals like insecticides, herbicides, fumigants, fungicides, plant growth regulators, rodenticides, and others. The products offered involves fipronil 40% + imidacloprid 40% WG, hexaconazole 5% SC, pendimethalin 38.7% CS, amino acid liquid, boron 20% among others. The company business verticals include (a) Domestic Institutional sales of agro chemicals: (b) Exports: (c) Branded Products and (d) Public Health.

Manufacturing Plant of the company is located in Gujarat which have received quality control certifications ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 for development and manufacturing of agrochemical formulations. Company is having their Laboratory accredited from National Accreditation Board for Testing and Calibration Laboratories ("NABL") and in-house R&D facility. The company is rapidly growing its sales network across India as well as in overseas market and is continuously investing in expanding its manufacturing capability.

Dharmaj Crop Guard Limited (Standalone)				
Financial indicators	**FY21**	**FY22**	**FY23**	**H1FY24**
Net Sales (Rs. lakh)	29,800	38,800	52,700	41,500
y-o-y % change	54.4	30.2	35.8	NA
Operating margin (PBIDTM) (in %)	10.7	12.1	9.7	12.8
Net margin (in %)	7.0	7.5	6.3	9.2
Total debt (Rs. lakh)	2,692	3,693	5,240	7,190
Return on Capital Employed (ROCE) (in %)	42.6	42.6	14.4	13.0
Interest coverage (in times)	32.0	15.7	25.5	48.1
Return on Equity (ROE) (in %)	37.3	34.2	10.3	10.6
Net Worth (Rs. lakhs)	5,635	8,492	32,143	35,897

Source: CareEdge Research

OUR BUSINESS

Unless otherwise stated, all financial information of our Company used in this section has been derived from our Restated Financial Information. Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section entitled 'Forward-Looking Statements' beginning on page 19 for a discussion of the risks and uncertainties related to those statements, and the section entitled 'Risk Factors' beginning on page 29 for a discussion of certain risks that may affect our business, financial condition, or results of operations. We have, in this Red Herring Prospectus, also included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Statements and may not have been subjected to an audit or review by our Statutory Auditor. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates underlying, and used in such calculation, may vary from that used by other similarly placed companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and are cautioned that they should consult their own advisors and evaluate such information in the context of the Restated Financial Statements and other information relating to our business and operations included in this Red Herring Prospectus. For the purpose of this chapter the term We/Us/Our Company will refer and include Nova Agritech Limited and Nova Agri Sciences Private Limited, unless otherwise specifically mentioned.

*Unless otherwise indicated, industry and market data used in this section has been derived from a report titled 'Report on Crop Nutrition and Crop Protection Industry' dated January 02, 2024 by CARE Analytics and Advisory Private Limited **("CARE Report")** commissioned and paid for by our Company. Unless otherwise indicated, all industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

OVERVIEW

We are 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 Research and Development. We 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 products; (f) new technologies; and (g) crop protection products. Currently, the crop protection products are manufactured by our subsidiary Nova Agri Sciences Private Limited.

As on November 30, 2023, we have received a total of 720 product registrations comprising of 7 registrations in the soil health management category, 176 registrations in the crop nutrition category, 4 registrations in bio pesticide category, 7 registrations under Technical Indigenous Manufacture and 526 registrations in the crop protection category. All of the 526 registrations in the crop protection category are in the name of Nova Agri Sciences Private Limited. Further, we have applied for 14 registrations for new products across various categories in the name of Nova Agri Sciences Private Limited (NASPL) and 22 new registrations in the name of Nova Agritech Limited (NATL).

We have a total dealer network comprising of approximately 11,722 dealers out of which approximately 6,769 dealers are active to whom we have distributed and sold our products during the current financial year. Our dealer network is currently spread across 16 states of India namely Andhra Pradesh, Telangana, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Odisha, West Bengal, Bihar, Gujarat, Jharkhand, Uttarakhand and Jammu & Kashmir and 02 in Nepal. We have also entered into marketing, distribution and supply agreements with certain third parties in Bangladesh, Sri Lanka and Vietnam and are currently awaiting the necessary permission to start business in these jurisdictions.

Significant amounts of our revenue is generated from the distribution of our products in the three southern states of Andhra Pradesh, Karnataka and Telangana. The details of revenue distribution of products manufactured by NATL across the states of Andhra Pradesh, Karnataka and Telangana for the six month period ended September 30, 2023, and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are follows:

S.No	State	As at the period ended September 30, 2023		Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
		Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations
1	Andhra Pradesh	843.23	11.75%	1,718.69	14.72%	1,525.06	13.15%	3,667.23	29.34%
2	Karnataka	183.43	2.56%	780.64	6.69%	646.20	5.57%	747.63	5.98%
3	Telangana	5,458.84	76.09%	6,374.81	54.60%	7,087.56	61.09%	6,286.98	50.31%
4	Other states	688.48	9.60%	2,800.67	23.99%	2,342.38	20.19%	1,795.37	14.37%

The details of revenue distribution of products manufactured by NASPL across the states of Andhra Pradesh, Karnataka and Telangana for the six month period ended September 30, 2023, and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are follows:

S.No	State	As at the period ended September 30, 2023		Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
		Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations
1	Andhra Pradesh	279.04	5.71%	2,144.62	19.73%	*2,602.63*	24.64%	*1,093.31*	21.23%
2	Karnataka	474.47	9.70%	1133.61	10.43%	*1,063.13*	10.06%	*651.04*	12.64%
3	Telangana	2,948.79	60.30%	4,862.63	44.74%	*4,397.83*	41.64%	*2,403.14*	46.67%
4	Other states	1,188.24	24.30%	2,728.43	25.10%	2,499.10	23.66%	1,001.73	19.45%

The total volume of products manufactured and the total sales value of the products manufactured by our Company for the six month period ended September 30, 2023, and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:

NATL				
Particulars	**As at Period ended September 30, 2023**	**As per Year Ended March 31, 2023**	**As per Year Ended March 31, 2022**	**As per Year Ended March 31, 2021**
Total volume of products manufactured (kgs/ltrs)	19,33,862	28,37,672	24,06,280	26,89,537
Total sales value of the products manufactured (Amount in ₹ lakhs)	7,173.98	11,674.81	11,601.20	12,497.21

NASPL				
Particulars	**As at Period ended September 30, 2023**	**As per Year Ended March 31, 2023**	**As per Year Ended March 31, 2022**	**As per Year Ended March 31, 2021**
Total volume of products manufactured (kgs/ltrs)	4,21,218	8,76,865	8,48,256	5,84,290
Total sales value of the products manufactured (Amount in ₹ lakhs)	4,890.54	10,869.30	10,562.70	5,149.23

Our registered office and manufacturing facilities are situated at, Sy.No.251/A/1 Singannaguda Village, Mulugu Mandal, Siddipet District, Telangana over an area admeasuring 12 acres and 05 guntas. Besides the manufacturing facilities, the total area includes warehousing facilities for storage of raw material and finished goods.

Nova Agritech Limited was incorporated as a private limited company under the provisions of the Companies Act, 1956 on May 9, 2007 at Hyderabad, Andhra Pradesh. Our business was started by our founders Sambasivarao Yeluri and Kalyana Chakravarthy with an objective to be a one-stop solution provider by offering ecologically sustainable and nutritionally balanced products to the farmers. Presently, the promoters of Nova Agritech Limited are Suraksha Agri

Retail India Private Limited, Yeluri Family Trust, Malathi S and Kiran Kumar Atukuri. (For more details, please see *"Our History and Certain Corporate Matters"* on page 221).

We intend to import and distribute Technicals, which will be a prominent factor in the growth of the agriculture sector in India in the near future. Considering the same NASPL has entered into Registration and Distribution Agreements for import and distribution of Technicals with a Taiwanese entity on April 15, 2022 to act as the distributor for sales and formulation of Butachlor 85% Tech in India for a period of 5 years and a Chinese entity on April 15, 2022, to act as the distributor for sales and formulation of Emamectin Benzoate Technical 95% in India for a period of 5 years.

We run a farmer outreach program called Nova Kisan Seva Kendra program (NKSK) through which we educate farmers on various crop management practices. As on November 30, 2023, our NKSK team compromises of 24 NKSK Coordinators who are all agri-graduates and are on the payrolls of our Company. Apart from the NKSK Coordinators, our Company also have arrangements with individuals across various states who provide their services to our Company as Kisan Mitras, and Kisan Sevaks catering to the need of the farmers. As on November 30, 2023, the Company is associated with 96 Kisan Mitras and 142 Kisan Sevaks at a grass root level. The key objective of NKSK is to provide farmers with need-based solutions, products, technologies, methodologies, knowhow and usage skills, thereby enhancing farm yield. The advantage of these dedicated teams is that they can understand the local language of the farmers and are trained to identify the problems in field and are skilled to give solutions, thus creating an emotional connect with the local farmers and providing ease of solutions. 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 BHUPARIKSHAK" and also the drones called as "NOVA AGRIBOT".

We have a dedicated in-house Research and Development ("**R&D**") and a Quality Control / Quality Assurance facility at our manufacturing facilities to support technology transfer for new products and on-site process improvement incubation centre. We also have tie-ups with various universities to get access of process know-how, innovation, R&D, knowledge transfer, technology transfer, product transfer, credit support, man power, development, etc. We have taken on lease 67.13 acres of land at Valaparla Village, Andhra Pradesh as a part of R&D, wherein we test the efficacy of our products on various crops.

Financial KPIs of our Company

(Amount in ₹ lakhs except percentages and ratios)

Key Financial Performance	For the Six months period ended September 30, 2023*	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations(1)	10,321.60	21,055.54	18,556.77	16,057.74
Total Income(2)	10,324.34	21,093.35	18,561.09	16,092.66
EBITDA(3)	1,935.19	3,871.88	2,777.73	1,779.97
EBDITA Margin (%)(4)	18.75	18.39	14.97	11.08
PAT	1,038.22	2,048.95	1,368.94	630.00
PAT Margin (%) (5)	10.06	9.73	7.38	3.92
Operating Cash Flows	504.28	544.94	248.17	518.13
Net Worth(6)	7,423.08	6,387.97	4,319.12	2,942.98
Net Debt(7)	(1,757.30)	(1,079.69)	216.89	1,213.97
Debt Equity Ratio(8)	0.92	1.11	1.49	1.74
ROCE (%)(9)*	12.87	27.25	23.81	19.87
ROE (%)(10) *	15.03	38.27	37.70	24.08

** Not annualised*

(1) Revenue from operation means revenue from sales, and other operating revenues.

(2) Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.

(3) EBITDA means Profit before depreciation, finance cost, tax and amortization, less other income

(4) 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.

(5) 'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.

(6) Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance sheet, but does not include reserves created out of revaluation of assets, capital reserve arising on

consolidation, capital redemption reserve, write-back of depreciation and amalgamation.
(7) Net Debt is total of short term borrowing, long term borrowing and trade payables minus total liquid assets. Total liquid asset is summation of cash and cash equivalent and current and non-current bank balance and trade receivables.
(8) Debt equity ratio means ratio of total debt (long term plus short term including current maturity of long term debt) and equity share capital plus other equity.
(9) Return on Capital Employed is ratio of EBIT and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and short term borrowing.
(10) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total income	Total income is used by the management to track revenue from operations and other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Operating Cash Flows	Operating cash flows activities provides how efficiently our company generates cash through its core business activities.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Net Debt	Net debt helps the management to determine whether a company is overleveraged or has too much debt given its liquid assets
Debt-equity ratio (times)	The debt to equity ratio compares an organization's liabilities to its shareholders' equity and is used to gauge how much debt or leverage the organization is using.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

Our 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.

We have a diversified branded product portfolio and offer varied range of products as a complete solution for agricultural requirements such as comprehensive range of soil health management, crop nutrition and crop protection. We manufacture a wide range of product categories consisting of soil health management products such as organic fertilizers, bio fertilizers and soil conditioners; crop nutrition products such as micronutrient fertilizers, beneficial element fertilizers, straight nitrogen fertilizers, straight potash fertilizers and 100% water soluble NPK fertilizer; and crop protection products such as insecticides, fungicides, herbicides and plant growth regulators.

As on November 30, 2023, we have received a total of 720 product registrations comprising of 7 registrations in the soil health management category, 176 registrations in the crop nutrition category, 4 registrations in bio pesticide category, 7 registrations under Technical Indigenous Manufacture and 526 registrations in the crop protection category. All of the 526 registrations in the crop protection category are in the name of NASPL. Further, we have applied for 14 registrations for new products across various categories in the name of NASPL and 22 new registrations in the name of NATL. Through our R&D efforts, we constantly update and enhance our product portfolio to match the evolving landscape of the industry. Our focus is on farmer driven solution approach, wherein we mainly offer ecologically sustainable and nutritionally balanced products.

Only once the products are registered, the company can start manufacturing these products. As on November 30, 2023 the Company has the license to manufacture 720 products in various categories. The details of the registrations and products manufactured by the Company and its Subsidiary are as given hereinbelow:

NATL		
Category	**Manufacturing Licenses**	**Products Manufactured**
Soil Health Management	7	7
Crop Nutrition	176	82
Bio-Pesticides	4	-
Technical Indigenous Manufacture	7	-
Grand Total	**194**	**89**
NASPL		
Category	**Manufacturing Licenses**	**Products Manufactured**
Crop Protection	526	102
Grand Total	**526**	**102**

Product Category Wise

Soil Health Management

Year	For the period April 1, 2023 to November 30, 2023	For the year ended March 31,2023	For the year ended March 31, 2022	For the year ended March 31, 2021
New products registered in that year	Nil	2	Nil	1
Year-end balance of registered products	7	7	5	5

Crop Nutrition

Year	For the period April 1, 2023 to November 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
New products registered in that year	8	35	9	1
Year-end balance of registered products	176	168	133	124

Crop Protection

Year	For the period April 1, 2023 to November 30, 2023	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
New products registered in that year	45	175	54	14
Year-end balance of registered products	526	481	306	252

Apart from the ones mentioned hereinabove, we have obtained 4 registrations for bio pesticides products during the financial year 2021-22. We have applied for 3 registrations for bio stimulants products and the approval for the same has been received during financial year 2022-23. Further, we also have received approvals under Technical Indigenous Manufacture for 7 products in NATL in financial year 2023-24.

Further, the Company as a part of its vision to create a one stop solution are manufacturing various products consisting of a combination of two or more active ingredients, which ensures ease of application and increases crop yield. For example, Portika - (Lambda+ Thiamethoxam) controls Borer and Sucking pest, Nova Googley - Macro nutrient+ Micro Nutrients+ Polymeric Acid Substance+ Aspartic Acid+ Glutamic Acid+ Bio Root Promoter and this rectifies the deficiency symptoms that occurs in macro/micro nutrients, also promotes root growth and provides plant tolerance to pests and diseases. Such offering of a single product consisting of a combination of two or more ingredients allows the farmer to invest in a single product acting for multiple requirements rather than multiple products and thus rationalizes the input cost of the farmer. Such products are pre-dominantly used for cotton, chilly, vegetables, paddy, maize, pulses, sugarcane and all crops which contains pests, diseases and nutrient complex problems.

Established distribution network across various geographies through many dealers.

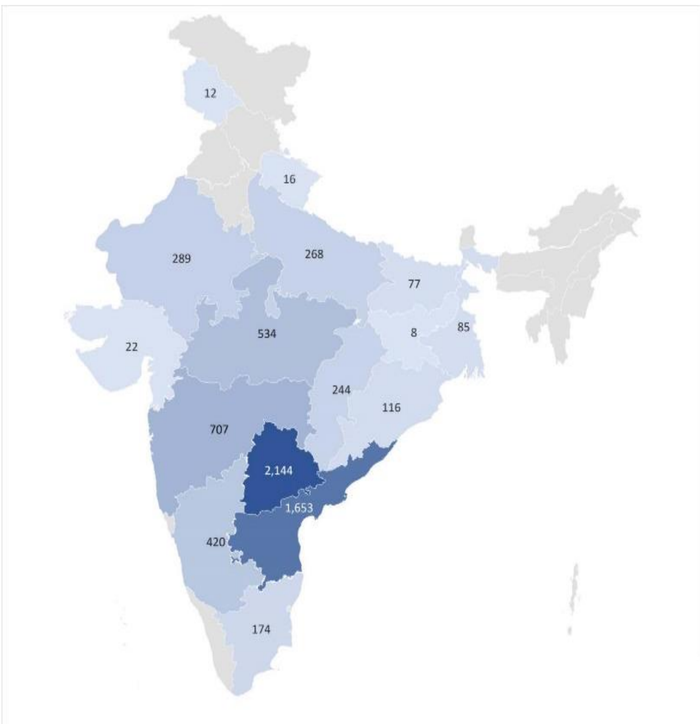
We market, sell and distribute our wide range of products to our farmers across India by the help of our distribution channel of dealers spread across various states. We have a total dealer network comprising of approximately 11,722 dealers out of which approximately 6,769 dealers are active to whom we have distributed and sold our products during the current financial year. Our dealer network is currently spread across 16 states of India namely Andhra Pradesh, Telangana, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Odisha, West Bengal, Bihar, Gujarat, Jharkhand, Uttarakhand and Jammu & Kashmir as of November 30, 2023, along with 02 dealers in Nepal. We have also entered into marketing, distribution and supply agreements with certain third parties in Bangladesh, Sri Lanka and Vietnam and are currently awaiting the necessary permission to start business in these jurisdictions.

Due to our widespread dealer network, we are able to supply soil health management, crop nutrition and crop protection products to farmers, within the required time, which is critical considering the seasonal nature of the agricultural business. We follow a defined process of identifying a dealer, based on certain assessment system that we follow, to ensure that we reach out to as much of the geographical limits of the country as possible.

We have a sales team of 160 employees, who are responsible for managing branded sales, establishing and managing the distribution channel and product promotion. We also have employees, who continuously are dealing and engaged with the promotion of our products to increase our brand value at the farmer and dealer level. We also encourage a practice of certain credit period to our dealers for ease of payments. Our team of officials ensure that we keep our dealers updated of the current trends in global and domestic agriculture industry and about our new products, for higher sales and visibility. Our direct presence in the major markets with own distribution channels, sales force and marketing manager, have helped us in overall growth of the business. Our marketing team also plays an important role in the development of new products based on their study and feedback on market trend, farmer requirement and diversification.

Our relationship with the dealers and availability of our own sales force, enables us to introduce new products in a timely manner and also allows us to make it accessible to as many farmers as possible. We also benefit from their feedback, which enables us to gauge the demand for our existing formulations and generic active ingredients. We have entered into agreement with some of the parties on C&F agent basis for distributing our products to dealers.

Below is the map depicting our active dealer network across India:



Strengthening farmer outreach through Nova Kisan Seva Kendra.

We run a farmer outreach program called Nova Kisan Seva Kendra program (NKSK), through which we educate farmers on various crop management practices. As on November 30, 2023, our NKSK team compromises of 24 NKSK Coordinators who are all agri-graduates and are on the payrolls of our Company. Apart from the NKSK Coordinators, our Company also have arrangements with individuals across various states who provide their services to our Company as Kisan Mitras, and Kisan Sevaks catering to the need of the farmers. As on November 30, 2023, the Company is associated with 96 Kisan Mitras and 142 Kisan Sevaks at a grass root level. The key objective of NKSK is to provide farmers with need-based solutions, products, technologies, methodologies, knowhow and usage skills thereby enhancing farm yield.

Our three tier NKSK programme comprising of NKSK Coordinators, Kisan Mitras and Kisan Sevaks ensures that we are able to penetrate at the grass root level of the agricultural ecosystem and have a personalised connect with the farmer network. The Kisan Sevaks are well versed with the local language and helps in grass root level connect with the farmers at a local village level to understand their necessity and requirement from a market trend and demand perspective. The Kisan Mitras helps in connecting at the district level and carry out the trials and the NKSK Coordinators helps 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. This enables us to provide customised solutions with our existing product portfolio or by developing new products and solutions, as per the changing market trend and demand. This farmer outreach programme also strengthens our brand value and recall of our existing products in our existing markets and also develop newer markets.

Our NKSK programme is spread across various states of the country wherein we organize demo-programs, local level meetings, demonstration of our services and products at a local level in a smaller manner and for a larger audience, engage in telephonic conversation with various farmers and connecting through short message services. State-wise number of NKSK programmes conducted by our Company for the periods mentioned below:

Name of the State	As at September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Andhra Pradesh	609	22,604	20,422	10,503
Chhattisgarh	463	947	524	17
Karnataka	276	6,236	5,200	4,355
Madhya Pradesh	590	3,564	-	-
Maharashtra	463	6,393	1,074	800
Odisha	133	2,117	569	288
Rajasthan	350	3,198	-	-
Tamil Nadu	-	25	1,563	207
Telangana	801	15,141	9,663	8,282
Uttar Pradesh	607	5,482	161	29
Grand Total	**4,292**	**65,707**	**39,176**	**24,481**

The feedback received from the NKSK team further strengthens our inventory management practices, assist in proper production planning and fortify our dealer network in the geographies we operate in.

Technology driven product development and marketing.

Across the value chain of our business, we use technology to understand the evolving dynamics of the market, assess farmer needs to enhance our product portfolio, provide solution and cater to the changing demand and requirement of the market. The agricultural landscape is constantly evolving and it is important that our business approach is aligned to such changes. The use of technology helps us to adapt to such changes in a timely manner. Our various implementation of technology and its details are enumerated herein below:

Bhuparikshak: AgroNxt Services Private Limited and NATL have entered into a MOU dated May 26, 2022 wherein AgroNxt has agreed to offer our Company, Bhuparikshak device for sale, provide training support to our staff and also after sales service. Bhuparikshak is first-of-its-kind novel device capable of detecting soil health in just 90 seconds through an embedded mobile application. It would assist individual farmers in obtaining soil health parameters of agricultural fields with recommended dose of fertilizers without having to go to a laboratory. The device is based on near infrared spectroscopy technology that provides real-time soil analysis reports on smartphones with an embedded mobile application named Bhuparikshak which is available on Google Play Store.

Bhuparikshak has certain advantages over conventional methods such as (a) reduction in cost of soil report charges; (b) saving lab establishment costs; (c) no requirement of space to set up a lab; (d) less manpower and training involved; (e) user friendly and time efficiency.

Nova Agribot: NATL has entered into a MOU with IoTechWorld Avigation Private Limited on February 01, 2022. In accordance to the terms of the MOU, IoTechWorld Avigation Private Limited will be manufacturing and supplying the DGCA approved drones advanced multipurpose agriculture drones along with after sales support, spares, legal compliance, insurances, customization and etc., and NATL will educate and convince its dealers and farmers to purchase the same along with assisting them in obtaining financial assistance through banks or government subsidy for the same. This drone technology is developed to cater to the farmers and reduce their burden. Drones can help farmers to optimize the use of inputs (seed, fertilizers, water), to react more quickly to threats (weeds, pests, fungi), to save time crop scouting (validate treatment/actions taken), to improve variable-rate prescriptions in real time and estimate yield from a field. This is a Director General of Civil Aviation (DGCA) approved drone for the purpose of the agri sector. This drone will allow a farmer to spray any sort of soil health management, crop nutrition and crop protection products over an area of one acre of land in six minutes, thus reducing the time of spraying such products and also making the process much easier. We intend to start pilot training programmes to educate the farmers regarding the drone and the way to operate the same, for a better yield. This would reduce the burden of the farmers, the usage of excessive labour force and will reduce the wastage of products, by ensuring the current amount of spraying due to the technology.

The advantages that Agribot has over conventional methods are that (a) it improves efficiency; (b) can cover large area of land quickly and efficiently; (c) it allows farmers to gather data and monitor crops more effectively; (d) the sensors which detect the foliage which enables the Agribot to spray effectively based on the affected area; (e) Agribot can help to reduce costs by identifying areas of the farm that require attention, reducing the need for manual labour and reducing the use of pesticides and other chemicals (f) Agribot can capture high-resolution images and data, providing farmers with a detailed view of their crops. This can help to identify areas that require attention and ensure that interventions are targeted and effective and in a more accurate manner (g) Agribot requires less water when compared to conventional method.

Usage of new technologies for soil testing similar to Bhuparikshak and Agri based drones similar to Agri bot is a recent development in the agri-input sector and is driven by high degree of confidential information, technical know-how and intellectual property.

Nova Kisan Seva Kendra Application: The main objective to introduce this application is to create a bridge between research and the grass root level of the farmer field, to ensure that we develop the right product to cater to the changing requirement. With the multi-level approach of the application, it helps in grass root level connect with the farmers to understand their necessity and requirement and the problems they face and with research we try to come out with a solution of creating the right mix of product as required by the farmers. The application contains the data of farmers which is updated by the marketing team regularly.

Technology Transfer: As a part of our development programme, we reach out to various educational institutions and tie up with them for research-based programmes to develop new technologies for the agri industry. Such new technologies will enhance the quality of yield and the productivity in the agri sector. Some of the Universities with whom we already have Memorandum of Understanding for the purpose of the REACH programme are Indian Institute of Plantation Management, Bangalore (IIPMB), Kadiri Babu Rao Educational Society at Andhra Pradesh, Kavayitri Bahinabai Chaudhari North Maharashtra University at Maharashtra and Sharda University in Uttar Pradesh along with few other educational institutions. We have also entered into agreements with certain technology-based companies to come up with state of the art and modern technology driven solutions for the farmers.

Social Media: We have a dedicated team of professionals focused completely on marketing through use of various forms of social media. We have a dedicated Facebook and Instagram page regarding our products, its usage and benefits. We also operate a dedicated YouTube channel, NOVA AGRI TECH, wherein we showcase videos regarding our products, its benefits, how to use them and testimonial from various farmers providing inputs relating to our products. We currently have approximately 10,900 subscribers of our YouTube channel. We also reach out to farmers through bulk messaging and also through whatsapp messaging service updating them about our new products and its benefits.

Focus on ecologically sustainable and nutritionally balanced products. 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. Such ecologically sustainable and nutritionally balanced products increase the fertility of the soil and the toxicity levels of the crop is low, thus making it more benign for human consumption. With rise in population, the availability of land for the purpose of agriculture is reducing with each day. Considering the same, it is imperative that we try to ensure that we safeguard the quality of the soil for coming generations. As a part of our focus towards manufacturing such products, we have by virtue of our research have developed various products catering to different requirement of the agri industry.

Organic fertilizers for soil health management: Organic fertilizers add organic matter to the soil, thus contributing to the health of the soil. It increases both the water-holding capacity and cation exchange capacity of the soil. They stimulate microbial activity and improve soil structure. Organic fertilizer contains carbon as part of its natural composition, along with nitrogen, phosphorus and potassium that feeds microbes and enables them to create nutrients available for plants in a naturally occurring biological process. Organic fertilizers are safe, easily bio-degradable and do not cause environmental pollution.

Biofertilizers for soil and crop nutrition management: Biofertilizer is a material which contains living microorganisms. When applied to crop surfaces, they promote plant growth by increasing the supply of primary nutrients to the crop. Bio- fertilizers add nutrients through natural processes such as nitrogen fixation, solubilizing phosphorus, mobilising potash and stimulating crop growth. Bio-fertilizer involving microorganisms could easily convert complex organic material into simpler compounds, in order for crops to easily absorb them. Bio-fertilizers can raise the productivity yield per unit area in a short time, use smaller amounts of energy, reduce contamination of soil and water, increase soil fertility, and encourage biological control of phytopathogenic organisms. Usage of such Bio fertilizer do not cause environmental pollution.

Integrated Pest Management products for crop protection: Chromatic traps and Pheromone lures utilize insect hormones that simulate the type of scent produced by the female insect to attract their male counterparts. Male insect lured into traps are prevented from mating further and in turn reducing the pest population in agricultural or horticultural crops.

Bio Pesticides: Bio Pesticide is a biological substance or organism that damages, kills or repels organisms seen as pests. Bio Pesticides pose minimal danger to individuals and the environment making them a relatively safer alternative to chemical or chemical-derived pesticides. Environmental safety and host specificity are the main benefits of bio pesticides in managing agricultural pests. Examples of bio pesticides are Beauveria bassiana, Verticillium lecanii, Metarhizium anisopliae.

Bio Stimulants: Bio Stimulants are a substance or micro-organism or a combination of both whose primary function when applied to plants, seeds or rhizosphere is to stimulate physiological process in plants and to enhance its nutrient uptake, growth, yield, nutrition efficiency, crop quality and tolerance to stress regardless of its nutrient content, but does not include pesticides or PGRs which are regulated under the Insecticide Act, 1968. Bio Stimulant may be classified as botanical extracts including seaweed extracts, bio-chemicals, protein hydrolysates and amino acids, vitamins, cell-free microbial products, anti-oxidants, anti-transpirants, humic and fulvic acid and their derivatives.

Nutritionally balanced products: A crop typically requires 16 different nutrients during its growth cycle, which has to be applied in a balanced and correct way during the different stages of crop growth. Deficiency of such nutrients or high application of such nutrients will affect the growth and the quality of the crop. Our focus is to develop and manufacture products to ensure that the crop gets the nutrients as per the requirement.

Experienced Management Team and Promoters.

We are led by a management team with extensive experience in the agricultural sector. Our management team consists of a mix of individuals with professional, technical and commercial experience in the agricultural industry. Our team is well qualified and experienced in industry and has been responsible for the growth of our operations. The team comprises of personnel having technical, operational and business development experience. We have employed suitable technical and support staff to manage key areas of activities allied to operations. The stability of our management team and the industry experience brought in coupled with the long-lasting client relationships, will enable us to continue to take advantage of future market opportunities and expand into new markets. Our Promoters have been a key factor in driving our growth in revenue and earnings through efficient management and execution.

Kiran Kumar Atukuri, the Managing Director and the Promoter of the Company, is having experience of over 23 years in agri chemical companies, seed companies and fertilizer companies. He has completed his Bachelor of Science in Agriculture from Acharya N. G. Ranga Agricultural University and Master of Business Administration from Nagarjuna University. 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. Sreekanth Yenigalla who is a Whole Time Director of the Company holds Bachelor of Science degree in Agriculture from Acharya N. G. Ranga Agricultural University and has more than a decade of experience in Agricultural Industry. His functional responsibility includes developing industry networks for further business development, setting up the key processes for scaling up, building business partnerships and collaborations. Nadella Basanth Kumar is also a Whole Time Director of the Company and has done his Bachelor of Science from Kakatiya University and Master of Science in Bio Technology from Osmania University. He has 12 years of work experience in R&D and Manufacturing Operations in our Company. His functional responsibility involves handling of R&D, Manufacturing and Regulatory affairs activity of our Company. *(For more details, please see Our Management on page 233*.

Our management team responsible for the growth of our Company is associated with us for over a decade now and has been the driving force for our Company. In the year 2022, we have been awarded the 'Leader with Strategic Vision-Business Transformation' by Agri Business Summit & Awards ABSA, 2022. Our experienced leadership team and key managerial personnel enable us to grow our business with emphasis on innovation and alignment of strategies to meet the evolving dynamics of the agricultural landscape.

Well Equipped Research & Development facility.

We have a dedicated in-house R&D facility and a Quality Control / Quality Assurance (QC/QA) facility at our manufacturing facilities to support technology transfer for new products and on-site process improvement incubation centre. We also have tie-ups with various universities to get access of process know-how, innovation, R&D, knowledge transfer, technology transfer, product transfer, credit support, man power, development, etc. We have taken on lease 67.13 acres of land at Valaparla Village, Andhra Pradesh as a part of R&D wherein we test the efficacy of our products on various crops.

We have dedicated teams actively involved in R&D and QC/QA Lab activities. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which enhance our product range. The focus of our R&D has been to strive for continuous process improvements and achieving manufacturing cost efficiencies for existing as well as new products. This helps in improving o/ur procurement process thus reducing wastages, returns and other related costs. Our well-equipped R&D facilities are backed up by other departments through a responsive process that ensures the successful results of research to reach farmer community. Our R&D efforts and innovations have enabled us to expand our scope of operations and we have increased our product range over the years, which in turn has resulted in substantial recognition of our brand in the Agri-product Industry. With an aim to offer a wide product portfolio across the Agri-value chain, we continue to expand our product portfolio by introducing new products. Considering the imperative role of research and development facility for quality products, we have taken initiative for dedicated R&D facility from the initial days of our operations. Our laboratory is equipped with state of art facilities conforming to global standards to ensure product quality. Our R&D department has been working consistently for improving and upgrading the existing range of products and towards product efficacy and to ensure that we come up with more enhanced and better range of products. We intend to obtain DSIR-Certification of our R&D laboratory. As at November 30, 2023, we have 27 employees dedicated towards the process of R&D at our manufacturing facility. Our focus with our R&D is to ensure that we develop newer technologies and manufacturing processes for existing as well as new products, which will help us to reduce the cost of production, improving product efficacy simplify manufacturing processes to improve safety, reduce environmental load and provide us with other growth opportunities. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which enhance our product range. This helps in improving our procurement process thus reducing wastages, returns and other related costs. Our well-equipped R&D facilities are backed up by other departments through a responsive process that ensures the successful results of research to reach farmer community. Our R&D efforts and innovations have enabled us to expand its scope of operations and we have increased our product range over the years, which in turn has resulted in recognition of our brand in the Agri-product Industry.

The main objective of our R&D programme is to provide cutting edge technologies by developing new products aimed at improving soil and plant health, as well as enhancing yield potential of crop plant for obtaining sustainable higher yields as end to end solutions for farming community to make agriculture more profitable and sustainable. Our R&D department supports and works towards the evaluation of new and current formulations in different agro-eco regions of the country, promotion and creating awareness about new products in the sector, channelizing information to consumers for the right technical use and the knowhow of the product for proper efficiency and result, developing interface with the state departments of agriculture and training of Agri-input dealers & farmers by providing them the correct knowledge about the product and the crop to ensure better productivity.

From our R&D process we have achieved various benefits for our Company such as:

a. Developed amino acid chelated multi-micronutrient mixtures by spray drying method in powder form. These products provide solution for micronutrient deficiencies in plants by efficient absorption of nutrients and plant protection from abiotic stress conditions and helps in increasing yields.

b. Developed organic fertilizer products from various sources of organic manures, which are rich in organic carbon and have potassium and other micronutrients. These products increase soil health by creating favourable environment for colonization of beneficial microbes in the rhizosphere and help minimize biotic stress conditions in plants.

c. Developed chelated liquid multi-micronutrient mixtures by using organic inputs. The product developed by this method will deliver efficient uptake of nutrients, helps in increasing brix contents in fruits, vegetables and other crops.

d. Developed controlled water dispersible granular (CWDG) fertilizer for providing micro- and macronutrients to plants for prolonged period at optimum concentration for crop season.

e. Developed chelated organo-mineral secondary and micronutrients using organic acids for delivering mineral salts which otherwise have limited solubility in water.

The consolidated R&D expenditure incurred by our Company for the six months period ended September 30, 2023, FY 2022-23, FY 2021-22, and FY 2020-21 are ₹ 36.24 lakhs, ₹ 65.67 lakhs, ₹ 49.62 lakhs and ₹61.23 lakhs, respectively representing 0.35%, 0.64%, 0.48% and 0.59% of the total revenue to the corresponding periods.

Our Strategies

Enhance our product portfolio by expanding our manufacturing capacities and increasing our competencies.

As a part of one of our Objects of the Offer, NATL intends to invest in NASPL for setting-up a new formulation plant and also funding capital expenditure in NATL, towards expansion of our existing formulation plant at our owned property located in Sy.No.251/A/1 Singannaguda Village, Mulugu Mandal, Siddipet District, Telangana, wherein our existing factory is already situated. With the proposed expansion of our manufacturing capacity as a part of the objects of our offer forms a part of our detailed business plan as duly approved vide board resolutions dated February 27, 2023 and December 26, 2023, we intend to come up with advanced, safe, effective and efficient mechanism of creating formulated products. We intend to increase the capacity of Suspension Concentrate (SC) formulations and also can add new formulation types like Capsule Suspension (CS), Suspo Emulsion (SE), Mixed formulation of CS&SC (ZC), Water Dispersible Granules (WDG) and Granules, thus allowing us to enhance our product range and production capacity *(For more details, please see "Objects of the Offer" on page 106*).

Our proposed expansion of manufacturing capacity will help us in increasing our competency level, making us self-sufficient in many ways across the entire manufacturing cycle of the product. The way the farming market is innovating and changing its dimension, it is growing towards restoring soil and crop health ecosystem for sustainable agriculture and to cater to such requirement, we intend to increase our strength in Biological Pesticides, Biological and organic fertilisers. The expansion of manufacturing capacity will leverage us to increase our visibility and secure future marketplace of biological products by enhancing our production capacity.

Agriculture sector was holding a growth momentum till FY18. In FY19, the acreage for the rabi crop was marginally lower than previous year which affected the agricultural performance. Whereas, FY20 witnessed growth on account of improved production. During the pandemic, year FY 21, the agriculture sector was largely insulated as timely and proactive exemptions from covid- induced lockdowns to the sector facilitated uninterrupted harvesting of rabi crops and sowing of kharif crops. However, supply chain disruptions impacted the flow of agricultural goods leading to high food inflation and adverse initial impact on some major agricultural exports. However, performance remained steady in FY 22 (*Source: CARE Report*).

With the increase in demand and with reduction of space, farmers are trying to adopt and use various methods to provide higher yield and which may have an impact on the quality of yield. Declining average farm sizes and growing populations, small and marginal farmers are adopting multi cropping practices to mitigate risk and secure income. Our R&D team is continuously engaged in understanding the market requirements and works towards delivering sustainable chemistry allowing our trial team to assess the product performance and release products which can create a good brand value proposition by designing "Integrated Crop Management" schedule of our inputs for major crops starting from soil health management to plant nutrition and crop protection. Our proposed enhancement of our manufacturing capacity as a part of our Objects of the Offer will help us in delivering such sustainable products to the farmer community.

Our aim is to work and develop in focused areas of our business keeping in view the regulatory and environmental challenges that we may face to provide precise one stop solution for crop protection, crop nutrition and soil health management to the farmers. We intend to expand our product portfolio by offering new generation products created and formulated based on patented formulations, thus creating a wider catalogue of enhanced modern products ready to be offered to the farmers to cater to their farming needs at various levels. We have classified our branded products on Focus 1, 2 and 3 based on the profitability and business growth expected in future. We want to add more products with high margin in each segment. We already identified such products and intend to procure the registrations for the same.

Continued focus on product registrations for domestic and international market expansion.

Agri inputs are regulated and need to pass through regulatory approvals prior to market introduction of any product. The agricultural sector is seasonal and is mainly dependent on monsoon. As a part of mitigating the risk, we started diversifying into different states through the network of our dealers and obtain licences. We intend to continue our investments for domestic and international market in obtaining registrations and licenses across various geographies to mark our footprints and scaling up our business.

Our focus is to keep innovating our product offering through our R&D process and obtain the registrations for such new formulations and the products at regular interval to ensure that we have a complete solution of varied product offering for agricultural sector.

As on November 30 , 2023, we have received a total of 720 product registrations comprising of 7 registrations in the soil health management category, 176 registrations in the crop nutrition category, 4 registrations in bio pesticide category, 7 registrations under Technical Indigenous Manufacture and 526 registrations in the crop protection category. All of the 526 registrations in the crop protection category are in the name of NASPL. Further, we have applied for 14 registrations for new products across various categories in the name of NASPL and 22 new registrations in the name of NATL.

We have succeeded in process development and integrated the supply chain for leveraging manufacturing operations. We intend to continue our focus on investment in process automation through technology upgradation and innovation, to improve our products and services and to cater to the constant changing customer preferences. We intend to apply to Department of Scientific and Industrial Research (DSIR) certification for our in-house R&D projects, which leverages us to get benefitted from Government of India Research project collaborations with various universities and thus allowing us to have an advantage in the ever changing and innovating agricultural sector.

Expand to newer geographies including expanding our export business to newer and wider spectrum.

The micronutrient market has grown at a Compound Annual Growth Rate (CAGR) of 7.1% from 6,85,000 MT in FY17 to 9,00,000 MT in FY21. The Indian agricultural micro-nutrient market size was USD 538.4 million in 2021. Going forward, the market size is likely to grow at a CAGR of around 8%-10% by 2025. The consumption of water-soluble fertilizers has grown at a Compound Annual Growth Rate (CAGR) of 13.6% from 1,80,000 tonnes in FY17 to 3,00,000 tonnes in FY21 and is expected to see further traction. The total production in 2021-22 of carrier-based solid biofertilizers in India was about 169 thousand tonnes. This marked a growth of about 40% from 2018-19. It increased at a CAGR of 8.7% during 2017-18 to 2021-22. In the case of liquid fertilizers, India produced about 2,32,934 kiloliters of liquid biofertilizers in 2021-2221. This marked a growth of about 2479% from 9,033 kiloliters in 2017-18. This segment grew by a higher 125% CAGR during 2017-18 to 2021-22 (*Source: CARE Report*).

During the five-year period 2017-2021, the production of organic fertilizers has grown at a Compound Annual Growth Rate (CAGR) of 11.3% from 28.03 million tonnes in 2017 to 42.94 million tonnes in 2021. Over the five-year period 2018-19 to 2022-23, the domestic consumption of bio-pesticides grew marginally from 7.2 thousand tonnes in 2017-18 to 8.9 thousand tonnes in 2021-22, driven by increasing adoption of organic way of farming. The overall Indian pesticides market grew at a CAGR of 6.6% from Rs.368 billion in 2013-14 to Rs.655 billion in 2022-23. In terms of USD, the Indian market increased at a CAGR of 3.0% from USD 6.1 billion in 2013-14 to USD 7.9 billion in 2022-23 *CARE Report*).

Our strategy is to reach out to more geographies within India and enhance the presence and reach of NKSK program to pan India forms a part of our detailed business plan as duly approved vide board resolutions dated February 27, 2023 and December 26, 2023. By reaching out to more geographies within India, we intend to provide our services to a larger number of farmers, share the knowledge and educate them to ensure a better productivity. Our strategy is to ensure that through our NKSK program, we help in building our brand relationship with the farmers and enhance our scalability through online sales. We have identified specific markets, wherein we intend to invest in acquiring export registrations as per regulatory guidelines of the respective countries. Presently, we are exporting our products to Nepal. We have entered into marketing, distribution and supply agreements with certain third parties in Bangladesh, Sri Lanka and Vietnam and are currently awaiting the necessary permission to start business in these jurisdictions.

We also intend to explore and penetrate into certain African countries. Considering the agricultural sector of certain African countries and the demography, our products will have a lot of potential in that market and we are currently exploring the possible opportunities for the same. We are focusing in expanding our product portfolio and sales through third party online platforms, thus ensuring that our products are accessible to a wider geographical reach. A good marketing channel is one of the many strengths for an Agri input company, as it serves many functions, including creating utility and facilitating exchange efficiencies and allows it to explore and penetrate the market of various jurisdictions. We have succeeded in developing a core team of professionals to help us with the marketing aspect of our product and ensuring that we take our products to various parts of the country.

Agri input dealers are the direct connect to the farmers in delivering the successful products on a day to day basis, to cater to their farming needs. Our catalogue of dealers across various states, with whom we have a very healthy relation allows us to have the bandwidth of wider access and thus help in growing our sales. As a strategy we would want to increase the number to penetrate our brand as per our plan and gain foothold to wider regions and increase our sales accordingly. We are also working to increase our strength in Institutional sales business by getting new product registrations and geographical expansion. Apart from regular bulk business to other companies, we are now focusing on branded sales. We want to ensure we gain a foothold on the number of dealers in each state wherein we have the registration for our products to gain an advantage in the market and to ensure that we are able to penetrate further.

Our strategy is to deepen farmer interface by providing holistic solutions and improve our operational parameters.

We intend to deepen our interface of farmers to reach to the grass root level, understand the problem and by providing a one stop holistic solution. Our integrated crop advisory platform’s main objective will be to provide the right amount of knowledge and information to the farmers and educate them regarding various aspects of evolving trends and new methods to ensure a better yield and sales. As detailed in our business plan duly approved vide board resolutions dated February 27, 2023 and December 26, 2023, we plan to introduce a subscription model concept amongst the farmers regarding our programme and usage of our modern technologies such as Agribot and Bhuparikshak, thus providing them the ease and benefit of obtaining the correct set of data and information and using the aforesaid modern technologies at a very minimised subscription model rates. This will allow them to have the choice to opt for a subscription scheme-based model, which may be economically more viable for them. By providing these holistic solutions, our strategy is to improve our end user loyalty to ensure that the farmers rely on our approach and continue being a loyal customer to us. We intend to improve our scalability and operational parameters by providing such holistic one stop solution to farmers.

Enabling “REACH” towards business tie-ups with academic, domestic and international business partners.

One of our strategies is to scale new heights by collaborating with academic and educational institutions and get the best results out of such collaborations. This will ensure that we acquire the best of talent and intellectual minds to manufacture and produce enhanced and better quality of products to cater to the demand of farmers as per changing requirements. We continue to focus on program “REACH” (Research for Industrial and Academic Collaborations to reach new Heights) to infuse new, emerging technologies and products for sustainable future of organization to retain its market position. We intend to leverage our business relationships through long term supply agreements, tie ups with reliable and reputed organisations, and universities to get access for process know how, innovation, R&D, knowledge transfer, technology transfer, product transfer, credit support, man power, development etc.

As a part of our development programme, we reach out to various educational institutions and tie up with them for research based programmes to develop new technologies for the agri industry. Such new technologies will enhance the quality of yield and the productivity in the agri sector. Some of the Universities with whom we already have Memorandum of Understanding for the purpose of the REACH programme are Indian Institute of Plantation Management, Bangalore (IIPMB), Kadiri Babu Rao Educational Society at Andhra Pradesh, Kavayitri Bahinabai Chaudhari North Maharashtra University at Maharashtra and Sharda University in Uttar Pradesh along with few other educational institutions.

Focus towards Modern Technologies and solutions.

We intend to focus on implementing IAE Concept (Identify, Assess and Execute) to align with technology-based products for value addition. In view of delivering new safer formulations of biocontrol and pesticide formulations, we intend to establish fully automated state of art formulation technology for catering the needs and demand of the changing market. We have extended our focus towards precision farming tools like DGCA Approved Agricultural Drones in the name of "AGRIBOT" for fertilizer and pesticide application as a new method and state of art way of fertilizer and pesticide application system.

We have commenced the distribution of our soil health testing device in the name of "Nova BHUPARIKSHAK", which analyses and reports various parameters of soil, allows farmer to apply inputs at required quantities giving the farmer the correct knowledge of the soil. It also maintains farmer land data to keep track for future developments.

As a continuation to our plan of enhancing our portfolio in precision farming tools, we intend to keep working and upgrading on the enhancement and multi-tasking capabilities of the existing technologies available with us and also create newer state of the art technologies, thus allowing a farmer to do many tasks at a particular time with ease and perfection. We have also collaborated with various universities and educational institutions for research on new technologies and methodologies.

We intend to set up training institutions to impart training on various aspects of innovation and operations of devices.

We understand that it is very important to make our farmers aware of the cutting-edge technology and also make them self- sufficient to be able to use such technologies for their benefit. With the advent and the introduction of new and modern technologies, it is imperative that the correct education and training needs to be passed on to the farmers regarding its usage, handling and benefits. Two of our state of the art products 'Bhuparikshak' and 'Agribot' require appropriate training and knowledge to handle and understanding its mechanism and benefits. As a part of our mission to ensure that the farmers at the grass root level be competent and capable of handling these technologies and derive the best results out of them, it is imperative that we provide them with the right training regarding the operations and handling of these products. We intend to set up training centres to impart training to farmers on how to operate and handle 'Bhuparikshak' and 'Agribot', thus making them competent and self-sufficient. This will ensure that the farmers are able to utilise the products to its optimum level without the assistance of any third party and get the best desired results out of the same.

Augment our business through distributorship of Technicals.

We intend to import and distribute Technicals in India, which will be a prominent factor in the growth of the agriculture sector in India. On April 15, 2022, NASPL has entered into a Registration and Distribution Agreement with a Taiwanese entity to act as the distributor for sales and formulation of Butachlor 85% Tech in India for a period of 5 years. Butachlor is an herbicide of the acetanilide class and is used as a pre-emergent herbicide. This is typically used to control the growth of grass and broadleaf weeds in agricultural lands fields pertaining to rice and barley. On February 13, 2023, NASPL has been granted the registration certificate bearing the registration number CIR-256885/2023-Butachlor (Technical) (443)-2 under section 9(4) of the Insecticides Act, 1968 for the import of the Butachlor Technical 85% for indigenous manufacture by the Central Insecticides Board and Registration Committee, Ministry of Agriculture and Farmers Welfare.

On December 13, 2021, NASPL has entered into a Registration and Distribution Agreement with a Chinese entity to act as the distributor for sales and formulation of Emamectin Benzoate Technical 95% in India for a period of 5 years. This product is a new form of an insecticide with a new mechanism and has an effective action against Lepidoptera and as well as on some selected organisms.

A Taiwanese entity in its Consent Letter dated March 28, 2022 addressed to the Central Insecticides Board and Registration Committee, Directorate of Plant Protection, Quarantine and Storage, Faridabad, Haryana have stated that they are the manufacturer of Paraquat Dichloride Technical 42% and have given consent to NASPL to import the same from them and through another German entity based out of Hamburg. The application has been approved and a Certificate of Registration dated July 7, 2023 was issued to NASPL by the Central Insecticides Board and Registration Committee. This form of insecticide controls the foliage part of the weeds and promotes intact roots and prevents soil erosion.

Enhancing value to our business through our "Use it Right" campaign.

Majority of the farmers in India are still lacking the correct knowledge on timely usage of inputs, leading to decrease in efficiency and increase in cost of cultivation. Agri inputs when managed properly have immense potential for improved agricultural production and protection of ecosystem for attainment of sustainable socio-economic development and human well-being. As a part of our 'Use It Right' campaign, our crop specific soil and spray schedule based on the crop requirements will help the team, dealers and farmers to prepare themselves on upcoming requirements for soil health management, crop protection and crop nutrition solutions, thus allowing them to be efficient and have a better yield. We intend to collaborate with various universities for research programme and to give us the early signals on the expected outburst of pests and diseases. Through our 'Use it Right' campaign, we are utilising the digital media platforms like YouTube channel, Facebook, Instagram etc for creating awareness regarding the correct knowledge and methodology.

Impact of COVID-19

March 2020 to May 2020

An outbreak of a novel strain of coronavirus disease 19 ("**COVID-19**"), was recognised as a pandemic by the World Health Organization ("**WHO**"), on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Temporary closures of businesses had been ordered and numerous other businesses have temporarily closed voluntarily. Further, individuals' ability to travel had been curtailed through mandated travel restrictions and was further limited. Post the national lockdown, many local governments also implemented further phase wise restrictions and lockdowns thus affecting the business as a whole. Due to a government mandated lockdown in India, we had to temporarily close our manufacturing facility from March 24, 2020 to May 11, 2020. Like any other business across the country, even our operations and revenue had an impact during the lockdown.

In accordance to the government notification passed at regular intervals, we had to ensure that we maintain all our employees on our payrolls without terminating anyone and with very minimal business and revenue being generated. This had an adverse effect on our operations.

May 2020 onwards

The lockdown coincided with the close of financial year FY 2020 and since this was also off-season for business, the Company's manufacture, sales and distribution did not face a major impact. Additionally, since agriculture was covered under the Essential Commodities Act, necessary special approval were issued to continue operations. Once operations resumed on May 11, 2020, the Company resumed to its normal manufacture and distribution cycle.

We resumed operations from May 11, 2020 in a staggered manner. Our effective support systems allowed us to commence our operations in a timely manner, despite the temporary disruption in our business due to the lockdown. The capabilities and depth of our management team along with the support from our dealer network enabled us to restart the operations quickly post the restrictions were eased.

Our support system at all levels allowed us to commence our operations in a timely manner, despite the temporary pause in our business due to the nation-wide lockdown. Our widespread supply chain network built by us over the years and the capabilities and depth knowledge and understanding of the business by our management team enabled us to restart our operations quickly after the lockdowns eased and ensured that there are no instances of any non fulfilment of any obligations by any party for any existing agreement that may have a significant impact on the company's business or any termination or modification of any agreement that had an impact on the revenue of the Company during the time of the COVID 19 pandemic.

The Company availed moratorium for an amount of ₹ 105.47 lakhs which was 11.57% of the total borrowings in FY 2020-2021 during COVID 19 pandemic.

During the times of COVID 19 pandemic, we tried our best to ensure that we maintain the safety of our employees and also provide them with the best of the assistance during the tough time by providing quarantine house facility for the effected, conducting vaccination drive for our employees, medical check-ups and by also distributing food and medicines during the time of lockdown.

Details of Capacity Installed and Capacity Utilised for NATL and NASPL

Nova Agritech Limited (NATL)*								
Segment	For the period April 1, 2023 to November 30, 2023		For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)
Owned Capacity (Singannauda)	5,928.00	37.55	5,928.00	53.42	5,928	45.30	5,928	50.63

Nova Agri Sciences Private Limited (NASPL)*								
Segment	For the period April 1, 2023 to November 30, 2023		For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)	Installed Capacity (MTPA)	Capacity Utilisation (%)
Owned Capacity (Singannauda)	3,237.60	25.76	3,237.60	36.98	3,237.60	35.77	3,237.60	24.64

** Pursuant to the certificate dated December 09, 2023, Chartered Engineer has confirmed the aforesaid Installed and Utilised Capacity for last 3 financial years and for the period April 01, 2023 to November 30, 2023, for NATL and NASPL.*

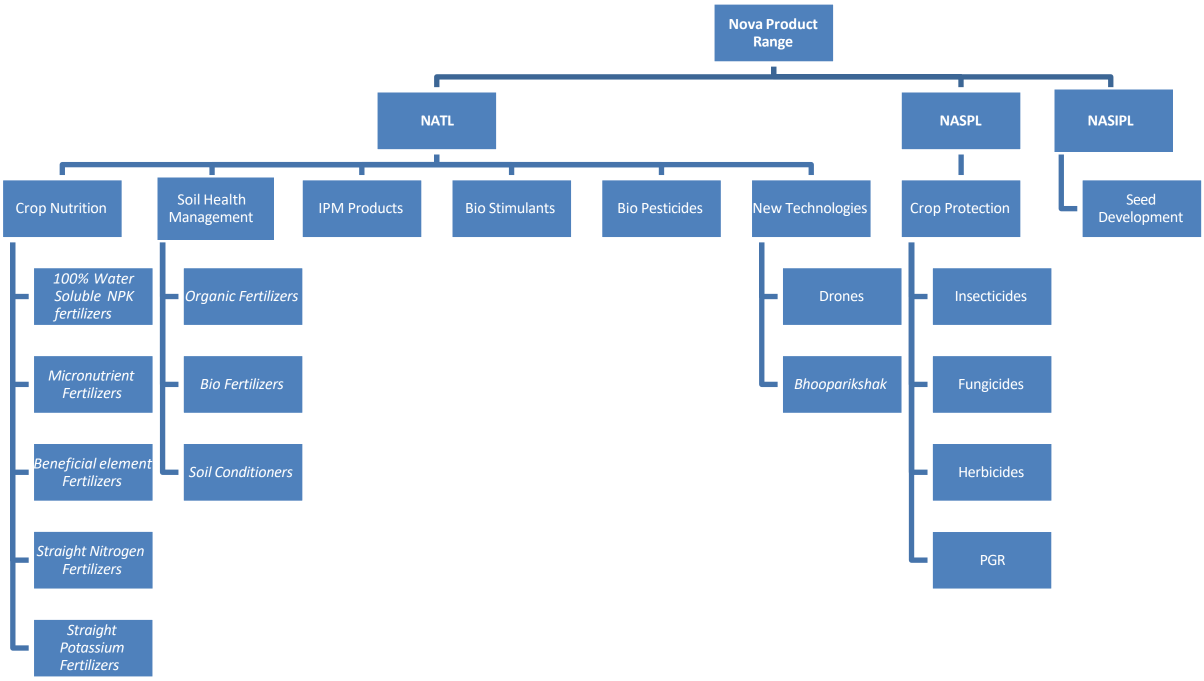
Products

We manufacture, distribute and market a wide range of product categories consisting of (a) soil health management products like Organic Fertilizers, Bio Fertilizers and Soil Conditioners; (b) crop nutrition products like 100% water soluble NPK fertilizers, Micronutrient Fertilizers, Beneficial Element Fertilizes, Straight Nitrogen Fertilizers, Straight Potash Fertilizers;
(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 our subsidiary Nova Agri Sciences Private Limited.

We ventured into pesticide business by acquiring stakes in Nova Agri Sciences Private Limited and also ventured into research & development for seed enhancement by acquiring stakes in Nova Agri Seeds India Private Limited, and making these companies our subsidiaries.

Our manufactured products are sold under our own brand, namely, Nova. Our Company deals in various categories of products each of which have various sub-categories. The details of category of products are given below:

The below chart state the broad category of products manufactured by our Company:



Crop Nutrition Products

Crop Nutrition Products typically includes 100% Water Soluble NPK fertilizers**,** Micronutrient Fertilizers**,** Beneficial element Fertilizers**,** Straight Nitrogen Fertilizers and Straight Potassium Fertilizers.

100% Water Soluble NPK fertilizers: These are water soluble fertilizers with an optimum combination of Nitrogen, Phosphorous and Potassium. They are readily soluble in water, which can be instant uptake and are best for Fertigation and Foliar application. We produce complex and mixed fertilizers in this segment. We produce MAP, MKP, Potassium Nitrate, Ca N, 19-19-19, Nova Superphos, Nova DAP and Nova Phos 54 etc.

Micronutrient Fertilizers: Plants need 7 type of micronutrients which are Iron, Manganese, Zinc, Boron, Copper, Molybdenum and Chlorine. We market micronutrients in single or in combination of them as formulations. Some of them are sold as soil applications, some as foliar application and some as fertigation. We also have crop specific grades for different states. Some of our major brands include Nutriboost, Super Pinakil, Sanjeevani, Tarak, Super 789 etc.

Beneficial element Fertilizers: We also sell some of the products which in addition to act as nutrients also have additional benefits like reduction in transpiration and increase tolerance to pests and diseases. Some of our major brands include Hy Clean, V Lock etc.

Straight Nitrogen Fertilizers: Straight Nitrogen Fertilizers helps in plant growth and maybe of soil application or Foliar application. Urea is an example for Straight Nitrogen Fertilizer used as soil application and Nano Urea is used as Foliar application. Our product, Nova Urea 32 falls under this category.

Straight Potassium Fertilizers: Potash is an element which induces resistance to the plants. Straight Potash fertilizers are of soil application and foliar application. MOP is an example for soil application, and we are selling K Mag and V Stop under this category.

Soil Health Management

Soil Health Management typically includes product that contains Organic Fertilizers, Bio fertilizers and Soil Conditioners.

Organic Fertilizers: Organic fertilizer contains plant or animal-based materials that are either a by-product or end product of naturally occurring processes such as animal manure and composted organic manure. They are naturally produced. These products have a better future because of awareness created by NGOs. During the five-year period 2017-2021, the production of organic fertilizers has grown at a Compound Annual Growth Rate (CAGR) of 11.3% from 28.03 million tonnes in 2017 to 42.94 million tonnes in 2021 (*Source: CARE Report*). We are selling Prom, OM K, Pinakil, Wonder CWDG under this category. 20.86% of our Nova Agritech Ltd business comes from these Organic fertilizers.

Bio Fertilizers: Bio fertilizer is a substance which contains living microorganisms which when applied to seeds, plant surfaces or soil, colonize the rhizosphere or the interior of the plant and promotes growth by increasing the supply or availability of nutrients to the host plant. Some of our major brands in Bio fertilizer include Mycorooter, Unistriker, Bt Excel, etc.

Soil Conditioners: A Soil conditioner is a product which is added to the soil to improve the physical qualities like fertility of the soil. A wide variety of materials have been described as soil conditioners due to their ability to improve soil quality. Some of our major brands include Probac, etc.

IPM products

IPM stands for Integrated Pest Management. IPM is a strategy used to manage insect pests in the landscape by using economically and environmentally sustainable practices. Our major portfolio in this includes Chromatic Traps, Pheromone Lures, Sticky sheets etc.

Bio Stimulants

Bio Stimulant means a substance or micro-organism or a combination of both whose primary function when applied to plants, seeds or rhizosphere is to stimulate physiological process in plants and to enhance its nutrient uptake, growth, yield, nutrition efficiency, crop quality and tolerance to stress regardless of its nutrient content, but does not include pesticides or PGRs which are regulated under the Insecticide Act, 1968. Bio Stimulant may be classified as botanical extracts including seaweed extracts, bio-chemicals, protein hydrolysates and amino acids, vitamins, cell-free microbial products, anti- oxidants, anti-transpirants, humic and fulvic acid and their derivatives.

Recently Bio stimulants are included in FCO and have to be marketed with provisional license Form G3. Our top brands include Super Lava, Unisena, Nova Power etc.

Bio Pesticides

A Bio Pesticide is a biological substance or organism that damages, kills or repels organisms seen as pests. Bio Pesticides pose minimal danger to individuals and the environment making them a relatively safer alternative to chemical or chemical- derived pesticides. We have bio pesticides like Tricoderma harzianum, Tricoderma viride Beauveria bassiana and Verticillium lecanii, which are yet to be marketed.

Our Company has not availed tax rebates with respect to any of the products manufactured and distributed across various states.

New Technologies

Our new technologies segment includes Agribot Drones and Bhuparikshak.

Drones: Our drones are named as Agribot. This drone technology is developed to cater to the farmers and reduce their burden. Drones can help farmers to optimize the use of inputs (seed, fertilizers, water), to react more quickly to threats (weeds, pests, fungi), to save time crop scouting (validate treatment/actions taken), to improve variable-rate prescriptions in real time and estimate yield from a field. This is the DGCA approved drone for the purpose of the agri sector. This drone will allow a farmer to spray any sort of soil health management, crop nutrition and crop protection products over an area one acre of land in six minutes, thus reducing the time of spraying such products and also making the process much easier.

Bhuparikshak: Bhuparikshak is first-of-its-kind novel device is capable of detecting soil health in just 90 seconds through an embedded mobile application. It would assist individual farmers in obtaining soil health parameters of agricultural fields with recommended dose of fertilizers without having to go to a laboratory. The device is based on Near Infrared Spectroscopy technology that provides real-time soil analysis reports on smartphones with an embedded mobile application named Bhuparikshak available on Google Play Store. It also maintains farmer land data to keep track for future developments.

Details of some of our major products are as follows:

Name and Image of the products	Product Description
	**NOVA NUTRI SUPER SOL** Nova Nutri Super SOL NPK: 21:21:21+TE is a fertilizer with a high content of NPK and enriched with cheated micro elements. It can be used in all types of crops by foliar route to obtain a vegetative vigour, to advance maturation, to improve size and to increase the crop yield.
	**NOVA NUTRI K-41** Nova Nutri K-41, an important function of Nova K-41 is controlling stomata movements. It is formulated to supply both potassium and magnesium to the plant without causing a nutritional imbalance.

NOVA NUTRI PHOS-54

Nova Nutri Phos-54 NPK: 10:54:10+B Phosphorous is essential to all plants for optimum yields. Nova Nutri Phos-54 with phosphate will however translocation phosphorous through both the phloem and the xylem and thereby supplying essential phosphorous to the root zone and the crop canopy.

NOVA NUTRI SUS10

Nova Nutri Sus10 gives better results than standard fertilizers; it is formulated with best and high quality raw materials guarantee total solubility in water, to give a perfect assimilation by the plant. It can be used in all types of crops by foliar route to obtain a vegetative vigour, to advance maturation, to prevent premature flower and fruit drop and to improve fruit size, shape, shape, fruit set and to increase the crop yield.

NOVA GOOGLEY

Nova Googley contains Nitrogen, Phosphorous, Potassium NPK (%) 15:05:10 in Organic form and they are 100% Available to Plants. Contains additional Macro nutrients Like Ca, Mg Calcium Promotes cell wall development, helps to improve Colour, texture and Keeping Quality and Stability of Fruit, grains and Other Commercial parts.

Also contains Micro nutrients like Iron, Zinc, Boron in EDTA Chelated form So it rectifies nutrient deficiencies.

Boron Helps in Translocation of Food materials to Commercial Parts hence Improves Size and weight of produce.

The Polymeric acid substance in Nova Googly helps the plant to overcome Aboitic and Biotic stress Glutamic and Aspatic acids helps for photosynthesis in plants. It's a Bio Root Promoter which helps in proper root growth.

Molassis solublizers- which converts the unavailable nutrients into available form.

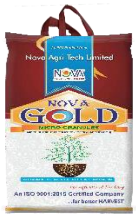
NOVA NUTRI BOOST

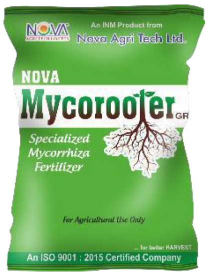
Nova Nutri Boost with its special composition represents innovative product within micro nutrient formulations available in the market.

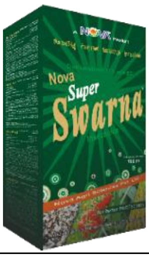
With its natural amino acids, carbohydrates, alginic acids & Mannitol, it gives an adequate growth action and thus acts as Natural chelating agent and assures quicker absorption & activity of nutrients into the plants

NOVA NUTRI POWER

Application of Nova Nutri Power by foliar spraying supplies plants with micro nutrients the level which fulfils plant requirements by preventing deficiencies occurred due to absence of micro nutrient such as Zn, Mn & B. This results in high yield of excellent quality and good condition of crop.

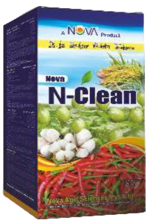
	**MICRO POWER** Micro Power is a 100% water soluble Drip Micro Nutrient mixture fertilizer for fertigation application. It helps to prevent crop deficiencies in different forms occurred gradually at different growth stages of crops and thus prevents loss of yield that may occur due to crop nutrition deficiencies.
	**NOVA GOLD** Nova Gold is an organic micro nutrient fertilizer for soil application. It enhances the disease resistance power of plants and prevent pre dropping of flowers and fruits
	**NOVA SUPER 789** Nova Super 789 contains chelated plant nutrients for soil and foliar application. It is completely bioavailable and nonphytotoxic to plants. It provides plant with stable nutrition that corrects mineral deficiencies faster than conventional inorganic nutrients. Supplies balanced amino chelated micro nutrients essential for plant growth and development.
	**VLOCK** Nova V-Lock protects crops from all Viral diseases. Nova V-Lock controls the spread of Virus by controlling Vectors Like whitefly, Jassids, Aphids, Thrips, Mites, and mealybugs which place Key role in spreading of viral diseases.
	**HYCLEAN** It helps to reduce insect attacks on leaves through the creation of a light biodegradable film, which also helps to limit the transfer of harmful viruses that could otherwise be transferred from the insects to the crop. It works as anti transpirant to combat against insect and disease stress resistance.
	**NOVA UREA 32** It provides prolonged nutrition of plants with nitrogen (N), allows you to adjust the nutrition in the key phases of plant growth. Reduces technological costs, due to the possibility of combining with pesticides and other fertilizers. As Nitrogen is available in all the 3 forms there is extra advantage of nitrogen uptake by the plants.
	**NOVA K-MAG** Balanced rich source of K-22%, Mg-11%, S-22% which is easily available to plant. It 100% water soluble.

	**NOVA WONDER** Nova wonder contains all micro and macro nutrients, amino acids, Enzymes, co-enzymes, and hormones in sufficient quantity. It helps in uniform growth of the plant. It is manufactured scientifically as per international standards, so it contains all nutrients and helps plant to reduce the wastage of nutrients.
	**OM- K** (Bio Enriched Organic Manure) OM-K is enriched organic manure and fully decomposed by using millions of decomposing organisms. OM-K balances the soil fertility by preventing the soil getting drained of organic carbon because of over use of chemical fertilizers.
	**NOVA MYCOROOTER GR** It contains of mycorrhizal fungi. An organic microbial fertilizer that boosts yield and production by enhancing soil health and plant root functioning. Permits the plant to obtain additional moisture and nutrients particularly important in uptake of phosphorus, which is one of the major nutrients required by plants. The mycelium in mycorrhiza absorbs nutrients and translocates them back to the host plant. As a result, there is an increase in the absorption surface area of the roots. Moreover, these fungi play a major role in soil aggregation process and stimulate microbial activity. Increases plant establishment and survival at seeding or transplanting.
	**UNI STRIKER** A carrier based consortia in Uni Striker helps in solubilizing Phosphorus mobilising potash in fixed in root zone helps in atmospheric nitrogen fixation. Uni Striker is an innovative INM product provides resistance through nutrition. It is enriched with both Organic and Mineral Substances, having silicic acid from natural sources which is essential for plant growth & acts as a Plant Energizer and Yield Booster.
	**SUPER SNIPER** Super sniper is an Innovative formulation of phenyl pyrazole molecule for Crop protection which works by disrupting insect central nervous system. Super Sniper plays a key role in controlling all sucking pest complex particularly thrips and mites.
	**SUPER MITHR** Super Mithr is a unique product for crop protection works as insecticide through systemic action. It's a combination of avermectin and phenylprazole family works by disrupting chlo and gaba gated glutamate channels. Super Mithr has an insecticidal combination is used for control of thrips, mites and other sucking pest and all borers.

<table>
<tr>
<td>
</td>
<td>SUPER SWARNA

Nova Super Swarna plays a key role in controlling Borers (Gram pod borer and spotted boll worm) in Pulses.

Nova Super Swarna has Phytotonic effect such as improving productive Branching, inducing flowering, fruiting and thus helps in yield enhancement</td>
</tr>
<tr>
<td>
</td>
<td>SAFECLAIM

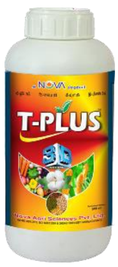
SAFECLAIM belongs to naturally occurring evermectin group of insecticide is good for controlling Lepidoptera such as bollworms in cotton and fruit and shoot borers in okra, Pod borers in chickpea fruit borers, thrips mites in chilli</td>
</tr>
<tr>
<td>
</td>
<td>NOVA N CLEAN

Nova N-Clean is a Pyrethroid insecticide with a broad spectrum of activity.

Nova N-Clean effectively controls wide range of sucking pests like Aphids, Jassids, Whiteflies, Hoppers, Mealybugs, Thrips and Mites</td>
</tr>
<tr>
<td>
</td>
<td>HYNESS

Hyness effectively controls all the Sucking pest like Aphids, Thrips, Mites, Jassids, White fly and Hoopers.

Hyness is very effective on all lepidopteran pest like Helicoverpa, Spodoptera and all types of borers.

Hyness plays a key role in promoting extensive and healthier growth of the plant.</td>
</tr>
<tr>
<td>
</td>
<td>T PLUS 3D

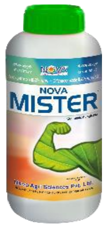
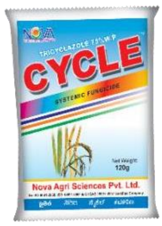
T-Plus 3D is especially for Spodoptera and Helicoverpa Species Larval

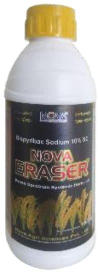
Pests. T-Plus 3D also controls wide range of Bollworms and Borers

T-Plus 3D improves plant vigour and enhances yield.</td>
</tr>
<tr>
<td>
</td>
<td>NOVA AZOMAN

NOVA AZOMAN is a fungicidal combination used for controlling disease complex in Tomato.

NOVA AZOMAN effectively controls blight disease of Tomato crop. It is quickly absorbed by plants & rapidly enters in plant system & starts working</td>
</tr>
</table>

	**PORTIA** PORTIA is a Broad-spectrum fungicide for the control of many fungal pathogens & diseases. It inhibits respiration and ergosterol synthesis of the fungus. PORTIA has a dual mode of action; hence it works at multiple stages of fungal development.it has translaminar & systemic movement inhibits new growth of fungus after spray.it is quickly absorbed by plants & rapidly enters in plant system & starts working. It kills fungal cells through inhibition of cell membrane
	**NOVA MISTER** Nova Mister has Resistance management by combining two compounds of different chemical class and different modes of action. Nova Mister inhibits spore germination at the early stages of fungal development it gives excellent protection against spore germination. Nova Mister effectively controls Grey Leaf Spot, Leaf Blight and Common Rust in Maize. Nova Mister effectively works against Rust, Angular leafspot and Anthracnose in French beans. Nova Mister controls Ascochyta leafspot and powdery mildew on peas.
	**TEBUL** It is an effective fungicide with protective, curative and eradicative action. It controls powdery mildew, fruit rot diseases of Chilli and leaf spot, pod blight disease of Soybean.
	**CYCLE** CYCLE is a Systemic fungicide CYCLE is a most modern SYSTEMIC FUNGICIDE belongs to Triazole group It is a very specific fungicide which is used to Prevent and Control BLAST in Paddy and protects up to 21 days. It translocates in plant very rapidly and stops further growth of the disease
	**RULER** RULER is a Non-Selective, Contact, Post Emergence fast acting herbicide. it is a non-selective herbicide controlling a wide range of annual grasses and broad-leaved weeds and the tops of established perennial weeds. It is very fast-acting herbicide and controls wide spectrum of weeds. It mixes fast within minutes of application. It becomes biologically inactive upon contact with soil.

	**BROOM** BROOM is a pre-emergence, broad-spectrum herbicide of Chloroacetamide group which controls all type of weeds in rice. It is applied before emergence of weeds, within three to four days of transplanting. It is Safe to apply on Rice crop as compared to other weedicides used in this crop. It controls both narrow and broad leaved weeds before emergence.
	**NOVA ERASER** NOVA ERASER is a Post Emergent, Broad Spectrum systemic herbicide for all types of Rice cultivation i.e. direct sown rice, rice nursery and transplanted rice. It controls major grasses, sedges and broad leaf weeds of rice. It offers a wide application window from 2-5 leaf stages of weeds. It gives freedom of need based application only when the weeds emerge. It is safe for rice.
	**ANMOL** ANMOL is a Pre and Early Post Emergence Diphenyl ether group based herbicide controls wide range of broad leaf weeds & some annual grasses also. It is a Selective Herbicide, so it kills only targeted weeds. It is a Broad Spectrum in Weed Control. It is very low soluble in Soil Water. It gives Longer Duration of Control.
	**FARMZYME** Farmzyme acts synergistically with plant metabolism and accelerates the growth functions of the plant. It helps in vegetative growth of the plant. It helps in profuse branching. It favours flower setting, pollen germination and fruit setting. It gives nutrient and growth supplements to crop. It enhances plant or crop yield.
	**RAZEENA SP** Razeena SP acts as a plant growth regulator on account of its physiological and morphological effects in extremely low concentrations. It is mainly used for the improvement in the fibre quality in Cotton. It enables greater photosynthesis and plant metabolism and hence increases the yield of crop.
	**DOUBLE ACTION F2** Double action F2 mainly aids in flower induction and fruit development. It boosts up profuse and uniform flowering. It Increases the fruit size, colour and quality. It amends both qualitative and quantitative yield. It can be used in all vegetables, commercial fruits and horticultural Crops.
	**N COT COMBI** N Cot Combi is a liquid fermented organic manure product. N Cot Combi helps in correcting Nutrient Deficiencies and improves plant health.

	**NOVA SUPER SWEEPER** Nova Super Sweeper is a Post–emergence, non–selective, systemic & broad spectrum Herbicide for control of Annual and perennial grasses, sedges and broad leaves weeds.
	**NOVA PULSUIT** Nova Pulsuit is a Early post-emergence, selective, systemic & broad spectrum Herbicide for control of Annual and perennial grasses & broad leaved weeds in pulse crops.
	**NOVA PENOLA** Nova Penola is a Post–emergence, selective, systemic & broad spectrum Herbicide for control of Annual and perennial grasses, sedges and broad leaved weeds in Paddy
	**CLEAN SWEEP** Clean Sweep is a systemic, non-selective herbicide that effectively kills all types of weeds. It is widely used in non-crop areas, open fields, bunds and water channels. It is also used in tea crop to control various weeds.
	**TREEBO** Treebo is a broad spectrum post emergence herbicide recommended for use along with surfactant for control of broad leaf and grassy weeds in corn.
	**NOVAGEN** Novagen is a Contact & stomach action insecticide with broad spectrum of activity gives good control against Lepidopteran & Coleopteran insect pests (Bollworms/Borers/Defoliators).
	**NOVA CHLORAM (CL)** Nova Chloram is as Contact & stomach action insecticide with broad spectrum of action controlling several biting and chewing pests in major crops like cotton, Maize, Soyabean, and Paddy etc

	**NOVA HI-FEN** Nova Hi-fen is a Contact & stomach action insecticide with broad spectrum of activity It has broad spectrum of action controlling several biting and chewing (Defoliators) & piercing and sucking type insect pests.
	**NOVA PRYME** Nova Pryme is as Systemic, contact & stomach action insecticide with narrow spectrum of activity controlling piercing and sucking type insect pests in paddy**.**

Raw Materials

Our Company uses different raw materials for the manufacturing of different products. Our Company uses active ingredients like Thiamethoxim, Lambda Cyalothrin, emulsifiers like IG Surf 6000E, 7000 E, solvents like C9, Cyclo Hexanone as raw material to manufacture Liquids.

In Powders and granules, we use China clay, Precipitated Silica, Talc Powder, Quartz sand as filling agents , wetting agents like F.Con CMC, BN 200 as dispersing agent.

The key raw material for Crop Nutrition mainly includes different Nutrients like NPK consortium, Macro Nutrients and Micronutrients.

Our Company imports/sources certain raw materials such as Mono ammonium phosphate, Mono potassium phosphate, potassium nitrate, seaweed extract, potassium humate, fulvic acid, amino acids from China. Further, other raw materials such as Technical grade urea- 46%, Ammonium sulphate -20%, Zinc, ferrous, manganese copper, magnesium sulphate salts, Boron, molybdenum, Organic manure, bioenriched organic manuare phosphate rich organic manure, orthosilicic acid, molasses etc. are sourced domestically.

Our Subsidiary NASPL imports/sources certain raw materials such as Paraquat dichloride Technical from Taiwan and other solvents like DMF and DMSO are imported from China. The other raw materials such as inseciticides, fungicides, plant growth regulators, adjuvants and emulsifiers like Ig surf-2333ps and 2406 are sourced domestically.

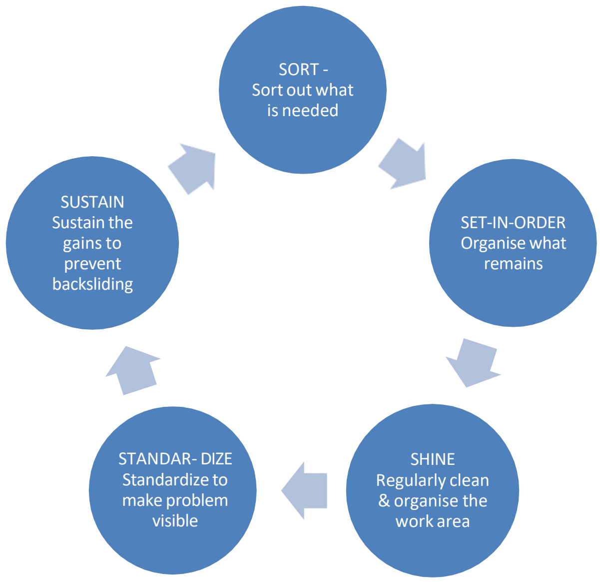
Below is a table of our imports and percentage of imports:

Financial Year	Imports of Raw Materials (Amount in lakhs)	Raw Materials Imports % to Cost of materials consumed
2020-21	2,553.88	25.91
2021-22	3,899.63	31.93
2022-23	3339.93	27.85
Up to September 30, 2023	1734.20	26.49

The raw materials once received are first tested before being put up for use. The raw materials are stored under conducive conditions, depending upon the nature of the product. To reduce material handling and for easy accessibility, raw material are stored and consumed in FIFO system.

Raw Material Process

We follow the 5S concept as given below in the diagram:



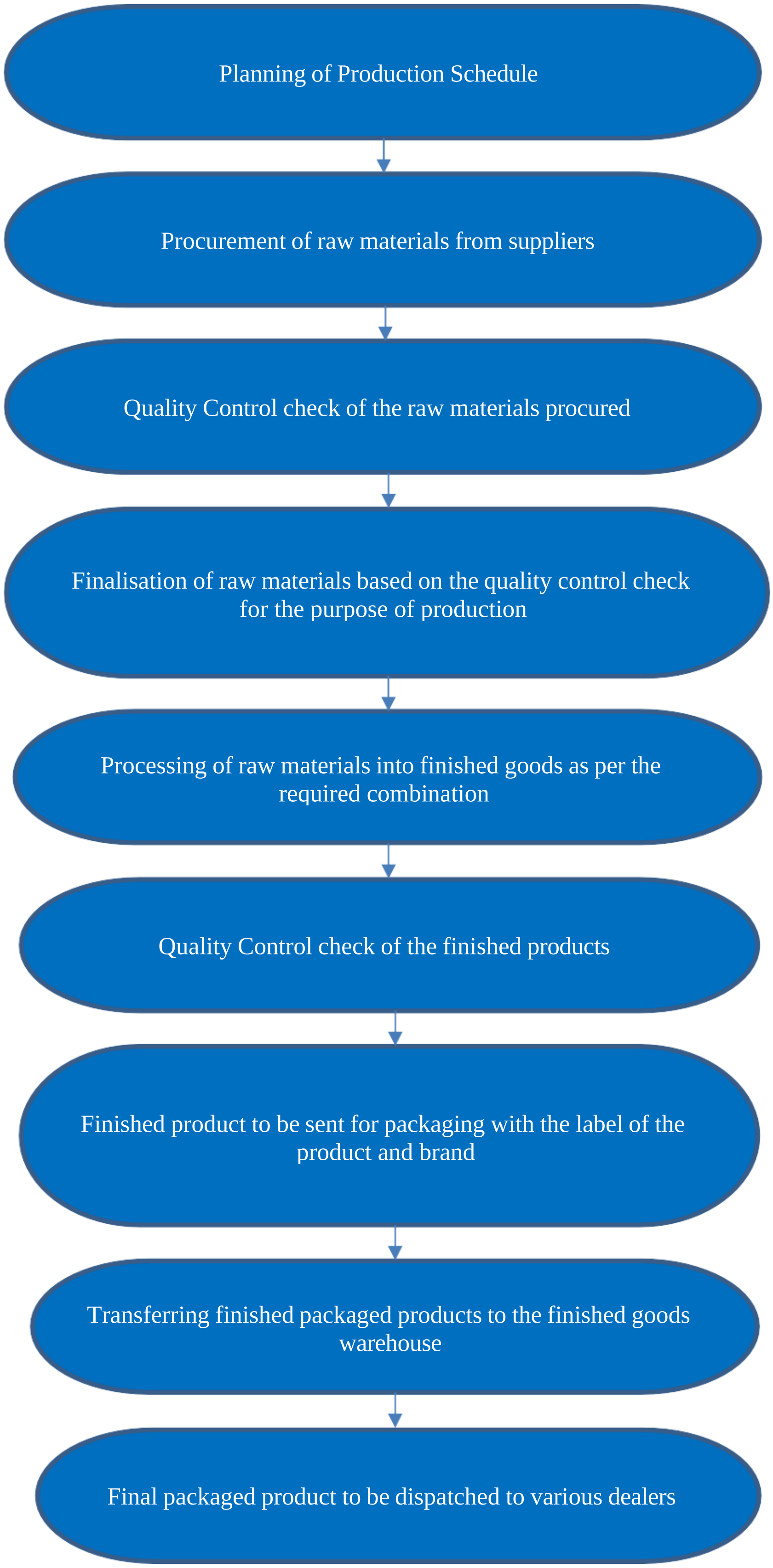
Manufacturing Facility

Our manufacturing facilities are situated at, Sy.No.251/A/1 Singannaguda Village, Mulugu Mandal, Siddipet District, Telangana over an area admeasuring 12 acres and 5 guntas. Besides the manufacturing facilities, the total area includes warehousing facilities for storage of raw material and finished goods:

Manufacturing Process

Our Company is engaged in the business of manufacturing and marketing of various crop protection chemicals and crop Nutrients, like insecticides, fungicides, herbicides, plant growth regulators and Micronutrients, Water Soluble Fertilizers, Organic Fertilizers, Bio Stimulants and various other agri-solution products. The manufacturing process is as follows:

Our Manufacturing process includes the following:



Marketing and Promotion

Our Brand

Our motive as an organisation is to establish our brand not only in South India, but pan India, which our customers associate with trust, quality and transparency.

Our branding strategy focuses on maintaining consistency in our brand messaging across all of our communication channels and markets in which we operate. Marketing by trained employees, word of mouth, advertisement in varied forms as digital, print and even social media and our constant communication with customers have helped build the strength of our brand.

We have a dedicated team of professionals focused completely on marketing through use of various forms of social media. We have a dedicated Facebook and Instagram page regarding our products, its usage and benefits. We also operate a dedicated YouTube channel, wherein we showcase videos regarding our products, its benefits, how to use them and testimonial from various farmers providing inputs relating to our products. We currently have approximately 10,900 subscribers of our YouTube channel.

All brands relating to products manufactured and sold by the Company are owned by the Company and no royalty payments have been made by the Company to any other parties nor are there any conflicts thereof.

Marketing

We have invested in the promotion of our brand over the years. Our investment in marketing and building our brand value is one of the key factors, which has enabled us to build awareness, enhance our foothold to various locations, gain trust and generate profitability and scalability. As a part of our regulatory and business requirement, we have obtained marketing licenses of our products in 16 states, wherein our dealers are located.

We have invested in promotions and advertisements of our business and products in the form of print as well as digital & social media.

We have a dedicated marketing team to support our pan India dealer network and also to support our farmers and dealers. We have a sales team of approximately 160 employees, who are responsible for managing branded sales, establishing and managing the distribution channel and product promotion at the farmer and dealer level. We also have employees, who continuously are dealing and engaged with the promotion of our products to increase the image of our brand value with the dealers and the farmers.

Competition

We face competition from various players in the Agritech sector. We are positioned to compete with the competitors due to our wide range of products, the innovations that we bring into our products and with our pan Indian expansion plans. We have established our presence in South India with a brand recognition and quality assurance of the products we offer.

Technology

Technology is growing and advancing at a very rapid pace. We use technology that we have implemented in the form of NOVA KISAN SEVAK KENDRA (NKSK) Application to get the farmers data from the farmer and to resolve the farmer’s issues on immediate basis. Our Agri background specialists, who work from our office understand the problem of the farmer through the application and provides solution through the application that the farmer may require to tackle the problem that he is facing with his yield, farming or produce. The data can be entered through fingertips in fraction of minutes through a mobile and while using the application. We have already installed pre required questions prepared by the agri specialists into the application. Our employee visiting the farmers at the ground level need to enter those details through communication with farmer and understand the issues they face in the crop or the yield and accordingly solution is provided by our in-house agri specialists.

Our Company also uses ERP application for the purpose of the database and business requirement. We have a central ERP software based database to collect data and information from various departments. This gives us easy access and a clear departmental wise visibility of data and information and helps in reducing duplication and conflicting storage of information. Considering the huge amount of data that our Company deals with, this use of technology provides a lot of ease in accessing and maintaining such data.

As a part of our technology driven initiative, we had launched a magazine by the name Agri Clinic published in Telugu language on a monthly basis. The main objective of the magazine was to empower the farmers, by providing knowledge and educating them on integrated management practices, new methods and profitable farming. We stopped the publication of the magazine from 2020 once COVID 19 pandemic hit the globe. Now the farmers, dealers and other interested users can visit the website www.agriclinic.org and access the archived magazines. Currently, we have kept the website www.agriclinic.org active by creating a ticker, wherein we provide the viewers with the pricing of different products that we manufacture.

Research and Development

We have a R&D centre at our existing manufacturing facility. This centre is equipped with various equipment and a dedicated microbiology lab for the purpose of conducting various tests towards our R&D programme. We also have a quality control laboratory at our manufacturing facility, which primarily monitors the quality of our raw materials and finished goods. Our R&D department has been working consistently for improving and upgrading the existing range of products and continuously working towards product efficacy and to ensure that we come up with more enhanced and better range of products. We rely on our R&D team, which helps us to manufacture products more efficiently and to cater the demand of the overseas customers across agri industry. We intend to obtain DSIR-Certification of our R&D laboratory. As at November 30, 2023, we have 27 employees dedicated towards the process of R&D at our manufacturing facility. Our focus with our R&D is to ensure that we develop newer technologies and manufacturing processes for existing as well as new products, which will help us to reduce the cost of production, improving product efficacy simplify manufacturing processes to improve safety, reduce environmental load and provide us with other growth opportunities. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which enhance our product range. The focus of our R&D has been to strive for continuous process improvements and achieving manufacturing cost efficiencies for existing as well as new products. This helps in improving our procurement process thus reducing wastages, returns and other related costs. Our well-equipped R&D facilities are backed up by other departments through a responsive process that ensures the successful results of research to reach farmer community, which in turn has resulted in substantial recognition of our brand in the Agri-product Industry.

Steps taken towards reducing carbon footprint

Our Company works towards identifying ways to ensure energy sustainability and is working towards a greener and better planet. Keeping this in mind, we have installed solar panels at our manufacturing facility with a capacity of approximately 130 KW. These solar panels allow us to generate electricity that is required for the manufacturing our products at our manufacturing facility and helping in minimizing our electricity costs and also contributing towards reducing carbon foot print.

We have also built rainwater harvesting pits for the purpose of conserving rainwater and most of our water needs for the purpose of our manufacturing facilities is met from such rainwater harvesting mechanism. We generate minimal amounts of effluents from our manufacturing process and the same are segregated separately to keep our water resources safe, clean and hygienic.

Insurance

Due to the risks involved in our activities, we maintain insurance policies that are typically required for our businesses. Below is the list of the insurance policies we have maintained as on November 30, 2023:

S. No.	Policy Name	Party Insured	Risk Covered	Period of Insurance	Sum Insured (in Rs. lakhs)
1.	Burglary First Loss Policy	Nova Agri Sciences Pvt. Ltd.	Premises	17/11/2023 till 16/11/2024	3744.08
2.	United Bharat Sookshma Udyam Suraksha Policy	Nova Agri Sciences Pvt. Ltd.	Floater Cover (Stocks of all description)	17/11/2023 till 16/11/2024	1000.00
3.	United Bharat Laghu Udyam Suraksha Policy	Nova Agri Sciences Pvt. Ltd.	Contents	17/11/2023 till 16/11/2024	3000.00
4.	United Bharat Sookshma Udyam Suraksha Policy	Nova Agritech Ltd.	Floater Cover (Stocks of all description)	17/11/2023 till 16/11/2024	1000.00
5.	Burglary First Loss Policy	Nova Agritech Ltd.	Premises	17/11/2023 till 16/11/2024	3731.83

6.	United Bharat Laghu Udyam Suraksha Policy	Nova Agritech Ltd.	Building and Contents	17/11/2023 till 16/11/2024	945.34 (Building) 3204.65 (Contents)
7.	Uni Group Health Insurance Policy*	Nova Agritech Ltd.	Employees	12/01/2024 till 11/01/2025^	238.00
8.	Uni Group Health Insurance Policy**	Nova Agri Sciences Pvt. Ltd.	Employees	12/01/2024 till 11/01/2025^	215.00
9.	Group Term Life Platinum Assurance	Nova Agritech Ltd.	Employees	23/08/2023 till 22/08/2024	1086.00

** Note 1: 116 Employees and 433 Dependents are covered under this policy. By virtue of Endorsement No. 1 dated 13.01.2023, 8 additional child dependents have been included under this policy w.e.f. 13.01.2023.*
*** Note 2: 107 Employees and 323 Dependents are covered under this policy. By virtue of Endorsement No. 2 dated 13.01.2023, 03 additional child dependents have been included under this policy w.e.f. 13.01.2023.*
^The Company has made the payment for renewal of the policies vide payment receipt dated January 12, 2024. Renewed policies are awaited from the insurance company.

Employees

We have 283 employees working with us as on November 30, 2023, 2023. The following table provides a department wise breakdown of our employees in NATL and NASPL:

Department	NATL	NASPL
Administration	5	2
Business Support	1	0
Corporate Legal Affairs	3	2
Finance & Accounts	9	12
Human Resources	2	2
Information & Technology	0	1
Logistics	6	7
Management	4	1
Manufacturing	12	13
Marketing	66	94
NKSK	6	18
Procurement	2	1
R& D and Quality Control	4	10
Grand Total	**120**	**163**

We recruit employees through advertisements, recruitment agencies/portals, universities and colleges and also through employee referrals.

For Financial Year 2023, 2022 and 2021 we had an attrition rate of 93 employees, 84 employees and 104 employees respectively, forming 39%, 26% and 26% of the total employee count respectively. As on November 30, 2023, the Company engaged 105 temporary workers and its subsidiary, Nova Agri Sciences Private Limited ("**NASPL**") had 99 temporary workers, all of whom were engaged in loading & unloading, production and housekeeping activities associated with the business of the Company and NASPL. Additionally, 98 temporary workers engaged by the Company and 44 temporary workers engaged by NASPL worked as service providers for the Company's farmer outreach program, Nova Kisan Seva Kendra ("**NKSK").** As on date of this RHP, the Company and its Subsidiaries do not have any contractual workers.

Our sales staff undergo training to ensure they are maintaining our brand standards and our commitment to trust and transparency along with ensuring that they market our brand and product by word of mouth. All employees undergo training both at hiring as well as periodically thereafter within their particular domains to ensure efficiency. In addition, sales staff are provided general training sessions at least once a year as well as periodic specialised training sessions to target specific areas of improvement and development based on customer feedback and market requirement. We incentivise our sales staff by linking a significant portion of their compensation to sales, as well as referrals and also marketing.

Intellectual Property

Nova Agritech Limited have obtained trademarks registrations in India. A breakup of the registered trademarks obtained by Nova Agritech Limited is provided below:

Sl. No.	Trade Mark	Class	Application Number	Renewal Date
1.	NOVA AKSHARA	1	3171046	28/01/2026
2.	NOVA JAZZ	1	3171048	28/01/2026
3.	NOVA BAAHU	1	3171049	28/01/2026
4.	NOVA CONDREA	1	3171050	28/01/2026
5.	NOVA ANTI-V	1	3171051	28/01/2026
6.	NOVA LOHA	1	3171052	28/01/2026
7.	NOVA NUTRI PHOS 54	1	3985062	27/10/2028
8.	NOVA NUTRI SUPERSOL	1	3985063	27/10/2028
9.	NOVA NUTRI POWERSOL	1	3985064	27/10/2028
10.	NOVA NUTRI RICH MAG	1	3985065	27/10/2028
11.	NOVA NUTRI K – 41	1	3985066	27/10/2028
12.	NOVA NUTRI BOOST	1	3985067	27/10/2028
13.	NOVA NUTRI POWER	1	3985068	27/10/2028
14.	NOVA STICKER	21	3538398	01/05/2027
15.	NOVA MYCRO ROOTER	1	3985070	27/10/2028
16.	NOVA GLUE SOL	21	3538400	01/05/2027
17.	NOVA AGRI TECH LTD (LOGO)	1	4019101	06/12/2028
18.	MITHR	1	4019103	06/12/2028
19.	NOVA NUTRI AMINO – BO	1	3985060	27/10/2028
20.	NOVA DELTA TRAP	21	3538399	01/05/2027
21.	NOVA FUNNEL TRAP	21	3538401	01/05/2027
22.	NOVA FULL FILL TRAP	21	3538402	01/05/2027
23.	NOVA FLY TRAP	21	3538404	01/05/2027
24.	NOVA HUMAZE-K	1	4280980	31/08/2029
25.	NOVA K-MATE	1	4280981	31/08/2029
26.	NOVA MARYNOSP	1	4280982	31/08/2029
27.	NOVA BRONOPOL	1	4280983	31/08/2029
28.	NOVA SUPER LAVA	1	4238080	17/07/2029
29.	N - COUNTER	1	1825675	04/06/2029
30.	NOVA WONDER CWDG	1	4238077	17/07/2029
31.	NOVA MYCOROOTER	1	4238078	17/07/2029
32.	TOWELIGHT	24	4839738	29/01/2031
33.	MOVA SPARK SP	1	4280979	31/08/2029
34.	NOVA NUTRI AMINO – CAL	1	3985059	27/10/2028
35.	NOVA PROM GR	1	4238079	17/07/2029
36.	NOVA AGRIBOT	7	5560700	06/08/2032

Apart from the above as on date of this Red Herring Prospectus, NASPL has obtained 109 trademarks registered under various classes with the Registrar of Trade Marks under the Trade Marks Act, 1999. Further, NASPL has filed 19 applications for registration of trademarks under the Trademarks Act, 1999, which are pending at various stages.

In connection with our intellectual property, see "*Risk Factors – We may not be able to protect our trademarks from infringement."* on page 33.

Properties

The details of the freehold and leasehold properties in the name of NATL as on the date of this RHP is provided herein below.

Location	Properties owned/leased	Period of lease
Singannaguda Village, Mulugu Mandal, Medak District, Gram panchayath Singannaguda Mandal Parishad Mulugu, Zilla Parishad Medak at Sanga Reddy, Registration Sub-District Gajwel, Registration District Medak at Sanga Reddy to the extent of 2 Acres and 26 Guntas	Owned	N.A.
Singannaguda Village, Mulugu Mandal, Medak District. Registration Sub-District Gajwel, Registration District Medak at Sangareddy, G.P. Singannaguda, M.P. Mulugu,Z.P. Medak to the extent of 0 Acre and 38 Guntas	Owned	N.A.
Singannaguda Village, Mulugu Mandal, Medak District. Registration Sub-District Gajwel, Registration District Medak at Sangareddy, G.P. Singannaguda, M.P. Mulugu, Z.P. Medak to the extent of 1 Acre and 21 ½ Guntas	Owned	N.A.
Singannaguda Village, Mulugu Mandal, Medak District. Registration Sub-District Gajwel, Registration District Medak at Sangareddy, G.P. Singannaguda, M.P. Mulugu, Z.P. Medak to the extent of 6 and ½ Guntas	Owned	N.A.
Singannaguda Village, Mulugu Mandal, Medak District. Registration Sub-District Gajwel, Registration District Medak at Sangareddy, G.P. Singannaguda, M.P. Mulugu, Z.P. Medak to the extent of 6 Acres and 33 Guntas	Owned	N.A.
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 3.51 acres	Leased	10/03/2020 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 3.35 acres	Leased	22/07/2021 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 4.77 acres	Leased	05/10/2021 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 3.12 acres	Leased	22/01/2022 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 2.61 acres	Leased	10/04/2022 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 2.45 acres	Leased	11/07/2022 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 1.78 acres	Leased	05/01/2017 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 1.94 acres	Leased	09/06/2017 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 0.63 acres	Leased	05/10/2019 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 25.95 acres	Leased	06/07/2015 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 2.83 acres	Leased	05/01/2016 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 3.67 acres	Leased	09/05/2016 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 0.76 acres	Leased	03/10/2016 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 7.58 acres	Leased	10/06/2016 till 15 years
Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 0.85 acres	Leased	10/12/2020 till 15 years

Village: Valaparla, Dist: Prakasham, Mon: Marturu State: AP, India – 523260 to the extent of 1.33 acres	Leased	09/11/2020 till 15 years

The total extent of the land at Valaparla village, Andhra Pradesh taken on lease by our company for the R&D facility is 67.13 acres. There are 5 permanent employees working in the R&D facility. The rest of the personnel are hired on temporary basis. We evaluate the product's bio-efficacy on the target crops like chilly, cotton, maize, pulses and horticultural crops which are grown on the said land, against target pests/diseases/deficiencies in multi-season field trials using appropriate experimental design such as completely randomized design or completely randomized block design. These trials are conducted at our R&D site at Valaparla Village. Once we obtain satisfactory results, the products are tested at farmer fields. We also test the products to understand the right time, right state and right usage methods.

Out of the properties mentioned hereinabove, below is the details of the property being leased to NASPL by NATL:

Particulars of Lease	Period of Lease	Lessor	Lessee	Deposit and Payment Terms	Scheduled Premises and Extent
Lease Agreement dated November 1, 2022	Ten (10) year renewable lease, commencing from November 1, 2022 to October 31, 2032	Nova Agritech Limited	Nova Agri Sciences Private Limited	Refundable deposit of ₹ 0.40 lakhs deposited by Lessee on October 10, 2022. Monthly rent of ₹ 2.50/- per sq. ft. and ₹ 0.15 lakhs per acre amounting to a consolidated rent of ₹ 0.80 lakhs per month (plus service tax as applicable).	Sy. No. 251/A, 251/A1, Singannaguda Village, Mulugu Mandal, Siddipet Dist., Telangana; measuring 20,000 sq. ft. and 2 acres of land

As on the date of this RHP, there is no conflict between NATL and NASPL acting as Lessor and Lessee, respectively.

CSR activity: We have adopted a Corporate Social Responsibility ("**CSR**") policy in compliance with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014. Our CSR initiatives contribute to our overall strategy of engaging with our customers and localizing our brand.

As a part of the CSR initiative policy, in FY 2022, to serve society at large and to support families affected by Covid 19 pandemic, NATL distributed food grains in Prakasham and Krishna districts in Andhra Pradesh and Khammam District in Telangana. In FY2023, NATL organised free eye-camps in collaboration with Shankar Netralaya in Prakasham and Guntur districts of Andhra Pradesh. The beneficiaries of the eye-camps were provided with a check-up and facilitated with surgeries, if any through Shankar Netralaya.

As a part of the CSR initiative policy, in FY 2023, NASPL organized camps pertaining to distribution of food grains to families and also organized free eye camps.

The CSR expenditure incurred by NATL for the six months period ended September 30, 2023, FY 2022-23, FY 2021-22, and FY 2020-21 are ₹ 8.11 lakhs, ₹ 9.69 lakhs, ₹ 9.55 lakhs and ₹ 12.68 lakhs, respectively representing 0.11%, 0.08%, 0.08 % and 0.10% of the total revenue of NATL to the corresponding periods.

Considering NASPL commenced its CSR activity in FY 2022-23, the CSR expenditure incurred by NASPL for the six months period ended September 30, 2023 and FY 2022-23 are ₹ 7.84 lakhs and ₹ 11.96 lakhs, respectively representing 0.16 % and 0.11% of the total revenue of NASPL to the corresponding periods.

KEY REGULATIONS AND POLICIES

The following description is a summary of certain sector-specific statutes, bills, regulations, notifications, memorandums, circulars and policies which are applicable to our Company, our Subsidiaries and their business and operations in India. The information detailed in this chapter has been obtained from various statutes, legislations, including rules and regulations promulgated by regulatory bodies that are available in the public domain. The description of laws and regulations as set out below is not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Taxation statutes such as the Income Tax Act, 1961, the Customs Act, 1962, the relevant goods and services tax legislation and applicable shops and establishments statutes and other miscellaneous regulations and statutes such as the Trademarks Act, 1999, apply to us as they do to any other company in India.

For details of government approvals obtained by our Company and our Subsidiaries in compliance with these regulations, see "Government and Other Approvals" on page 369.

<u>Key Indian Regulations applicable to our Company and our Subsidiaries</u>

Industry-Specific Legislations

(1) ***The Factories Act, 1948 ("Factories Act")***

The Factories Act defines a "factory" to cover any premises which employs 10 or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 workers, even while there may not be an electrically aided manufacturing process being carried on. State Governments have the authority to formulate rules in respect of matters such as prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. It provides such safeguards of workers in the factories as well as offer protection to the exploited workers and improve their working conditions. The penalties for contravention of the Factories Act include fine and imprisonment for the 'occupier' or 'manager' as defined under the Factories Act, and enhanced penalties for repeat offences and contravention of certain provisions relating to use of the hazardous materials.

(2) ***The Essential Commodities Act, 1955 ("EC Act")***

The EC Act provides for the regulation and control of production, supply, distribution and pricing of commodities which are declared as essential, for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices. Under Section 3 of the EC Act, if the Government of India, in the interest of maintaining or increasing supplies of any essential commodity or for securing their equitable distribution and availability at fair prices, it may, by order, provide for regulating or prohibiting the production, supply and distribution thereof and trade and commerce therein. Such orders may provide for, among other things, controlling the price at which essential commodities are sold, requiring any person producing an essential commodity to sell the whole or a part of the produce and so on. Violation of the terms of these orders are punishable under Section 7 of the EC Act. Further, the Schedule of the EC Act provides for a list of essential commodities, including but not limited to drugs, fertilizers (whether inorganic, organic or mixed, foodstuffs and petroleum. Under Section 2A of the EC Act, the Government If India may add or remove any commodity from the Schedule.

(3) ***The Fertilizer (Inorganic, Organic or Mixed) (Control) Order, 1985 (the "Fertilizer Order")***

In exercise of the powers conferred on the Government of India by Section 3 of the EC Act, the Government of India notified the Fertilizer Order. As per the Fertilizer Order, no person shall sell or carry on the business of selling fertilizer without obtaining prior permission of the State Government. The State Government has the power to issue license for trading in fertilizers for a period of three years, which may be renewed, suspended or cancelled at its discretion. Further, the State Government also has the power to issue a certificate of manufacture, without which, no person can carry on the business of manufacture of fertilizers. The Fertilizer Order also prescribes certain standards that are required to be followed during the manufacture of fertilizers. No person can manufacture, import or sell any mixture of fertilizers unless such mixture conforms to the standards laid down by the Government of India vide the Fertilizer Order. Further, the Government of India has the power to regulate prices, and to direct manufacturers/importers to sell fertilizers to particular States, in order to ensure fair and equitable access to farmers across India.

(4) ***Fertiliser (Movement Control) Order, 1973 (the "FM Order")***

In exercise of the powers conferred on the Government of India by Section 3 of the EC Act, the Government of India notified the FM Order. It prohibits the export of any fertilizer from any state. However, the export of fertilizers is permitted with the authorisation of the Government of India or an officer of the relevant state government, as the case may be. The FM Order also prescribes conditions for the search and seizure of fertilizers.

(5) ***The Insecticides Act, 1968 (the "Insecticides Act") and the Insecticides Rules, 1971***

The Insecticides Act, as amended, regulates the (i) registration; (ii) licensing; and (iii) quality-control of insecticides.

Registration: The definition of insecticides includes fungicides and weedicides. Any person who desires to import or manufacture any insecticide is required to apply to the registration committee under the Insecticides Act, for the registration of such insecticide. The functions of the registration committee include registering insecticides after scrutinizing their formulae and verifying claims made by the importer or the manufacturer, as the case may be, as regards their efficacy and safety to human beings and animals. The registration is granted by a central authority and is effective throughout India.

Licensing*:* Any person who desires to manufacture or sell, stock or exhibit for sale or distribute any insecticide, or to undertake commercial pest control operations with the use of any insecticide may make an application to the licensing officer for the grant of a license under the Insecticides Act. Our Company is required to obtain a separate license for each place in which we manufacture, sell or stock for sale our products. The license granted may be revoked or suspended or amended, *inter alia*, for misrepresentation of an essential fact and failure to comply with the conditions subject to which the license was granted.

Quality control*:* If the use of an insecticide or a batch thereof is likely to lead to such risk to human beings or animals as to render it expedient or necessary to take immediate action, the Central Government or the State Government may prohibit its sale, distribution or use, by notification, for a specified period pending investigation in the matter. If, as a result of its own investigation or on receipt of a report from the State Government, and after consultation with the registration committee, the Central Government is satisfied that the use of the said insecticide or batch is or is not likely to cause any such risk, it may pass such order as it deems fit.

The Insecticides Act makes it punishable to import, manufacture, sell, stock and exhibit for sale or distribution any misbranded insecticides. An insecticide is deemed to be misbranded if: (i) its label contains any statement, design or graphic representation relating thereto which is false or misleading in any material particular, or if its package is otherwise deceptive in respect of its contents; or (ii) it is an imitation of, or is sold under the name of, another insecticide; or (iii) its label does not contain a warning or caution which may be necessary and sufficient, if complied with, to prevent risk to human beings or animals; or (iv) any word, statement or other information required by or under the Insecticides Act to appear on the label is not displayed thereon in such conspicuous manner as the other words, statements, designs or graphic matter have been displayed on the label and in such terms as to render it likely to be read and understood by any ordinary individual under customary conditions of purchase and use; or (v) it is not packed or labelled as required by or under the Insecticides Act; or (vi) it is not registered in the manner required by or under the Insecticides Act; or (vii) the label contains any reference to registration other than the registration number; or (viii) the insecticide has a toxicity which is higher than the level prescribed or is mixed or packed with any substance so as to alter its nature or quality or contains any substance which is not included in the registration.

Penalties*:* Contravention of the Insecticides Act is punishable with imprisonment or fine or both, with enhanced punishment for repeat offences. Similarly, a person may be imprisoned for a period of six months to three years depending upon the nature of the offence. Further, the prescribed officer under the Insecticides Act has the power to stop the distribution, sale or use of an insecticide for a specified period which he has reason to believe is being distributed, sold or used in contravention of the Insecticides Act. Additionally, if any person is convicted under the Insecticides Act, the stock of insecticide in respect of which the contravention has been made is liable to be confiscated.

The Pesticides (Prohibition) Order, 2018 provides a list of 18 pesticides that no person shall manufacture, import, formulate, transport or sell from the date specified in the order. Further, the Government of India had also proposed to introduce the Banning of Insecticides Order, 2020 which provided a list of 27 prohibited insecticides. This Order has not come into effect as of the date of filing of this Prospectus. We are also required to comply with the guidelines issued by the Central Insecticides Board and Registration Committee ("**CIBRC**") and the Insecticides Rules, 1971. The functions of the CIBRC include to advise the Central Government and State Governments on technical matters such as the risk to human beings or animals involved in the use of insecticides and the safety measures necessary to prevent such risk and the manufacture, sale, storage, transport and distribution of insecticides with a view to ensure safety to human beings or animals and to carry out other functions assigned to it by or under the Insecticides Act.

(6) The Pesticides Management Bill, 2020 (the "Pesticides Management Bill")

The Pesticides Management Bill was introduced in the Rajya Sabha on March 23, 2020 and is currently pending approval. It seeks to replace the Insecticides Act, 1968. It seeks to regulate the import, manufacture, storage, sale, distribution, use and disposal of pesticides with a view to ensure availability of safe and effective pesticides and minimize its risk on human beings, animals, living organisms other than pests and the environment.

It defines a pest as species, strain or biotype of plant, animal or pathogenic agent that is unwanted or injurious to plants, plant products, human beings, animals, other living creatures and the environment and includes vectors of parasites or pathogens of human and animal diseases and vermin as defined in the Wild Life (Protection Act, 1972. A pesticide is defined as any substance or mixture of substances, including a formulation of chemical or biological origin intended for preventing, destroying, attracting, repelling, mitigating or controlling any pest in agriculture, industry, pest control operations, public health, storage or for ordinary use, and includes any substance intended for use as a plant growth regulator, defoliant, desiccant, fruit thinning agent, or sprouting inhibitor and any substance applied to crops either before or after harvest to protect them from deterioration during storage and transport.

The Pesticides Management Bill provides that any person seeking to import or manufacture any pesticides for ordinary use, agricultural use, etc. shall have to make an application to the registration committee for a certificate of registration. Further, anyone desiring to manufacture, distribute, sell or stock pesticides would have to obtain a licence for the same. Such a license can be revoked by the Licensing Officer if the holder contravenes any provisions of the Pesticides Management Bill or rules made thereunder. State Governments may also appoint qualified persons for sale of extremely toxic or highly toxic pesticides by prescription. Under the Pesticides Management Bill, manufacturing, importing, distributing, selling, exhibiting for sale, transporting, stocking a pesticide, or undertaking pest control operations, without a licence is punishable with imprisonment of up to three years, or a fine of not less than Rs. 1.00 lakhs and extending up to Rs. 4.00 lakhs, or both.

It also contemplates the constitution of the Central Pesticides Board to advise the Central and state governments on scientific and technical matters arising under the Pesticides Management Bill. It also proposes for the Central Pesticides Board to advise the Central government in making or formulating (i criteria for good manufacturing practices for pesticide manufacturers, standards to be observed by laboratories, and best practices for pest control operators, (ii standards for working conditions and training of workers, and (iii procedure for recall and disposal of pesticides. The Board will also frame model protocols to deal with occurrences of poisoning.

(7) The Petroleum Act, 1934 (the "Petroleum Act") and Petroleum Rules, 2002

The Petroleum Act was passed to consolidate and amend the laws relating to the import, transport, storage, production, refining and blending of petroleum. Petroleum may be any liquid, hydrocarbon, or mixture of hydrocarbons, and inflammable mixture (liquid, viscous or solid containing any hydrocarbon, and includes natural gas and refinery gas. Under the Petroleum Rules, 2002, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the Chief Controller before commencing storage.

(8) Electricity Act, 2003 (the "Electricity Act")

The Electricity Act was enacted to regulate the generation, transmission, distribution, trading and use of electricity by authorizing a person to carry on the above acts either by availing a license or by seeking an exemption under the Electricity Act. Additionally, the Electricity Act states no person other than Central Transmission Utility or State Transmission Utility, or a licensee shall transmit or use electricity at a rate exceeding 250 watts and 100 volts in any street or place which is a factory within the meaning of the Factories Act, 1948 or a mine within the meaning of the Mines Act, 1952 or any place in which 100 or more persons are ordinarily likely to be assembled. An exception to the said rule is given by stating that the applicant shall apply by giving not less than 7 days' notice in writing of his intention to the Electrical Inspector and to the District Magistrate or the Commissioner of Police, as the case may be, containing the particulars of electrical installation and plant, if any, the nature and purpose of supply of such electricity. The Electricity Act also lays down the requirement of mandatory use of meters to regulate the use of electricity and authorises the Commission so formed under the Electricity Act, to determine the tariff for such usage. The Electricity Act also authorises the State Government to grant subsidy to the consumers or class of consumers it deems fit from paying the standard tariff required to be paid.

Environmental Legislations

(1) Environment (Protection) Act, 1986 (the "EP Act"), Environment Protection Rules, 1986 (the "EP Rules") and Environmental Impact Assessment Notification, 2006 (the "EIA Notification")

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations. Further, the EP Rules specifies, among other things, the standards for emission or discharge of environmental pollutants, restrictions on the location of industries and restrictions on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

*(2) **Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act")***

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialised piece of legislation which was enacted to take appropriate steps for the preservation of natural resources of the earth, which among other things include the preservation of the quality of air and control of air pollution. Not all provisions of the Air Act apply automatically to all parts of India, and the state pollution control board must notify an area as an "air pollution control area" before the restrictions under the Air Act apply. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board. Further, such an industrial plant shall not be permitted to emit air pollutants in excess of the standards laid down by the state pollution control board.

*(3) **Water (Prevention and Control of Pollution) Act, 1974 (the "Water Act")***

The Water Act was enacted to control and prevent water pollution and for maintaining or restoring of wholesomeness of water in the country. The objective of this legislation is to ensure that the domestic and industrial pollutants are not discharged into rivers and lakes without adequate treatment. The reason is that such a discharge renders the water unsuitable as a source of drinking water as well as for the purposes of irrigation and support of marine life. In order to achieve its objectives, the Pollution Control Boards at Central and State levels were created to establish and enforce standards for factories discharging pollutants into water bodies. Further, any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board.

*(4) **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "Hazardous Waste Rules")***

The Hazardous Waste Rules, read with the EP Act, ensure resource recovery and disposal of hazardous waste in an environmentally sound manner. A categorical list of hazardous wastes has been provided in the schedules in the Hazardous Waste Rules. The term "*hazardous waste*" has been defined in the Hazardous Waste Rules and any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Further, the occupier has been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in his establishment and shall require authorisation for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste from the concerned state pollution control board. The occupier, importer or exporter is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and must pay any financial penalty that may be levied by the respective state pollution control board.

Labour Law Legislations

The various labour and employment related legislation that may apply to our operations, from the perspective of protecting the workers' rights and specifying registration, reporting and other compliances, and the requirements that may apply to us as an employer, would include the following:

1. Contract Labour (Regulation and Abolition) Act, 1970
2. The Contract Labour (Regulation and Abolition) Central Rules, 1971 ("Contract Labour Rules")
3. Employees' Provident Funds and Miscellaneous Provisions Act, 1952
4. Employees' State Insurance Act, 1948
5. Minimum Wages Act, 1948
6. Payment of Bonus Act, 1965
7. Payment of Gratuity Act, 1972
8. Payment of Wages Act, 1936
9. Maternity Benefit Act, 1961

10. Industrial Disputes Act, 1947 and Industrial Disputes (Central) Rules,1957
11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
12. Employees' Compensation Act, 1923
13. The Child Labour (Prohibition and Regulation) Act, 1986
14. The Equal Remuneration Act, 1976
15. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
16. Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996
17. Industrial Employment (Standing Order), Act, 1946
18. The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001
19. The Code on Wages, 2019*
20. The Occupational Safety, Health and Working Conditions Code, 2020**
21. The Industrial Relations Code, 2020***
22. The Code on Social Security****

** The GoI enacted 'The Code on Wages, 2019' which received the assent of the President of India on August 8, 2019. Through its notification dated December 18, 2020, the GoI brought into force sections 42(1), 42(2),42(3), 42(10), 42(11), 67(ii)(s), 67(ii)(t) (to the extent that they relate to the Central Advisory Board) and 69 (to the extent that it relates to sections 7, 9 (to the extent that they relate to the GoI) and 8 of the Minimum Wages Act, 1986)) of the Code on Wages, 2019. It regulates, inter alia, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees. The remaining provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume four separate legislations, namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.*

***The GoI enacted 'The Occupational Safety, Health and Working Conditions Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.*

****The GoI enacted 'The Industrial Relations Code, 2020' which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume three separate legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. It consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes.*

*****The GoI enacted 'The Code on Social Security, 2020 which received the assent of the President of India on September 28, 2020. The provisions of this code will be brought into force on a date to be notified by the GoI. It proposes to subsume several separate legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008.*

Intellectual Property Laws

(1) Trade Marks Act, 1999 (the "Trade Marks Act")

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label, heading, ticket, name, signature, word, letter, numeral, or combination of colors or any combination thereof, and to obtain relief in case of infringement and for commercial purposes as a trade description. Application for trademark registry has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

Applications for a trademark registration can be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. The mark lapses in ten years unless renewed. The Trade Marks Act enables Indian nationals as well as foreign nationals to secure simultaneous protection of trademarks in other jurisdictions.

(2) The Patents Act 1970 (the "Patents Act")

The Patents Act governs the patent regime in India. A patent under the Patents Act is an intellectual property right relating to inventions and grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling and importing the patented product or process or produce that product. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention must satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria.

(3) The Copyright Act, 1957

The Copyright Act, 1957, along with the Copyright Rules, 2013 ("**Copyright Laws**") governs copyright protection in India. Even while copyright registration is not a prerequisite for acquiring or enforcing a copyright in an otherwise copyrightable work, registration under the Copyright Laws acts as prima facie evidence of the particulars entered therein and helps expedite infringement proceedings and reduce delay caused due to evidentiary considerations. The Copyright Laws prescribe a fine, imprisonment or both for violations, with enhanced penalty on second or subsequent convictions.

Foreign Investment and Foreign Trade Laws

(1) The Foreign Exchange Management Act, 1999 (the "FEMA")

Foreign investment in India is governed primarily by the provisions of the FEMA, and the rules, regulations and notifications thereunder, as issued by the RBI from time to time and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEM Rules**") and the current Consolidated FDI Policy, 2020 ("**Consolidated FDI Policy**"). In terms of the Consolidated FDI Policy, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which the foreign investment is sought to be made. In terms of the Consolidated FDI Policy, the work of granting government approval for foreign investment in India has now been entrusted to the concerned administrative ministries/departments. The aggregate limit shall be the sectoral caps applicable to Indian company as laid out in paragraph 3(b) of Schedule I of FEM Rules, with respect to paid-up equity capital on fully diluted basis or such same sectoral cap percentage of paid-up value of each series of debentures or preference shares or share warrants. Further, all investments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the concerned administrative ministries/departments.

(2) The Foreign Trade (Development and Regulation) Act, 1992 (the "FTA") and the rules framed thereunder

The FTA is the main legislation concerning foreign trade in India. The FTA read along with Foreign Trade (Regulation) Rules, 1993, provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government:- (i) may make provisions for development and regulation of foreign trade by facilitating imports and increasing exports; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exceptions; (iii) is authorised to formulate and announce the foreign trade policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a 'Director General of Foreign Trade' for the purpose of the FTA, including formulation and implementation of the foreign trade policy. The FTA read with the Indian Foreign Trade Policy, 2023 requires every importer as well as exporter to obtain the Importer Exporter Code Number ("**IEC**") from the office of the Director-General or the authorized officer. The Director General is authorised to suspend or cancel IEC in specified circumstances.

(3) The Foreign Trade Policy, 2015-20 (the "FTP")

The FTP helps in envisaging a legal framework for trade facilitation in existing markets and products as well as exploring new products and new markets. India's current FTP (2015-20) (as extended until September 30, 2022) envisages helping exporters leverage benefits of GST, closely monitoring export performances, increasing ease of trading across borders, increasing realization from India's agriculture-based exports and promoting exports from MSMEs and labour-intensive sectors.

Tax Related Laws

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

(1) ***Income Tax Act 1961, the Income Tax Rules, 1962, as amended by the Finance Act in respective years;***

Income Tax Act is applicable to every company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its 'Residential Status' and 'Type of Income' involved. Every assessee, under the Income Tax Act, which includes a company, is required to comply with the provisions thereof, including those relating to tax deduction at source, advance tax, minimum alternative tax and like.

(2) ***Central Goods and Services Tax Act, 2017 (the "CGST Act"), the Central Goods and Services Tax Rules, 2017 and various state-wise legislations made thereunder;***

The CGST Act regulates the levy and collection of tax on the intra- State supply of goods and services by the Central Government or State Governments. The CGST Act amalgamates a large number of Central and State taxes into a single tax. The CGST Act mandates every supplier providing the goods or services to be registered within the State or Union Territory it falls under, within 30 days from the day on which he becomes liable for such registration. Such registrations can be amended, as well as cancelled by the proper office on receipt of application by the registered person or his legal heirs. There would be four tax rates namely 5%, 12%, 18% and 28%. The rates of GST applied are subject to variations based on the goods or services.

(3) ***The Integrated Goods and Services Tax Act, 2017 (the "IGST Act") and rules thereof;***

The IGST Act is a Central Act enacted to levy tax on the supply of any goods and/ or services in the course of inter-State trade or commerce. IGST is levied and collected by Centre on interstate supplies. The IGST Act sets out the rules for determination of the place of supply of goods. Where the supply involves movement of goods, the place of supply shall be the location of goods at the time at which the movement of goods terminates for delivery to the recipient. The IGST Act also provides for determination of place of supply of service where both supplier and recipient are located in India or where supplier or recipient is located outside India. The provisions relating to assessment, audit, valuation, time of supply, invoice, accounts, records, adjudication, appeal etc. given under the CGST Act are applicable to IGST Act. Further, the Company is also governed by various State Goods and Service Tax statutes for levy and collection of tax on intra-State supply of goods and services or both.

(4) ***Professional Tax***

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority. The Telangana Tax on Professions, Trades, Callings and Employments Act, 1987 is applicable to our Company.

Other Applicable Laws

(1) ***The Legal Metrology Act, 2009 (the "Legal Metrology Act") and Legal Metrology (Packaged Commodities) Rules, 2011 (the "Packaged Commodities Rules")***

The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that for prescribed specifications all weights and measures should be based on metric system only. Further, the Legal Metrology Act lays down penalties for various offences, including but not limited to, use or sale of non-standard weight or measure, contravention of prescribed standards, counterfeiting of seals and tampering with license.

The Packaged Commodities Rules were framed under section 52(2) (j) and (q) of the Legal Metrology Act which lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import and also regulate pre-packaged commodities in India, *inter alia* mandating certain labelling requirements prior to sale of such commodities.

(2) The Bureau of Indian Standards Act, 2016 (the "BIS Act")

The BIS Act provides for the establishment of bureau for the standardization, marking and quality certification of goods. Functions of the bureau include, *inter-alia*, (a) recognizing as an Indian standard, any standard established for any article or process by any other institution in India or elsewhere; (b) specifying a standard mark which shall be of such design and contain such particulars as may be prescribed to represent a particular Indian standard; and (c) conducting such inspection and taking such samples of any material or substance as may be necessary to see whether any article or process in relation to which the standard mark has been used conforms to the Indian Standard or whether the standard mark has been improperly used in relation to any article or process with or without a license.

(3) The Drone Rules, 2021 (the "Drone Rules")

The Drone Rules cover all persons owning or possessing, or engaged in leasing, operating, transferring or maintaining a drone in India and all drones that are registered in India or being operated for the time being, in or over India. Drones have been defined as an unmanned aircraft system ("**UAS**"), that can operate autonomously or can be operated remotely without a pilot on board; The maximum all-up-weight for a drone is 500 kilograms. The Drone Rules seek to regulate the classification of dematerialization, and operation of drones; assignment of unique identification numbers to drones; and the certification of remote pilots. They also provide for the establishment of infrastructure a traffic management system and a remote pilot training organisation and research and development. The Drone Rules have established an online platform called the 'digital sky platform' hosted by the Directorate General of Civil Aviation **("GCA")**, for the management of various drone-related activities in India. The Drone Rules provide for classification of unmanned aircraft systems, based on the maximum all-up weight including payload, as follows -

i. Nano unmanned aircraft system: weighing less than or equal to 250 grams;
ii. Micro unmanned aircraft system: weighing more than 250 grams, but less than or equal to 2 kilograms;
iii. Small unmanned aircraft system: weighing more than 2 kilograms, but less than or equal to 25 kilograms;
iv. Medium unmanned aircraft system: weighing more than 25 kilograms, but less than or equal to 150 kilograms; and
v. Large unmanned aircraft system: weighing more than 150 kilograms.

The Drone Rules mandate the requirement of obtaining a type certificate, from the Director General ("**DG**") or any entity authorised by DG, on the recommendation of the Quality Council of India or an authorized testing entity, to operate the drone. In addition to drone certification, the Drone Rules mandate that every drone must have a unique identification number ("**UIN"**). The owner of the drone may apply for a UIN through the digital sky platform. With respect to the operation of drones, the Drone Rules have given power to the Central Government to segregated the entire airspace of India into 3 zones – red (no-fly zone), yellow (intermediate zone) and green zones (permissible zone). The Central Government can update the airspace map on the digital sky platform for drone operations from time to time to change the status of an area from one zone to another. Notably, the Drone Rules provide that no individual other than a holder of a valid remote pilot certificate enlisted on the digital sky platform shall operate an unmanned aircraft system. Such remote pilot certificate can only be issued by an authorized remote pilot training organisation. There is also a requirement of third-party insurance of drones for compensation in case of damage to life and/or property caused by a drone.

(4) The Information Technology Act, 2000 (the "IT Act")

The IT Act regulates information technology i.e., it governs information storage, processing, and communication. It was enacted with the purpose of providing legal recognition to electronic transactions, electronic records, electronic signatures and their use, retention, attribution, and security. The Act also facilitates electronic filing of documents.

The IT Act provides for extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cybercrimes, including unauthorised access to computer system, unauthorised modification to the contents of computer systems, damaging computer systems, unauthorised disclosure of confidential information and computer fraud. Penalties are provided for cybercrimes which include tampering with computer source document and electronic publishing of obscene information, in addition to provision of compensation in certain cases. The IT Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing, or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third-party information liability.

In April 2011, the Department of Information Technology under the Ministry of Communications and Information Technology ("**MeITY**") notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 under Section 43A of the IT Act (the "**SPDI Rules**") which give directions for the collection, disclosure, transfer, and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The SPDI Rules also require the body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data. According to the SPDI Rules, the sensitive personal data shall not be disclosed by the body corporate to any third party without obtaining prior permission from the provider.

(5) ***Shops and establishments legislations in various states***

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of opening and closing hours, daily and weekly working hours, rest intervals, overtime, holidays, leave, health and safety measures, termination of service, wages for overtime work, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

(6) ***Indian Contract Act, 1872 (the "Indian Contract Act")***

The Indian Contract Act governs the conditions for validity of contracts formed through electronic means; communication and acceptance of proposals; additionally, revocation, and contract formation between consumers, sellers, and intermediaries. Further, the terms of service, privacy policy, and return policies of any online platform must be legally binding agreements. Additionally, the law is yet to update to deal with the lack of online signatures. Additionally, this will require certain types of contracts and the impossibility of determining the true consumer's age, with the standard age to enter into contracts set at 18 years.

(7) ***Competition Act, 2002 (the "Competition Act")***

The Competition Act is an act to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect interest of consumer and to ensure freedom of trade in India. The act deals with prohibition of (i) certain agreements such as anti-competitive agreements and (ii) abuse of dominant position and regulation of combinations. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Competition Act.

The prima facie duty of the Competition Commission of India ("**Commission**") is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer, and ensure freedom of trade. The Commission shall issue notice to show cause to the parties to combination calling upon them to respond within 30 days in case it is of the opinion that there has been an appreciable adverse effect on competition in India. In case a person fails to comply with the directions of the Commission and Director General (as appointed under Section 16(1) of the Competition Act), he shall be punishable with a fine which may exceed to ₹0.1 lakhs for each day during such failure subject to maximum of ₹10.00 lakhs, as the Commission may determine.

(8) ***The Consumer Protection Act, 2019 (the "Consumer Protection Act") and the rules made thereunder***

The Consumer Protection Act, 2019 which repeals the Consumer Protection Act, 1986, was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, *inter alia* to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of "consumer" has been expanded under the Consumer Protection Act to include persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. One of the substantial changes introduced by Consumer Protection Act is inclusion of the e-commerce industry under Consumer Protection Act with "e-commerce" defined to refer to the buying and selling of goods or services over digital or electronic network. Therefore, the Consumer Protection Act aims to cover entities that are involved in the process of selling goods or services online. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs. In cases of manufacturing for sale or storing, selling or distributing or importing products containing an adulterant, the imprisonment may vary between six months to seven years and fine between one lakh to ten lakh depending upon the nature of injury to the consumer.

(9) The Energy Conservation Act, 2001 (the "Energy Conservation Act")

The Energy Conservation Act provides for the efficient use of energy and its conservation. The Energy Conservation Act empowers the Government of India to specify norms and standards of energy efficiency to be followed by the industries specified in the Schedule to the Energy Conservation Act, namely, aluminum, fertilizers, iron and steel, cement and pulp and paper. Section 3 of the Energy Conservation Act also provides for the establishment of the Bureau of Energy Efficiency to, inter alia, specify procedures for energy auditors to audit the use of energy by industries. Under Section 14, the Government of India may, by notification, inter alia, specify the norms and standards of energy efficiency and conservation for appliances and equipment which consume, generate, transmit or supply energy, prohibit sale or purchase of specified appliances unless such equipment conforms to energy consumption standards and prescribe such energy consumption norms and standards for designated customers.

(10) Micro, Small and Medium Enterprises Development Act, 2006 (the "MSMED Act")

The MSMED Act aims to facilitate the promotion, development and enhancement of the competitiveness of Micro, Small and Medium Enterprises ("**MSME**") and for matters connected therewith or incidental thereto. The Government, in the Ministry of Micro, Small and Medium Enterprises has issued a notification dated June 1, 2020 revising definition and criterion and the same came into effect from July 1, 2020. The notification revised the definitions as "Micro enterprise", where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees; "Small enterprise", where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees; "Medium enterprise", where the investment in plant and machinery or equipment does not exceed five crore and turnover does not exceed two hundred and fifty crore rupees. All classes of enterprises, whether proprietorship, Hindu undivided family, association of persons, co-operative society, partnership firm, company or undertaking, by whatever name called can apply for the registration and get qualified for the benefits provided under the MSMED Act.

Other Laws

In addition to the above, our Company and our Subsidiaries are also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as a private limited company under the provisions of the Companies Act, 1956 on May 9, 2007 at Hyderabad, erstwhile Andhra Pradesh as "*Nova Agritech Private Limited".* Our business was started by our founder Sambasivarao Yeluri and Kalyana Chakravarthy. Thereafter, pursuant to a special resolution passed by our shareholders on September 8, 2018, our Company was converted to a public limited company and our name was changed to "*Nova Agritech Limited*". A fresh certificate of incorporation consequent to change of name was issued by the Registrar of Companies, Hyderabad ("**RoC**") on September 24, 2018.

Changes in our Registered Office

Except as stated below, there has been no change in our registered office of our Company since the date of incorporation:

Effective Date	Details of change in the address of our Registered Office	Reason for change
June 1, 2007	From Door no. 7-1-70/D, First Floor, Dharam Karam Road, Ameerpet, Hyderabad-500016 Andhra Pradesh, India to Plot no. 61/A, H.No. 8-7-168/1, HAL Colony, Old Bowenpally, Secunderabad-500011Andhra Pradesh, India.	Administrative and operational convenience
July 1, 2011	From Plot no. 61/A, H.No. 8-7-168/1, HAL Colony, Old Bowenpally, Secunderabad-500011 Andhra Pradesh, India to Plot No.5 2nd Floor, MJR Residency, Vittal Nagar, Chinatokatta, New Bowenpally Secunderabad-500011 Andhra Pradesh, India.	Administrative and operational convenience
March 25, 2017	From Plot No.5 2nd Floor, MJR Residency, Vittal Nagar, Chinatokatta, New BowenpallySecunderabad-500011 Andhra Pradesh, India to Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally, Secunderabad- 500011 Telangana, India.	Administrative and operational convenience
March 10, 2020	From Plot No.57, Hanuman Nagar, Chinatokatta, New Bowenpally, Secunderabad- 500011 Telangana, India to Sy.No.251/A/1, Singannaguda Village, Mulugu Mandal, Siddipet, Medak- 502279 Telangana, India.	Administrative and operational convenience

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below*:*

1.To promote, establish, develop, produce, process, preserve, buy, sell, research, market, import, export and deal in all types of bio pesticides, Bio Fungicides, Bio Fertilizers, all types of Plant Nutrients, Plant Growth hormones, herbal products, Farm Equipments, Seeds and all necessary agricultural input

2.To encourage organic Farming by providing necessary agricultural inputs like bio-pesticides and bio-fertilizers, herbal products and other quality farm machinery equipment to the farmers in addition to the technical guidance to yield good quality produce and also to initiate and facilitate trade among farmers and organic farm fresh buyers.

3.To carry on business as manufacturers, producers, researchers, processors, growers, fermenters, distillers, refiners, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stocklist, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires of agrochemicals, fertilizers, pesticides, insecticides, fungicides, weedicides, micro fertilizers & nutrients, bio pesticides & stimulants, veterinary and livestock feeds and feed supplements and its supplements, growth enhancer, regulator & retarders, micro irrigation system, castor oil, and derivatives or otherwise dealers in fertilizers, micro fertilizer & nutrients, organic fertilizers, pesticides, bio pesticides, bio stimulants and/or to undertake spraying of such chemicals through manual, mechanical and /or aerial operations, alone or in association with other agencies and/or companies. And also to establish, run, acquire, promote, take over and carry on, the business for manufacturing agricultural products and for their research, improvement, promotional activities in agro genetics, agriculture inputs, bio product, biotech and for the purpose carry on land reform, plantation, farming, agriculture and horticulture development and to raise agriculture output for the purpose to own, occupy, purchase, sell, deal in, hold, hire, lease, improve, grow, develop and to set up agriculture farm, houses, orchard, gardens, greenhouses and to grow produce, process, prepare, extract, refine, or otherwise deal in agricultural, horticultural, ayurvedic and homoeopathic products, farm produce, food grain, cash crop, hay, straw, corn, seeds, oil seeds, plants, flowers, vegetables, fruits, edible oil and preparation of any natural or *description whatsoever.*

4. *To carry on business as manufacturers, producers, researchers, processors, growers, fermenters, distillers, refiners, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires of public health products for pest control and/or of general insect control and other ancillary products.*

5. *To carry on business as manufacturers, assemblers, stockiest, agents, importers, exporters, traders, whole-sellers, retailers, distributors or dealers of all kinds of sprayers for agricultural purposes and all spare parts of such sprayers."*

Amendments to our Memorandum of Association in the last 10 years

Except as stated below, there have been no amendments to our Memorandum of Association in the last 10 years preceding the date of this Red Herring Prospectus.

Date of change/ shareholders' resolution	Nature of amendment
November 21, 2013	Clause V of the Memorandum of Association was amended to change the authorised share capital of our Company from ₹ 50,00,000/- divided into 5,00,000 Equity Shares of ₹ 10/- each to ₹ 1,00,00,000/- divided into 10,00,000 Equity Shares of ₹ 10/- each.
June 16, 2014	Clause V of the Memorandum of Association was amended to change the authorised share capital of our Company from ₹ 1,00,00,000/- divided into 10,00,000 Equity Shares of ₹ 10/- each to ₹ 4,00,00,000/- divided into 40,00,000 equity shares of ₹ 10/- each.
April 20, 2016	Clause V of the Memorandum of Association was amended to change the authorised share capital of our Company from ₹ 4,00,00,000/- divided into 40,00,000 Equity Shares of ₹ 10/- each to ₹ 10,00,00,000/- divided into 1,00,00,000 equity shares of ₹ 10/- each.
March 14, 2018	Clause V of the Memorandum of Association was amended to change the authorised share capital of our Company from ₹ 10,00,00,000/- divided into 1,00,00,000 Equity Shares of ₹ 10/- each to ₹ 20,00,00,000/- divided into 2,00,00,000 Equity Shares of ₹ 10/- each.
September 8, 2018	Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company pursuant to conversion into a public limited company, from Nova Agritech Private Limited to Nova Agritech Limited.
February 11, 2023	Clause V of the Memorandum of Association was amended to reflect the sub-division in authorized share capital from ₹20,00,00,000/- divided into 2,00,00,000 Equity Shares of ₹10/- each to ₹20,00,00,000/- divided in 10,00,00,000 Equity Shares of ₹ 2/- each.
February 11, 2023	Clause III-A of the Memorandum of Association was amended to insert new sub-clauses 3, 4 and 5 after sub-clause 2 of Clause III-A. Sub-clauses 3, 4 and 5 is reproduced as hereunder: *"3. To carry on business as manufacturers, producers, researchers, processors, growers, fermenters, distillers, refiners, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires of agrochemicals, fertilizers, pesticides, insecticides, fungicides, weedicides, micro fertilizers & nutrients, bio pesticides & stimulants, veterinary and livestock feeds and feed supplements and its supplements, growth enhancer, regulator & retarders, micro irrigation system, castor oil, and derivatives or otherwise dealers in fertilizers, micro fertilizer & nutrients, organic fertilizers, pesticides, bio pesticides, bio stimulants and/or to undertake spraying of such chemicals through manual, mechanical and /or aerial operations, alone or in association with other agencies and/or companies. And also to establish, run, acquire, promote, take over and carry on, the business for manufacturing agricultural products and for their research, improvement, promotional activities in agro genetics, agriculture inputs, bio product, biotech and for the purpose carry on land reform, plantation, farming, agriculture and horticulture development and to raise agriculture output for the purpose to own, occupy, purchase, sell, deal in, hold, hire, lease, improve, grow, develop and to set up agriculture farm, houses, orchard, gardens, greenhouses and to grow produce, process, prepare, extract, refine, or otherwise deal in agricultural, horticultural,* *ayurvedic and homoeopathic products, farm produce, food grain, cash crop, hay, straw, corn, seeds, oil seeds, plants, flowers, vegetables, fruits, edible oil and preparation of any natural or description whatsoever.*

	4. To carry on business as manufacturers, producers, researchers, processors, growers, fermenters, distillers, refiners, makers, inventors, converters, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires of public health products for pest control and/or of general insect control and other ancillary products. *To carry on business as manufacturers, assemblers, stockiest, agents, importers, exporters, traders, whole-sellers, retailers, distributors or dealers of all kinds of sprayers for agricultural purposes and all spare parts of such sprayers."*

Major events and milestones

The table below sets forth some of the major events and milestones in the history of our Company:

Year	Timeline of Major Events / Milestones
2011	Inception of Nova Raithu Seva Kendram
2012	Expanded our business by appointing C&F agents in the states of Madhya Pradesh and Chhattisgarh.
2013	Expanded our business to the state Maharashtra.
	Acquired a land for setting up new Manufacturing Facility at Singannaguda Village, Mulugu Mandal, Siddipet, Medak, Telangana.
2014	Crossed turnover of Rs. 5000.00 lakhs in the financial year 2013-14.
	Expanded our business by appointing C&F agents in the State of Rajasthan.
2017	Introduced 100% water soluble nitrogen (N), phosphorus (P) and potassium (K) [NPK] mixture fertilizers on "Nova Nutri" series to market.
2018	Crossed turnover of 10000.00 Lakhs in the financial year 2017-18
	Changed the status of our Company from Private Limited to Public i.e. to Nova Agritech Limited.
2019	Inception of Nova Kisan Seva Kendra
2020	Introduced beneficial element fertilizers "V-Lock " in the market.
2021	Crossed turnover of 15000.00 Lakhs in the financial year 2020-21
2022	Introduced fertilizer and pesticide spraying drones "Nova Agribot" and soil health scanning device "Bhu-Parikshak" to market.
	Introduced beneficial element fertilizers "HY-Clean" in the market.
	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 our business by appointing C&F agents in the States of Gujrat, Jammu & Kashmir, Tamil Nadu, Uttarakhand, Uttar Pradesh and West Bengal.

Key Awards, Accreditations or Recognitions

The table below sets forth some of the awards, accreditation or recognitions received by our Company:

Year	Accreditati ons
2008	Obtained ISO certificate under ISO 9001:2015 for Manufacturing and Marketing of Agricultural Bio Products, Organics Manures and Micro Nutrients.
2012	Certification of Membership from Quality Circle Forum of India as an Institution Member.
	Certificate of Membership as a member of Panel E from the Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry.
2017	Certificate of Life Corporate Member from National Centre of Quality Management.
	Joined as a PANEL -A member in FTCCI.
2019	Bestowed the 'Leader with Strategic Vision Award' by Agri Business Summit & Agri Awards, 2019
	Awarded as 'Emerging Novel Nutrient Company' by Agri Business Summit & Agri Awards, 2019

2021	Certificate of Membership accorded by Bioagri Input Producers Association (BIPA)
2022	Awarded with "Best Company of The Year- Soil Health Management" by Agri Awards-2022
	Awarded with "HR Best Practices" for 2022 in the category of Talent Acquisition and Management (Medium Scale Industry) by the Federation of Telangana Chambers of Commerce and Industry.
	Joined as a member "or "IMMA-Indian Micronutrient Fertilizers Manufacturers Association"
	Awarded as the 'Leader with Strategic Vision-Business Transformation' by Agri Business Summit & Awards ABSA, 2022

Significant financial and strategic partners

Our Company does not have any strategic partnership and financial partnership as on the date of this Red Herring Prospectus. Apart from the various arrangements with bankers and financial institutions which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

Time and cost overrun in setting up projects by our Company

Our Company has not experienced any time or cost overruns in setting up projects.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. However, in response to the COVID-19 pandemic, the RBI allowed banks and lending institutions to offer moratoriums to their customers to defer payments under loan agreements until August 31, 2020. For further information of our financing arrangements, please see the section titled "*Financial Indebtedness*" on page 359.

Mergers or Amalgamation

Our Company has not undertaken any merger, demerger or amalgamation in the last 10 years preceding the date of this Red Herring Prospectus.

Details regarding material acquisitions or divestments of business/undertakings, and any revaluation of assets in the last 10 years

Except as disclosed below, our Company has not acquired any material business or undertaken any divestments of business or undertaking or revaluation of assets in the last 10 years preceding the date of this Red Herring Prospectus:

1.Our Company acquired 100% of shareholding of Nova Agri Sciences Private Limited vide share transfer dated March 20, 2018.

2.Our Company acquired 100 % of shareholding of Nova Agri Seeds India Private Limited vide share transfer dated March 20, 2018.

Lock-out and strikes

There have been no instances of strikes or lock-outs at any time in our Company.

Launch of key products or services, entry into new geographies or exit from existing markets

For further details in relation to launch of key products or services, entry in new geographies or exit from existing markets, see "*History and Certain Corporate Matters - Major events and milestones"* beginning on page 223.

Details of shareholders' agreements

Our Company does not have any subsisting shareholders' agreements among our Shareholder-vis our Company.

Material agreements

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business in the last 10 years.

The Company confirms that there are no agreements and clauses/covenants which are material and which needs to be disclosed and that there are no other clauses/covenants which are adverse/pre-judicial to the interest of the public shareholders. Further, the Company confirms that there are no other agreements, deed of assignments, acquisition agreements, inter-se agreements, agreements of like nature other than disclosed in this Red Herring Prospectus.

Guarantees given by our Promoters

Except as disclosed below, the Promoters have not provided any guarantees as on the date of this Red Herring Prospectus:

SI No.	Particular of Guarantees Provided by Promoters	Reasons for obtaining the Loan
1	Vide Letter of Continuity dated February 22, 2016 Malathi S provided a guarantee to an amount of ₹ 400.00 lakhs for a cash credit sanctioned to our Company's subsidiary Nova Agri Sciences Private Limited. With an enhancement of the cash credit facility provided to Nova Agri Sciences Private Limited, her guarantee was extended to an amount of ₹ 800.00 lakhs vide Letter of Guarantee dated December 22, 2021, which was further extended vide Letter of Guarantee dated November 15, 2022 to a total of ₹ 2000.00 lakhs.	Cash Credit facility to meet working capital requirements.
2.	With an enhancement of the cash credit facility provided to our Company's subsidiary Nova Agri Sciences Private Limited, Kiran Kumar Atukuri extended a guarantee of ₹ 800.00 lakhs vide Letter of Guarantee dated December 22, 2021, which was further extended vide Letter of Guarantee dated November 15, 2022 to a total of ₹ 2000.00 lakhs.	Cash Credit facility to meet working capital requirements and a term loan to part finance project cost.
3.	Malathi S was made a guarantor vide sanction letter dated September 27, 2012 for a cash credit facility taken by our Company for an amount of ₹ 475.00 lakhs. This cash credit facility was enhanced to an amount of ₹ 800.00 lakhs wherein Malathi S extended her guarantee to the same vide Guarantee Agreement June 18, 2014. With an enhancement to the cash credit facility, Malathi S extended her guarantee vide Guarantee Agreement dated June 24, 2016 to the extent of the amount ₹ 1300.00 lakhs which was further extended to an amount of ₹ 2400.00 lakhs vide Guarantee Agreement dated November 23, 2017. Presently, vide Letter of Guarantee dated February 16, 2023 the guarantee extended by Malathi S totals upto an amount of ₹ 3000.00 lakhs.	Cash Credit facility to meet working capital requirements.
4.	Kiran Kumar Atukuri extended a guarantee to our Company vide Letter of Guarantee dated February 16, 2023 for an amount of ₹ 3000.00 lakhs.	Cash Credit facility to meet working capital requirements.
5.	Vide Letter of Guarantee dated May 13, 2022 Malathi S and Kiran Kumar Atukuri have provided a guarantee to our Company's subsidiary Nova Agri Sciences Private Limited for a term loan amounting to ₹ 53.00 lakhs guaranteeing the obligations of the Company under the loan documentation.	Term loan to meet temporary liquidity mismatch arising out of COVID-19 crisis.
6.	Vide Guarantee Agreements dated July 11, 2022 Malathi S and Kiran Kumar Atukuri have provided a guarantee to our Company's subsidiary Nova Agri Sciences Private Limited for a term loan amounting to ₹ 8.20 lakhs guaranteeing the obligations of the Company under the loan documentation.	Term loan for purchase of a vehicle.
7.	Vide Guarantee Agreements dated October 29, 2021 Kiran Kumar Atukuri has provided a guarantee to our Company for a term loan amounting to ₹ 16.00 lakhs guaranteeing the obligations of the Company under the loan documentation.	Term loan for purchase of a vehicle.
8.	Vide Guarantee Agreements dated October 29, 2021 Kiran Kumar Atukuri has provided a guarantee to our Company for a term loan amounting to ₹ 16.00 lakhs guaranteeing the obligations of the Company under the loan documentation.	Term loan for purchase of a vehicle.

Other confirmations

Neither our Promoter nor any of the Key Managerial Personnel and Senior Management, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Our Company hereby confirms that there are no special rights available to the Promoters / Shareholders including any nominee/nomination rights and information rights.

Our holding Company

As on the date of this Red Herring Prospectus, our Company has no holding company.

Our subsidiaries and joint ventures

As on the date of this Red Herring Prospectus, our Company does not have any joint ventures. However, our Company has two subsidiaries namely Nova Agri Sciences Private Limited and Nova Agri Seeds India Private Limited. For further information of our subsidiaries, please see the section titled "*Our Subsidiaries*" on page 227.

OUR SUBSIDIARIES

As of the date of this Red Herring Prospectus, our Company has the following two Subsidiaries:

1. Nova Agri Sciences Private Limited
2. Nova Agri Seeds India Private Limited

Details of our Subsidiaries

1. Nova Agri Sciences Private Limited ("NASPL")

NASPL was incorporated under the Companies Act, 1956 as a private limited company vide Certificate of Incorporation dated May 12, 2010 issued by Registrar of Companies, Hyderabad. The Corporate Identity Number of NASPL is U01403TG2010PTC068405. The registered office of NASPL is located at Sy.No.251/A/1. Singannaguda Village, Mulugu Mandal, Siddipet Medak-502279 Telangana, India.

NASPL is in the business of crop protection products consisting of herbicides, insecticides, fungicides and plant growth regulators.

Capital Structure:

Particulars	Number of Equity Shares of face value ₹ 10 each
Authorised capital	50,00,000
Issued, subscribed and fully paid-up capital	18,00,000

Shareholding as on date of this RHP:

The following table sets forth details of the shareholding of our Company in NASPL

Sr. No.	Names of Shareholders	Number of Equity Shares held	Percentage of equity holding (%)
1.	Nova Agritech Limited	17,99,999	99.99%
2.	Malathi S	1	0.01%
Total		**18,00,000**	**100%**

Board of Directors of NASPL as on date of this RHP

Sr. No.	Names of Directors	DIN
1.	Cherukuri Rajesh	09840611
2.	Kiran Kumar Atukuri	08143781
3.	Ramesh Babu Nemani	08089820

Summary of Financial Information

The key financials of Nova Agri Sciences Private Limited is set out hereinbelow:

Particulars	As at period ended September 30, 2023	Year ended March 31, 2023	Year ended March 31,2022	Year ended March 31, 2021
Revenue from operations	4,890.54	10,869.30	10562.70	5149.23
Total Income	4,893.28	10,869.30	10562.99	5149.93
EBITDA	806.95	1,858.41	1345.41	436.32
EBITDA Margin	16.50	17.10	12.74	8.47
PAT	468.95	1,198.05	903.66	250.39
PAT Margin	9.59	11.02	8.56	4.86
Operating Cash flows	147.85	(427.43)	(664.49)	17.83
Net worth	3,019.37	2,548.03	1347.66	443.99
Net debt	(989.46)	(1,293.68)	(842.87)	967.77
Debt equity Ratio	0.83	0.99	1.27	1.70
ROCE (%)	14.01	35.53	42.78	33.05
ROE (%)	16.85	61.51	100.87	78.54

Further details regarding the financials of Nova Agri Sciences Private Limited are available at https://novaagri.in/investor-relations/results-and-reports

Joint Venture Companies

As on the date of this RHP, NASPL has no joint venture companies.

2. Nova Agri Seeds India Private Limited ("Nova Seeds")

Nova Seeds was incorporated under the Companies Act, 1956 as a private limited company vide Certificate of Incorporation dated November 9, 2009 issued by Registrar of Companies, Hyderabad. The Corporate Identity Number of Nova Seeds is U01403TG2009PTC065732. The registered office of Nova Seeds is located at Sy.No.251/A/1., Singannaguda Village, Mulugu Mandal, Siddipet Medak-502279 Telangana, India.

The main objects of Nova Seeds as per the MoA is to carry on the business as distributors, marketers, traders, exporters, Agents, representatives, dealers, stockiest, importers, of agricultural input, fertilizers, agricultural, scientific and farm products, pharmaceuticals, chemicals, Agree Seeds, biotech products, consumer goods, household goods, vaccines and antibiotics, veterinary and nutritional products. As on date of filing this Red Herring Prospectus, the company has not commenced commercial operations.

Capital Structure:

Particulars	Number of Equity Shares of face value ₹ 10/- each
Authorised capital	50,000
Issued, subscribed and fully paid-up capital	50,000

Shareholding as on as on date of this RHP:

The following table sets forth details of the shareholding of our Company in Nova Seeds:

Sr. No.	Names of Shareholders	Number of Equity Shares held	Percentage of equity holding (%)
1.	Nova Agritech Limited	49,999	99.99%
2.	Malathi S	1	0.01%
Total		**50,000**	100%

Board of Directors of Nova Seeds as on date of this RHP

Sr. No.	Names of Directors
1.	Cherukuri Rajesh
2.	Kiran Kumar Atukuri
3.	Ramesh Babu Nemani

Summary of Financial Information

The key financials of Nova Agri Seeds India Private Limited is set out hereinbelow:

Particulars	As at period ended September 30, 2023	Year ended March 31, 2023	Year ended March 31,2022	Year ended March 31, 2021
Revenue from operations	-	-	-	-
Total Income	-	-	-	-
EBITDA	(0.05)	(0.05)	(0.05)	(0.05)
EBITDA Margin	-	-	-	-
PAT	(0.05)	(0.05)	(0.05)	(0.05)
PAT Margin	-	-	-	-
Operating Cash flows	-	(3.28)	(0.05)	-
Net worth	(8.36)	(8.31)	(8.26)	(7.91)

Net debt	4.28	4.28	4.07	4.07
Debt equity Ratio	(0.60)	(0.60)	(0.61)	(0.63)
ROCE (%)	-	-	-	-
ROE (%)	-	-	-	-

Further details regarding the financials of Nova Agri Seeds India Private Limited are available at https://novaagri.in/investor-relations/results-and-reports

Joint Venture Companies

As on the date of this RHP, Nova Seeds does not have any joint ventures.

Significant sales/purchase with our Subsidiaries

Except as provided in "*Restated Financial Statements-Related Parties transactions-Note 31*" on page 305 there are no related party transactions between our Company and our Promoter and our Subsidiaries.

Common Pursuits

NASPL is engaged in similar line of business that is synergistic to our Company. However, there is no conflict of interest between NASPL and our Company.

Other Confirmations

1. There are no accumulated profits or losses of our Subsidiaries which are not accounted for by our Company.

2. Except as disclosed in "*Our Business*" and "*Related Party Transactions*" beginning on pages 175 and 322 our Subsidiaries do not have any business interests in our Company.

3. None of our Subsidiaries are listed in India or abroad. Further, neither of them has been refused listing of their securities by any Stock Exchange in India or abroad nor have any failed to meet the listing requirements of any Stock Exchange in India or abroad

4. None of our Subsidiaries have made any public issue or rights issue in the last 3 years.

OUR MANAGEMENT

Board of Directors

In terms of our Articles of Association and subject to the provisions of the Act, the number of Directors on our Board shall not be less than three and more than 15, provided that our Company may appoint more than 15 directors after passing a special resolution. As on the date of this Red Herring Prospectus, Our Board comprises of (8) Eight Directors including Four (4) Executive Directors and Four (4) Non-Executive Directors out of which Four (4) are Independent Directors. Our Board also has two (2) Women Directors. The composition of the Board of Directors is in compliance with the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth the details of our Board as on the date of this Red Herring Prospectus:

Name, date of birth, designation, address, occupation, term, period of directorship and DIN	Age (years)	Other directorships
Adabala Seshagiri Rao *Date of birth:* July 28, 1960 *Designation:* Chairperson and Independent Director *Address:* Flat No. 101 Block C, –Srigda Kalakriti Apartments, Gokul Nagar, Tarnaka, Secunderabad, Lallaguda, Secunderabad, Hyderabad – 500017, Telangana, India *Occupation:* Professional *Nationality:* Indian *Current Term:* 5 years *Period of Directorship:* Appointed as Non-Executive Independent Director on October 25, 2022 upto October 24, 2027 *DIN:*09608973	63	***Indian Companies*** • Manoj Vaibhav Gems 'N' Jewellers Limited • Balaji Amines Limited ***Foreign Companies*** Nil.
Malathi S *Date of birth*: February 10, 1979 *Designation*: Whole-time Director *Address*: Villa No.29, Ashoka-al-Maison, Dulapally Road, Beside St Martins Engineering College, Medchal-Malkajgiri, Kompally- 500100 Telangana, India *Occupation*: Business *Term*: 3 years *Period of Directorship*: Appointed as Executive Director on March 17, 2021, up to March 16, 2024 and re-appointed for the period from March 17, 2024 to March 16, 2027.	44	***Indian Companies*** • Suraksha Agri Retails (India) Private Limited • Nova Health Sciences Private Limited • Nova Dairy Tech India Private Limited ***Foreign Companies*** Nil.

DIN: 03033944		
Kiran Kumar Atukuri *Date of birth:* June 01, 1974 *Designation*: Managing Director *Address:* Villa No. 23, Kalyan Whistling Woods, Pet Basheerabad, Kompally, Jeedimetla, Medhal-Malkajgiri, Telangana-500067 *Occupation*: Business *Term*: 3 years *Period of Directorship*: Appointed as Director on July 9, 2018 and re-appointed as Managing Director on November 13, 2021 upto November 12, 2024 DIN: 08143781	49	***Indian Companies*** • Nova Agri Seeds India Private Limited • Nova Agri Sciences Private Limited • AIC– Nova Foundation for Agriculture Innovation and Research ***Foreign Companies*** Nil.
Nadella Basanth Kumar *Date of birth*: September 01, 1987 *Designation*: Whole-time Director *Address*: H.No. 1-7-1/121/3/3 Plot No. 116 and 117, Reddy Enclave, Road No. 11, Near Sri Bakery,Old Alwal, Hyderabad-500010 Telangana, India *Occupation*: Business *Term*: 3 years *Period of Directorship*: Appointed as Director on May 26, 2018 and re-appointed as whole-time director on November 13, 2021 upto November 12, 2024 DIN: 08139510	36	***Indian Companies*** • AIC– Nova Foundation for Agriculture Innovation and Research • Natures Farmlands and Resorts LLP ***Foreign Companies*** Nil.
Sreekanth Yenigalla *Date of birth*: August 31, 1982 *Designation*: Whole-time Director *Address*: 5-1015/5/4, Century Avenue, Behind Balaji Hospital, Alwal, Qutubullapur, Kutbullapur, K.V. Rangareddy, Andhra Pradesh – 500055 *Occupation*: Business *Term*: 3 years *Period of Directorship*: Appointed as Director on December 6, 2017 and re-appointed as whole-time director on	41	***Indian Companies*** • Suraksha Agri Retails (India) Private Limited • Nova Ferticare Private Limited • AIC– Nova Foundation for Agriculture Innovation and Research ***Foreign Companies*** Nil.

November 13, 2021 upto November 12, 2024 DIN: 07228577		
Adapa Kiran Kumar *Date of birth*: June 11, 1971 *Designation*: Non-Executive Independent Director *Address*: Flat No. 304, Prema Avenue, Madinuguda, Miyapur, Hyderabad, Telangana – 500049 *Occupation*: Professor *Term*: 5 years *Period of Directorship*: Appointed as Independent Director on March 17, 2021 upto March 16, 2026 DIN: 09087754	52	***Indian Companies*** Nil. ***Foreign Companies*** Nil.
Kandula Swapna *Date of birth*: December 30, 1977 *Designation*: Non-Executive Independent Director *Address*: 4-5-32/7, 2nd Lane, Vidya Nagar, Guntur, Chandramoulinagar, Andhra Pradesh – 522007 *Occupation*: Professional *Term*: 5 years *Period of Directorship*: Appointed as Independent Director on March 19, 2020 upto March 18, 2025 DIN: 08719208	46	***Indian Companies*** Arcadia Textiles Private Limited ***Foreign Companies*** Nil.
Ramesh Babu Nemani *Date of birth*: July 04, 1976 *Designation*: Non-Executive Independent Director *Address*: 6-3-609/96/A, 1st floor, Radha Soami Satsang Ghar, Anand Nagar Colony, Khairatabad Hyderabad, Telangana, 500004 *Occupation*: Professional *Term*: 5 years *Period of Directorship*: Appointed as Independent Director on March 23, 2022 upto March 22, 2027 *DIN*: 08089820	47	***Indian Companies*** • VSF Projects Limited • Athena Global Technologies Limited • GVR Infra Projects Limited • Nova Agri Seeds India Private Limited • Nova Agri Sciences Private Limited • Manoj Vaibhav Gems ‘N’ Jewellers Limited ***Foreign Companies*** Nil.

Relationship between our Directors and Key Managerial Personnel & Senior Management

None of our Directors are related to the Key Managerial Personnel or Senior Management of our Company.

Brief profile of our Directors

Adabala Seshagiri Rao is a Chairperson and Independent Director of our Company. 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 Retail Banking examination from the Institute of Banking & Finance. He has over 35 years of experience in the banking industry. His last employment before retirement was with the Union Bank of India.

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

Kiran Kumar Atukuri is one of the Promoter and Managing Director of our 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. 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 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.

Nadella Basanth Kumar is a Whole-time Director of our Company. He has done his Bachelor of Science from Kakatiya University and Master of Science in Bio Technology from Osmania University. He has almost 13 years of work experience in Research & Development ("**R&D**"**)** and Manufacturing Operations in our Company. His functional responsibility involves handling of R&D, Manufacturing, Regulatory affairs activity of our Company.

Sreekanth Yenigalla is a Whole-time Director of our Company. He holds a Bachelor of Science degree in Agriculture from the Acharya N.G. Ranga Agricultural University and has more than a decade of work experience in Agricultural Industry. His functional responsibility includes developing industry networks for further business development, setting up the key processes for scaling up, building business partnerships and collaborations.

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

Kandula Swapna is an Independent Director of our 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 Managing Director of Arcadia Textiles Private Limited.

Ramesh Babu Nemani is an Independent Director of our Company. 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. He has an experience of 15 years as a faculty of the Institute of Computers and Business Management.

Arrangement or understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with any major Shareholders, customers, suppliers or others, pursuant to which any of our Directors were appointed on our Board. For details, see "*History and Certain Corporate Matters – Material agreements*" on page 224.

Terms of appointment of Executive Directors

Malathi S has been a Director of our Company since 2021. She was appointed as Whole-time Director, pursuant to the resolutions of our Board and Shareholders dated March 17, 2021 and April 10, 2021, respectively, for a period of three years with effect from March 17, 2021. She was re-appointed for a period of three years effective from March 17, 2024 vide board resolution and shareholders resolution dated September 02, 2023 and September 30, 2023, respectively. Further, pursuant to our Shareholders' resolution dated April 10, 2021 and September 30, 2023, Malathi S is liable to retire by rotation.

Kiran Kumar Atukuri has been a Director of our Company since 2018. He was appointed as an additional director pursuant to the resolutions of our Board dated July 09, 2018 and as Managing director pursuant to the resolutions of our shareholders' dated September 08, 2018 for the period of 3 years and further re-appointed as Managing Director pursuant to the resolutions of our Board and Shareholders dated November 13, 2021 and November 30, 2021, respectively, for a period of three years with effect from November 13, 2021. Further, pursuant to our Shareholders' resolution dated November 30, 2021, Kiran Kumar Atukuri is liable to retire by rotation.

Nadella Basanth Kumar has been a Director of our Company since 2018. He was appointed as Whole-time Director, pursuant to the resolutions of our Board and Shareholders dated November 13, 2021 and November 30, 2021, respectively, for a period of three years with effect from November 13, 2021. Further, pursuant to our Shareholders' resolution dated November 30, 2021, Nadella Basanth Kumar is liable to retire by rotation.

Sreekanth Yenigalla has been a Director of our Company since 2017. He was appointed as Non-Executive Director on December 6, 2017 and designated as Whole-time Director, pursuant to the resolutions of our Board and Shareholders dated November 13, 2021 and November 30, 2021, respectively, for a period of three years with effect from November 13, 2021. Further, pursuant to our Shareholders' resolution dated November 30, 2021. Sreekanth Yenigalla is liable to retire by rotation.

The details of remuneration paid to our Executive Directors are stated in the table below:

Particulars	Remuneration paid in FY 2022-23 (in ₹ lakhs)			
	Malathi S	**Kiran Kumar Atukuri**	**Nadella Basanth Kumar**	**Sreekanth Yenigalla**
Basic Salary	271.82	53.56	33.11	53.16
Perquisites and others	Nil	Nil	Nil	Nil

Payment or benefit to Directors of our Company

Other than as disclosed below, our Company has not paid any compensation or granted any benefit to any of our director (including contingent or deferred compensation) in all capacities in Fiscal 2023. Further, there is no contingent or deferred compensation payable to any of our directors which accrued in Fiscal 2023.

Sitting fees and commission to Independent Directors:

Our Company has not paid any sitting fee or commission in the Fiscal 2023 to the Independent Directors for attending meetings of our Board or the committees constituted by the Board.

Further, our Board and Shareholders have approved payment of remuneration to all directors exceeding 11% of net profit of our Company and the remuneration to the Managing Director and whole- time Directors in excess of 11% of the net profit of our Company in the fiscal 2022, pursuant to the board and shareholder resolutions dated November 23, 2022 and December 19, 2022, respectively.

Changes in our Board in the last three years

Name	Date of Appointment/Change/ Cessation	Particulars/ Reason
Adapa Kiran Kumar	March 17, 2021	Appointment as Independent Director
Malathi S	March 17, 2021	Appointment as Whole-Time-Director
Srinivasa Rao Vesangi	March 17, 2021	Resignation as Independent Director
Nadella Basant Kumar	November 13, 2021	Change in Designation to WTD
Kiran Kumar Atukuri	November 13, 2021	Re-appointed as Managing Director
Srikant Yenigalla	November 13, 2021	Change in Designation to WTD
Ramesh Babu Nemani	March 23, 2022	Appointment as Independent Director
Adabala Seshagiri Rao	October 25, 2022	Appointment as Independent Director
Sri Hari Rao Chaganti	November 23, 2022	Resignation as Non-Executive Director
Adabala Seshagiri Rao	November 23, 2022	Change in designation as Chairperson and Independent Director

Service contracts with Directors

Our Company has not entered into any service contracts, pursuant to which our Directors are entitled to benefits upon termination of employment.

Interest of Directors

All Independent Directors may be deemed to be interested to the extent of sitting fees and commission payable to them for attending the meetings of our Board and the committees thereof. Our Directors may be deemed to be interested to the extent of remuneration payable to them. Further, our Directors may also be interested in our Company to the extent of any reimbursement of expenses that they may be entitled to. Certain Directors may also be deemed to be interested to the extent of Equity Shares (together with other distributions in respect of such Equity Shares, held by them in our Company. For details of the shareholding of our Directors, see "*Capital Structure – Notes to Capital Structure – Shareholding of our Directors in our Company*" on page 91.

None of our Directors are interested in the promotion or formation of our Company.

None of our Directors have any interest in any property acquired or proposed to be acquired of our Company or by our Company or in any transaction for acquisition of land, construction of building and supply of machinery.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/ her to become, or qualify him/ her as, a Director, or otherwise for services rendered by him/ her or by such firm or company, in connection with the promotion or formation of our Company.

Except as stated in "*Related Party Transactions*" and "*Our Promoters and Promoter Group*" on pages 322 and 249, respectively, and described herein, our Directors do not have any other interest in the business of our Company. For further information regarding the interest of our Promoters who are also our Directors, see "*Our Promoters – Nature and extent of interest of our Promoters – Interest of our Promoters*" on page 252.

No loans have been availed by our Directors or the Key Managerial Personnel and Senior Management from our Company.

Bonus or profit-sharing plan of our Directors

Our Company does not have a bonus or profit-sharing plan for our Directors and our Directors have not received any compensation (including contingent or deferred compensation accrued for the year in Fiscal 2023 pursuant to any bonus or profit-sharing plan.

Shareholding of our Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares.

Other than Malathi S, who holds 84,21,620 Equity Shares, none of our Directors hold any shares in our Company as on the date of this Red Herring Prospectus.

Other Confirmations

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange(s), during their tenure as a director in such company.

None of our Directors is or was a director of any listed company whose shares have been or were suspended from being traded on any of the stock exchange(s) during the last five years preceding the date of this Red Herring Prospectus, during their tenure as a director in such company.

There are no nominee directors or nominee KMP(s) in the Company.

None of our Directors are declared as "Fraudulent Borrowers" by the lending banks or financial institutions or consortium, in terms of RBI master circular dated July 01, 2016.

None of our Directors are appearing in the list of directors of struck-off companies by RoC, Ministry of Corporate Affairs.

Borrowing powers of our Board

Pursuant to our Articles of Association and in accordance with the provisions of the Companies Act, our Shareholders have passed a special resolution on December 13, 2022, authorizing our Board to borrow, for and on behalf of our Company, from time to time, any sum or sums of monies, in one or more tranches, which may exceed the aggregate of the paid up share capital, free reserves and securities premium account of our Company, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 50,000.00 lakhs.

Corporate governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of Equity Shares on the Stock Exchanges. As on the date of this Red Herring Prospectus, our Company is in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, in relation to composition of our Board and committees, thereof. The corporate governance framework of our Company is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of the committees, thereof, each as required under applicable law.

Our Board functions either as a full board or through various committees of our Board which are constituted to oversee specific operational areas.

Our Board comprises of 8 (eight Directors including Four (4) Executive Directors and Four (4) Non-Executive Directors out of which Four (4) are Independent Directors. Our Board also has two (2) Women Directors. In compliance with the provisions of the Companies Act at least one-third of our Executive Directors, other than our Independent Directors, are liable to retire by rotation.

Committees of our Board in accordance with the Companies Act, 2013 and the SEBI Listing Regulations

Our Company has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee; and
4. Risk Management Committee
5. IPO Committee
6. Corporate Social Responsibility Committee.

1. Audit Committee

The current constitution of the Audit Committee is as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Ramesh Babu Nemani	Non-Executive Independent Director	Chairman
2.	Adabala Seshagiri Rao	Chairperson and Independent Director	Member
3.	Adapa Kiran Kumar	Non-Executive Independent Director	Member

The Audit Committee was originally constituted by a resolution of our Board dated September 25, 2018 and re-constituted on November 23, 2022.

The company secretary of our Company shall act as secretary to the Audit Committee.

The terms of reference of the Audit Committee was approved by a resolution of our Board dated February 27, 2023.

The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of the SEBI Listing Regulations. The powers, roles, responsibilities and terms of reference of the Audit Committee shall include the following:

***Powers of Audit Committee**:*

The Audit Committee shall have powers, including the following:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. Such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.

Role of the Audit Committee:

The role of the Audit Committee shall include the following:

1. Oversight of our Company's financial reporting process, examination of the financial statement and the auditors' report thereon, and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. Recommendation for appointment, re-appointment, remuneration and terms of appointment of auditors of our Company and fixation of audit fee and payment of any other service fee;

3. Approval of payments to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause I of sub-section 3 of section 134 of the Companies Act;
b. Changes, if any, in accounting policies and practices and reasons for the same;
c. Major accounting entries involving estimates based on the exercise of judgment by management of our Company;
d. Significant adjustments made in the financial statements arising out of audit findings;
e. Compliance with listing and other legal requirements relating to financial statements;
f. Disclosure of any related party transactions; and
g. Qualifications/modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer

document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

8. Reviewing the financial statements, in particular, investments made by an unlisted subsidiary;

9. Formulating a policy on related party transactions, which shall include materiality of related party transactions;

10. Granting omnibus approval to related party transactions and laying down criteria for granting such approval in accordance with the SEBI Listing Regulations and reviewing, at least on a quarterly basis, the details of the related party transactions entered into by our Company pursuant to the omnibus approvals granted;

11. Approval of any subsequent modification of transactions of the company with related parties; Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 (hereinafter referred to as "SEBI Listing Regulations") and/or the Accounting Standards;

12. Scrutiny of inter-corporate loans and investments;

13. Valuation of undertakings or assets of our Company, wherever it is necessary;

14. Evaluation of internal financial controls and risk management systems;

15. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

16. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

17. Discussion with internal auditors of any significant findings and follow up there on;

18. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

19. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

20. Looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

21. Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

22. Reviewing the functioning of the whistle blower mechanism;

23. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

24. Oversee the vigil mechanism established by our Company and the chairman of audit committee shall directly hear grievances of victimization of employees and directors, who use vigil mechanism to report genuine concerns;

25. Formulating, reviewing and making recommendations to the Board to amend the Audit Committee charter from time to time;

26. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 10000.00 lakhs or 10% of the asset size of the subsidiary, whichever is lower; and

27. Carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms

of reference as may be decided by the board of directors of our Company or specified/provided under the Companies Act or by the SEBI Listing Regulations or by any other regulatory authority.

28. The Audit Committee shall mandatorily review the following information:

a. Management discussion and analysis of financial condition and results of operations;
b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of our Company;
c. Management letters / letters of internal control weaknesses issued by the statutory auditors of our Company;
d. Internal audit reports relating to internal control weaknesses.
e. The appointment, removal and terms of remuneration of the chief internal auditor; and
f. Statement of deviations in terms of the SEBI Listing Regulations:

- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

- annual statement of funds utilised for purposes other than those stated in the offerdocument/prospectus/notice in terms of Regulation 32(5) of the SEBI Listing Regulations.

2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was originally constituted on September 25, 2018 and thereafter reconstituted on November 23, 2022 as follows:

S. No.	Name of the Director	Designation	Position in the Committee
1.	Ramesh Babu Nemani	Non-Executive Independent Director	Chairman
2.	Kandula Swapna	Non-Executive Independent Director	Member
3.	Adapa Kiran Kumar	Non-Executive Independent Director	Member

The terms of reference of the Nomination and Remuneration Committee was approved by a resolution of our Board dated February 27, 2023.

The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 19 of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are as follows:

1. Formulating and recommending to the Board for its approval and also to review from time to time, a nomination and remuneration policy or processes, as may be required pursuant to the provisions of the Companies Act.

2. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

3. Recommending to the Board, all remuneration, in whatever form, payable to senior management.

4. Formulation of criteria for evaluation of performance of independent directors and the Board, and determining whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors.

5. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

a. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of our Company and its goals.

6. Devising a policy on Board diversity.

7. Identifying persons who are qualified to become directors or who may be appointed in senior management in

accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance in accordance with the nomination and remuneration policy. Company shall disclose the remuneration policy and the evaluation criteria in its annual report.

8. Analysing, monitoring and reviewing various human resource and compensation matters.

9. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors.

10. Determine compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component.

11. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws.

12. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

a. the SEBI Insider Trading Regulations; or
b. The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended;
c. Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
d. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including the following:

- administering and exercising superintendence over the employees' stock option plan(s) and employee's stock purchase scheme(s) of the Company and any other share based employee benefit scheme, as instituted from time to time (collectively, the "Plans"), including the Nova Agritech Limited Share Based Employee–BenefitScheme - 2022;
- determining the eligibility of employees to participate under the Plans;
- granting options to eligible employees and determining the date of grant;
- formulating detailed terms and conditions of the Plans;
- determining the number of options to be granted to an employee;
- determining the exercise price under of the Plans;
- deciding on matters such as quantum of and milestones for grant, eligibility of employees who shall be entitled to grant of options, vesting period and conditions thereof, termination policies etc.; and
- construing and interpreting the Plans and any agreements defining the rights and obligations of the Company and eligible employees under the Plans, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plans.

e. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by such committee.
f. Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee was originally constituted on September 25, 2018 and thereafter reconstituted on November 23, 2022 as follows:

Sr. No.	Name of the member	Designation	Position in the Committee
1	Kandula Swapna	Non-Executive Independent Director	Chairperson
2.	Adapa Kiran Kumar	Non-Executive Independent Director	Member
3.	Ramesh Babu Nemani	Non-Executive Independent Director	Member

The terms of reference of the Stakeholders Relationship Committee was approved by a resolution of our Board dated February 27, 2023.

The scope and function of the Stakeholders Relationship Committee is in accordance with Section 178 of the Companies

Act and Regulation 20 of the SEBI Listing Regulations. The terms of reference of the Stakeholders Relationship Committee are as follows.

The Stakeholders Relationship Committee shall be responsible for, among other things, as may be required by the stock exchanges from time to time, the following:

1. Considering and resolving grievances of investors, shareholders, debenture holders and other security holders of the Company, including complaints in respect of allotment of Equity Shares, related to transfer/transmission of shares including non-receipt of share certificates and review of cases for refusal, non-receipt of declared dividends, non-receipt of annual reports, balance sheets of the Company, issue of new/duplicate certificates, general meetings, etc. and assisting with quarterly reporting of such complaints;

2. Reviewing of measures taken for effective exercise of voting rights by shareholders;

3. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

4. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate certificates and new certificates on split/ consolidation/ renewal, compliance with all the requirements related to shares, debentures and other securities from time to time;

5. Reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

6. Reviewing the adherence to the service standards by the Company with respect to various services rendered by the registrar and transfer agent of the Company and recommending measures for overall improvement in the quality of investor services;

7. Considering various aspects of interests of shareholders, debenture holders and other security holders; and

8. Carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

4. Risk Management Committee

The current constitution of the Risk Management Committee is as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Kiran Kumar Atukuri	Managing Director	Chairman
2.	Adabala Seshagiri Rao	Chairperson and Independent Director	Member
3.	Ramesh Babu Nemani	Non-Executive Independent Director	Member

The Risk Management Committee was constituted by a resolution of our Board dated February 27, 2023.

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations. The powers, roles, responsibilities and terms of reference of the Risk Management Committee shall include the following:

1. To formulate a detailed risk management policy which shall include:

a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.

b. Measures for risk mitigation including systems and processes for internal control of identified risks.

c. Business continuity plan.

2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

3. To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such

committees, as per framework laid down by the board of directors;

4. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

5. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

6. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

7. To approve major decisions affecting the risk profile or exposure and give appropriate directions;

8. To consider the effectiveness of decision-making process in crisis and emergency situations;

9. To balance risks and opportunities;

10. To generally, assist the Board in the execution of its responsibility for the governance of risk;

11. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;

12. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee; and

13. Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing regulations.

The quorum of the Risk Management Committee is either two members or one-third of the members of the Risk Management Committee, whichever is higher, including at least one member of the Board of Directors, being in attendance.

The Risk Management Committee is required to meet at least twice in a year and not more than 180 days may elapse between the two meetings.

The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

5. IPO Committee

The current constitution of the IPO Committee is as follows:

Sr. No.	Name of the Director	Designation	Position in the Committee
1.	Adabala Seshagiri Rao	Chairperson and Independent Director	Chairman
2.	Adapa Kiran Kumar	Non-Executive Independent Director	Member
3.	Ramesh Babu Nemani	Non-Executive Independent Director	Member

The IPO Committee was constituted by a resolution of our Board dated February 27, 2023.

The powers, roles, responsibilities and terms of reference of the IPO Committee shall include the following:

1. to decide, negotiate and finalize the pricing, the terms of the issue of the Equity Shares and all other related matters regarding the Pre-IPO Placement, if any, including the execution of the relevant documents with the investors, in consultation with the book running lead managers appointed in relation to the Offer ("**BRLMs**") and in accordance with applicable laws;

2. to decide in consultation with the BRLMs the actual size of the Offer and taking on record the number of equity shares (the "Equity Shares"), and/or reservation on a competitive basis, and/or any rounding off in the event of any oversubscription and/or any discount to be offered to retail individual bidders or eligible employees participating in the Offer and all the terms and conditions of the Offer, including without limitation timing, opening and closing dates of the Offer, price band, allocation/allotment to eligible persons pursuant to the Offer, including any anchor investors, and to accept any amendments, modifications, variations or alterations thereto;

3. to appoint, instruct and enter into agreements with the BRLMs, and in consultation with BRLMs appoint and enter into agreements with intermediaries, co-managers, underwriters, syndicate members, brokers, escrow collection bankers, auditors, independent chartered accountants, refund bankers, registrar, grading agency, industry expert, legal counsels, depositories, printers, monitoring agency, advertising agency(ies), and any other agencies or persons (including any successors or replacements thereof) whose appointment is required in relation to the Offer and to negotiate and finalize the terms of their appointment, including but not limited to execution of the mandate letters and offer agreement with the BRLMs, and the underwriting agreement with the underwriters, and to terminate agreements or arrangements with such intermediaries;

4. to make any alteration, addition or variation in relation to the Offer, in consultation with the BRLMs or SEBI or such other authorities as may be required, and without prejudice to the generality of the aforesaid, deciding the exact Offer structure and the exact component of issue of Equity Shares;

5. to finalize, settle, approve, adopt and arrange for submission of the draft red herring prospectus ("DRHP"), the red herring prospectus ("RHP"), the Prospectus, the preliminary and final international wrap and any amendments, supplements, notices, clarifications, reply to observations, addenda or corrigenda thereto, to appropriate government and regulatory authorities, respective stock exchanges where the Equity Shares are proposed to be listed ("Stock Exchanges"), the Registrar of Companies, Telangana at Hyderabad ("Registrar of Companies"), institutions or bodies;

6. If deemed appropriate, to invite the existing shareholders of the Company to participate in the Offer to offer for sale the Equity Shares held by them at the same price as in the Offer;

7. to take all actions as may be necessary and authorised in connection with the offer for sale and to approve and take on record the approval of the selling shareholder(s) for offering their Equity Shares in the offer for sale and the transfer of Equity Shares in the offer for sale;

8. to issue advertisements in such newspapers and other media as it may deem fit and proper, in consultation with the relevant intermediaries appointed for the Offer in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), Companies Act, 2013, as amended and other applicable laws;

9. to decide the total number of Equity Shares to be reserved for allocation to eligible categories of investors, if any, and on permitting existing shareholders to sell any Equity Shares held by them;

10. to open and operate separate escrow accounts as the escrow account to receive application monies from anchor investors/ underwriters in respect of the bid amounts and a bank account as the refund account for handling refunds in relation to the Offer and in respect of which a refund, if any will be made;

11. to open and operate bank account with the bankers to the Offer to receive application monies in relation to the Offer in terms of Section 40(3) of the Companies Act, 2013, as amended and to authorize one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

12. to negotiate, finalise, sign, execute and deliver or arrange the delivery of the offer agreement, syndicate agreement, share escrow agreement, escrow and sponsor bank agreement, underwriting agreement, agreements with the registrar to the Offer, monitoring agency and the advertising agency(ies) and all other agreements, documents, deeds, memorandum of understanding and other instruments whatsoever with the registrar to the Offer, legal advisors, auditors, Stock Exchanges, BRLMs and other agencies/ intermediaries in connection with Offer with the power to authorize one or more officers of the Company to execute all or any of the aforesaid documents;

13. to make any applications, seek clarifications, obtain approvals and seek exemptions, if necessary, from the Stock Exchange, the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), Registrar of Companies, and such other statutory and governmental authorities in connection with the Offer, as required by applicable law, and to accept, on behalf of the Board, such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, exemptions, permissions and sanctions as may be required, and wherever necessary, incorporate such modifications / amendments as may be required in the DRHP, RHP and the Prospectus, as applicable;

14. to make in-principle and final applications for listing and trading of the Equity Shares on one or more stock exchanges, to execute and to deliver or arrange the delivery of the equity listing agreement(s) or equivalent documentation to the Stock Exchanges and to take all such other actions as may be necessary in connection with obtaining such listing;

15. to determine and finalize, in consultation with the BRLMs, the price band for the Offer and minimum bid lot for the purpose of bidding, any revision to the price band and the final Offer price after bid closure, and to finalize the basis of allocation and to allot the Equity Shares to the successful allottees and credit Equity Shares to the demat accounts of the successful allottees in accordance with applicable laws and undertake other matters in connection with or incidental to the Offer, including determining the anchor investor portion, in accordance with the SEBI ICDR Regulations;

16. to accept and appropriate the proceeds of the Offer in accordance with the Applicable Laws;

17. to issue receipts/allotment advice/confirmation of allocation notes either in physical or electronic mode representing the underlying Equity Shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforementioned documents;

18. to do all such acts, deeds and things as may be required to dematerialise the Equity Shares and to sign and / or modify, as the case maybe, agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, authorities or bodies as may be required in this connection and to authorize one or more officers of the Company to execute all or any of the aforestated documents;

19. to approve the code of conduct, suitable insider trading policy, whistle blower/vigil mechanism policy, risk management policy and other corporate governance requirements considered necessary by the Board or the IPO Committee or as required under applicable law;

20. to approve the list of 'group of companies' of the Company, identified pursuant to the materiality policy adopted by the Board, for the purposes of disclosure in the DRHP, RHP and Prospectus;

21. to seek, if required, the consent and waivers of the parties with whom the Company has entered into various commercial and other agreements such as Company's lenders, joint venture partners, all concerned governmental and regulatory authorities in India or outside India, and any other consents and/or waivers that may be required in connection with the Offer or any actions connected therewith, in accordance with the applicable laws;

22. to determine the price at which the Equity Shares are offered, allocated, transferred and/or allotted to investors in the Offer in accordance with applicable regulations in consultation with the BRLMs and/or any other advisors, and determine the discount, if any, proposed to be offered to eligible categories of investors;

23. to settle all questions, difficulties or doubts that may arise in relation to the Offer, including such issues or allotment, terms of the IPO, utilisation of the IPO proceeds and matters incidental thereto as it may in its absolute discretion deem fit;

24. to do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Offer;

25. to authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage and remuneration in connection with the Offer;

26. to withdraw the DRHP or RHP or to decide not to proceed with the Offer at any stage, in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and applicable laws;

27. to submit undertaking/certificates or provide clarifications to the SEBI, Registrar of Companies and the relevant stock exchange(s) where the Equity Shares are to be listed; and

28. to authorize and empower directors or officers of the Company (each, an "Authorized Officer(s)"), for and on behalf of the Company, to execute and deliver, on a several basis, any agreements and arrangements as well as amendments or supplements thereto that the Authorized Officer(s) consider necessary, appropriate or advisable, in connection with the Offer, including, without limitation, engagement letter(s), memoranda of understanding, the listing agreement(s) with the stock exchange(s), the registrar agreement and memorandum of understanding, the depositories' agreements, the offer agreement with the BRLMs (and other entities as appropriate), the underwriting agreement, the syndicate agreement with the BRLMs and syndicate members, the stabilization agreement, the share escrow agreement, the cash escrow and sponsor bank agreement, confirmation of allocation notes, allotment advice, placement agents, registrar to the Offer, bankers to the Company, managers, underwriters, escrow agents, accountants, auditors, legal counsel, depositories, advertising agency(ies), syndicate members, brokers, escrow collection bankers, auditors, grading agency, monitoring agency and all such persons or agencies as may be involved in or concerned with the Offer, if any, and to make payments to or remunerate by way of fees, commission, brokerage or the like or reimburse expenses incurred in connection with the Offer by the BRLMs and to do or cause to be done any and all such acts or things that the Authorized Officer(s) may deem necessary, appropriate or desirable in order to carry out the purpose and intent of the foregoing resolutions for the Offer; and any such agreements or documents so executed and delivered and acts and things done by any such Authorized Officer(s) shall be conclusive evidence of the authority of the Authorized Officer and the Company in so doing.

6. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was originally constituted on September 25, 2018 and thereafter reconstituted on November 23, 2022 as follows:

Sr. No.	Name of the member	Designation	Position in the Committee
1.	Kiran Kumar Atukuri	Managing Director	Chairman
2.	Adabala Seshagiri Rao	Chairperson and Independent Director	Member
3.	Adapa Kiran Kumar	Non-Executive Independent Director	Member

The terms of reference of the Corporate Social Responsibility Committee was approved by a resolution of our Board dated February 27, 2023.

The scope and function of the Corporate Social Responsibility Committee is in accordance with Section 135 of the Companies Act. The terms of reference of the Corporate Social Responsibility Committee are as follows:

1. To formulate and recommend to the Board, a Corporate Social Responsibility policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act and the rules made thereunder and make any revisions therein as and when decided by the Board;

2. To identify corporate social responsibility policy partners and programmes;

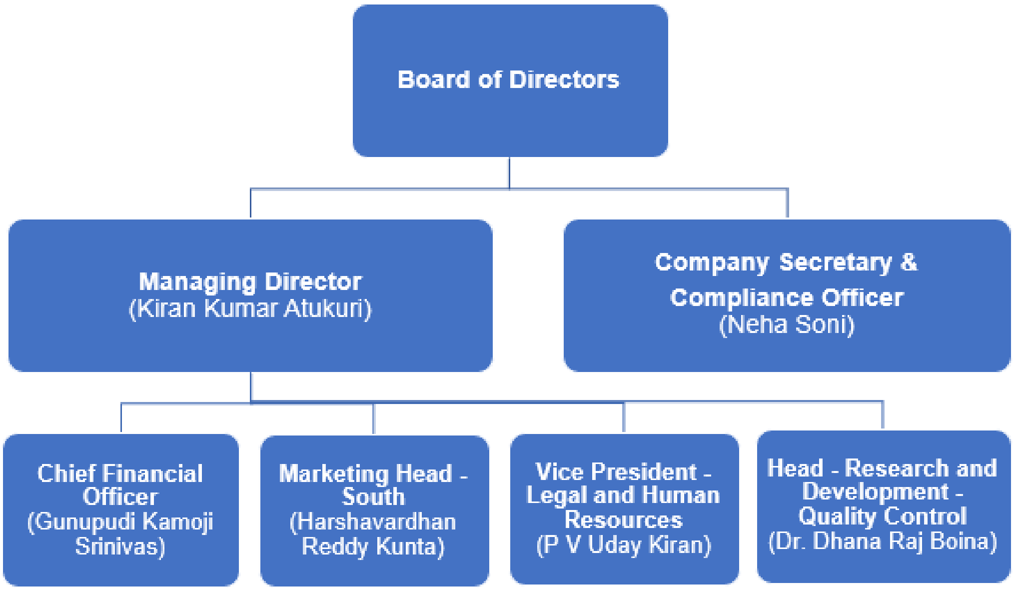
3. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company for corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;

4. To monitor the Corporate Social Responsibility policy of the Company from time to time including delegation of responsibilities to various teams and supervise, monitor and review the timely implementation of corporate social responsibility programmes;

5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time; and

6. To exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.

Management Organization Chart



Key Managerial Personnel and Senior Management

For details in relation to our Managing Director and Executive Director, see "*Brief Profile of our Directors*" and "*Remuneration to Executive Directors*" on pages 233 and 234, respectively.

1. **Harshavardhan Reddy Kunta** is our Marketing Head – South. He was appointed as the General Manager – Marketing of our Company with effect from June 08, 2010. He holds a degree in Bachelor of Science in Agriculture from Acharya N.G. Ranga Agricultural University. He was promoted to the rank of Marketing Head – South on April 21, 2022. During Fiscal 2023, he received a remuneration of ₹ 17.56 lakhs.

2. **P V Uday Kiran** was appointed as the Vice President –Legal and Human Resource on November 01, 2019. He holds a degree in Bachelor of Computer Applications from Osmania University and degree in Master of Business Administration from Institute of Chartered Financial Analysts of India ("**ICFAI**"). He has 6 years of experience and has previously worked with organizations such as Le Magnus Foundation and Team Lease Services Pvt. Ltd. During Fiscal 2023, he received a remuneration of ₹ 15.46 lakhs.

3. **Dr. Dhana Raj Boina** was appointed as the Head-Research and Development-Quality Control at our Company with effect from February 6, 2023. He holds a degree in Bachelors of Science (Agriculture) from Acharya N.G. Ranga Andhra Pradesh Agricultural University, Hyderabad, Masters of Science in Agriculture with specialization in Agricultural Entomology from University of Agricultural Sciences, Dharwad, Masters in Agriculture with specialization in Entomology from Kansas State University, Manhattan, United States of America and a Doctor of Philosophy (PhD) in Entomology from Virginia Polytechnic Institute and State University, Blacksburg, United States of America. He has 10 years of research and teaching experience, having worked with organizations such as the National Institute of Plant Health Management, Hyderabad, the Citrus Research and Education Center, University of Florida, Graduate Research Assistant- Department of Entomology, Kansas State University, Manhattan, United States of America, Post-Doctoral Research Fellow-Department of Grain Science and Industry, Kansas State University, Manhattan, United States of America and as a teaching assistant at Virginia Polytechnic Institute and State University, Blacksburg. During Fiscal 2023, he received a remuneration of ₹ 1.43 lakhs .

4. **Gunupudi Kamoji Srinivas** was appointed as the Chief Financial Officer – Finance and Accounts on 03 January, 2023. He holds a degree in Bachelor of Commerce from Andhra University and is a member of the Institute of Chartered Accountants of India. He has 27 years of experience and has previously worked with several organizations such as Seeaes Management Information Technology, Mid-West Leasing Limited, Asia Pacific Investment Trust Limited, 21st Century Management Services Limited, Bommidala Filaments Limited, Synergies-Doorway Automotive Limited, The Kindergarten Starters, Dubai American Academy, Omeir Travel Agency and Tanla Solutions Limited. During Fiscal 2023, he received a remuneration of ₹ 5.48 lakhs.

5. **Neha Soni** is the Company Secretary of our Company. She was appointed as the Company Secretary of our Company with effect from October 22, 2020. She holds a degree of Bachelor in Commerce and Bachelor of Law from Devi Ahilya Vishwavidyalya and is a member of the Institute of Company Secretaries of India ("**ICSI**"). She has 2 years of experience having worked with C.R. Broadcasting Hyderabad Limited as a Company Secretary. During Fiscal 2023, she received a remuneration of ₹ 6.00 lakhs.

Senior Management

Except our CFO- Gunupudi Kamoji Srinivas, Marketing Head South- Harshavardhan Reddy Kunta, –, Vice President-Legal and Human Resource-P.V. Uday Kiran, Head-Research & Development-Quality Control-Dr. Dhana Raj Boina and our Company Secretary and Compliance Officer- Neha Soni who are also our Key Managerial Personnel and whose details have been disclosed above, there are no other Senior Management in our Company.

Changes in our Key Managerial Personnel and Senior Management in the last three years

Name	Designation	Date of Appointment/Change/ Cessation	Particulars/ Reason
Bhargavi Kandula	Chief Financial Officer	December 16, 2022	Resignation
Gunupudi Kamoji Srinivas	Chief Financial Officer	January 03, 2023	Appointment
Dhana Raj Boina	Head-Research & Development-Quality Control	February 6, 2023	Appointment
Anuj Kumar Pipil	Marketing Head North	August 29, 2023	Resignation

Shareholding of Key Managerial Personnel and Senior Management Personnel in our Company

None of our Key Managerial Personnel and Senior Management Personnel hold any Equity Shares in our Company.

Bonus or Profit-Sharing Plans of the Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel or Senior Management Personnel is entitled to any bonus (excluding performance linked incentive which is part of their remuneration) or profit-sharing plans of our Company.

Interests of Key Managerial Personnel and Senior Management Personnel

Our Key Managerial Personnel and Senior Management Personnel do not have any interests in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company; and (ii) the employee stock options held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding.

Contingent and deferred compensation payable to our Key Managerial Personnel and Senior Management Personnel

There is no contingent or deferred compensation accrued for Financial Year 2023 and payable to the Key Managerial Personnel and Senior Management Personnel.

Arrangements or understandings with major shareholders, customers, suppliers or others pursuant to which our Key Managerial Personnel and Senior Management Personnel have been appointed as a Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Service Contracts with Key Managerial Personnel and Senior Management Personnel

Except statutory entitlements for benefits upon termination of their employment in our Company or retirement, no Key Managerial Personnel and Senior Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Payment or benefit to Key Managerial Personnel and Senior Management Personnel

No non-salary amount or benefit has been paid or given to any officer of our Company including Key Managerial Personnel or Senior Management Personnel, within the two years preceding the date of this Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment or any employee stock options, for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders. For details of the related party transactions, see "*Restated Consolidated Financial Information – Notes forming part of the Restated Consolidated Financial Information – Note 31: Related Parties*" on page 305.

OUR PROMOTER AND PROMOTER GROUP

Our Promoters

The Promoters of our Company are:

1.Suraksha Agri Retails (India) Private Limited
2.Yeluri Family Trust
3.Malathi S
4.Kiran Kumar Atukuri

As on the date of this Red Herring Prospectus, our Promoters collectively hold 5,49,44,020 Equity Shares, representing 84.27% of the issued, subscribed and paid-up Equity Share capital of our Company. For details, see "*Capital Structure - Details of Equity Shares held by our Promoters and members of our Promoter Group*" on page 87.

1.Suraksha Agri Retails (India) Private Limited (Suraksha Agri / Corporate Promoter):

Corporate information

Our Corporate Promoter is a private limited company incorporated on March 20, 2009 under the provisions of the Companies Act, 1956. The corporate identification number of our Corporate Promoter is U01820TG2009PTC063119. Our Corporate Promoter was incorporated with the Registrar of Companies, Hyderabad.

The registered office of Our Corporate Promoter is located at Sy.No.251/A/1, Singannaguda Village, Mulugu Mandal Siddipet Medak, Telangana 502279 India.

Main objects

The main objects of our Corporate Promoter are:

1.To carry on the business as distributors, marketers, traders, exporters, Agents, representatives, dealers, stockiest, importers, of agricultural input, fertilizers, agricultural, scientific and farm products, pharmaceuticals, chemicals, biotech products, consumer goods, household goods, vaccines and antibiotics, veterinary and nutritional products.

2.To carry on the business of research and development, establish, acquire, promote, maintain, application, distribution, export and import, marketing, sales and consulting services of all types of biological and chemical products, biotech products, consumer goods, household goods, vaccines and antibiotics, veterinary, and nutritional products for human, veterinary, poultry and marine biological uses and their allied products.

3.To carry on the business of trading of carbon, hydrogen, nitrogen, carbon emission products, buying, selling, distributing, importing, exporting, supplying, wholesalers, hiring, marketing and dealing in all kinds of drugs, chemical, agricultural products including fertilizers, seeds and pesticides, pharmaceutical products, genetically material.

4.To carry on the business of manufacturing, developing, producing, processing, Distilling, compounding, formulating, acquiring, buying, selling, importing, Exporting, stocking, storing, distributing, maintaining, handling and dealing in All kind of agricultural inputs, fertilizers, agricultural, scientific and farm Products, chemicals, biotech products, consumer goods, Household goods, vaccines and antibiotics, veterinary and nutritional Products for human, veterinary, poultry and marine biological uses.

Change in activities

There has been no change in activities of our Corporate Promoter since the date of its incorporation.

Board of directors

The board of directors of our Corporate Promoter comprises the following: Malathi S
Sreekanth Yenigalla

Registration with regulators

Our Corporate Promoter has no registrations with any regulators as on the date of filing this Red Herring Prospectus.

Capital Structure

The authorised share capital of our Corporate Promoter is ₹ 5,00,000 divided into 50,000 Equity Shares of face value ₹ 10/- each.

The issued and paid-up share capital of our Corporate Promoter is ₹ 5,00,000 divided into 50,000 Equity Shares of face value ₹ 10/- each.

Shareholding Pattern

As on the date of this RHP, the shareholding of our Corporate Promoter is as follows:

Sr. No.	Name of Shareholder	Number of shares held	Percentage of equity shareholding
1.	Malathi S	30,000	60.00
2.	Kiran Kumar Atukuri	20,000	40.00
	Total	**50,000**	**100.00**

Change in control of our* Corporate *Promoter

There has been no change in control of our Corporate Promoter in the three immediately preceding years.

As on date of filing of this Red Herring Prospectus, Suraksha Agri holds 1,53,88,040 Equity Shares representing 23.60 % of the subscribed and paid-up Equity Share capital of our Company. Malathi S and Kiran Kumar Atukuri being shareholders and directors of Suraksha Agri are also individual promoters of the Company. There is no other relationship.

Suraksha Agri is not involved in any other venture.

Our Company confirms that the PAN, bank account number, company registration number of Suraksha Agri and address of the Registrar of Companies where Suraksha Agri is registered will be submitted to the Stock Exchanges at the time of filing of the Draft Red Herring Prospectus with them.

2.Yeluri Family Trust (“Trust”)

Promoter Information

Yeluri Family Trust (“**Trust**”) is a private, irrevocable, non-discretionary trust, established under the provisions of the Indian Trusts Act, 1882, as amended, registered as document no. 104 of 2022 of Book-4 and assigned the identification number 4-1504-104-2022 *vide* registered Deed of Trust dated August 05, 2022 (“**Trust Deed**”). The PAN of the Trust is AAATY9209P. Our individual Promoter, Malathi S, is the author/settlor/beneficiary of the Trust (“**First Trustee”**) whereas Yeluri Divyesh and Yeluri Mainank Tarak are the beneficiaries of the Trust (“**Beneficiaries”**).

The Prinicpal office of the Trust is located at Villa No.29, Ashok-ala-Mansion, Dhullapally Road, Kompaly Village, Qutubullapur, Medchal – 500 056, Telangana, India.

As on the date of this Red Herring Prospectus, Yeluri Family Trust holds 3,11, 34,360 Equity Shares of the Company aggregating to 47.75% of the total shareholding (pursuant to sub-division into 5 Equity Shares of face value ₹2/- each approved vide resolution of our Board dated January 18, 2023 and Shareholders’ resolution dated February 11, 2023), which it acquired vide share transfer dated December 13, 2022 gifted by Sambasivarao Yeluri (57,22,872 Equity Shares) and Yeluri Sambasiva Rao (HUF) (5,04,000 Equity Shares).

Main Objects and purposes

1.To provide for the well-being of the beneficiaries
2.To grow, protect and preserve the assets forming part of the trust fund for the benefit of the Beneficiaries
3.To hold the Trust Property solely and exclusively for and on behalf of the Beneficiaries as set out in the Trust Deed.
4.To provide financial resources to or for the maintenance and benefit of the Beneficiaries, in relation to their maintenance, education, health care and other living expenses, marriage or for any causes/reasons any such amount as the Trustee(s) may consider appropriate.

Initial Settlement and Trust Property

In pursuance of the objects and purposes of the Trust, the first Trustee has settled a sum of ₹ 0.10 lakhs, together with all further additions, accretions, income, properties and investments, as may be acquired from time to time, for the benefit of the Beneficiaries.

Composition of Trust and Beneficial Interest in Trust Property

As on date of this RHP, the composition of the Trust is as follows:

Name of the Party to the Yeluri Family Trust	Nature of Interest	Percentage of Interest (%)
Malathi S	Settlor/Trustee/Beneficiary	51.00
Yeluri Divyesh	Beneficiary	24.50
Yeluri Mainank Tarak	Beneficiary	24.50

Yeluri Family Trust is not involved in any other venture.

Malathi S being the Trustee of the Yeluri Family Trust is also an individual promoter of the Company. There is no other relationship.

3. Individual Promoters

Malathi S

	Identification Particulars	Details
	Permanent Account Number	BKJPS1599A
	Driving License Number	--
	Address	Villa No.29, Ashoka-al-Maison, Dulapally Road, Beside St Martins Engineering College, Medchal-Malkajgiri, Kompally- 500100 Telangana, India

Kiran Kumar Atukuri

	Identification Particulars	Details
	Permanent Account Number	AGNPA3763F
	Driving License Number	TS00820220003949
	Address	Villa No. 23, Kalyan Whistling Woods, Pet Basheerabad, Kompally, Jeedimetla, Medchal- Malkajgiri, Telangana-500067

Brief biographies of individual Promoters

For the complete profile of Malathi S and Kiran Kumar Atukuri, along with details of their educational qualifications, experience in the business or employment, position/posts held in the past, directorships held, if any, see "*Our Management – Board of Directors*" on page 230

Our Company confirms that the PAN, Aadhar, bank account numbers, driving license number and passport numbers of our individual Promoters shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them.

Experience of our Individual Promoters

Our individual Promoters have adequate experience in the business activities undertaken by our Company.

Other ventures of our Individual Promoters

Other than as disclosed in "*Our Promoter Group*" below and in section "*Our Management – Other Directorships*" on page 230, our individual Promoters are not involved in any other ventures.

Change in Control of our Company

Our Company was incorporated as a private limited company under the provisions of the Companies Act, 1956 on May 9, 2007 at Hyderabad, Andhra Pradesh. Our business was started by our erstwhile promoters Sambasivarao Yeluri and Kalyana Chakravarthy with an objective to be a one-stop solution provider by offering ecologically sustainable and nutritionally balanced products to the farmers. Sambasivarao Yeluri was associated with the Company for a period of 15 years. He ceased to be a promoter of the Company as on December 13, 2022 upon transfer of his entire shareholding to the Yeluri Family Trust. Presently, the promoters of Nova Agritech Limited are Suraksha Agri Retails (India) Private Limited, Yeluri Family Trust, Malathi S (*wife of the erstwhile promoter Sambasivarao Yeluri*) and Kiran Kumar Atukuri.

INTEREST OF PROMOTERS

Interest of Promoters in the Promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their respective shareholding in our Company (directly or indirectly, as the case may be, the dividends payable and any other distributions in respect of their respective shareholding in our Company. Further, our individual Promoters are also interested in our Company to the extent of remuneration payable to them in their capacity as Executive Directors of our Company (See "*Our Management*" on Page 234 . For further details, see "*Capital Structure - Build-up of the Promoters' shareholding in our Company*" beginning on Page 85. Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (in which our Promoters hold shares, or (ii controlled by our Promoters.

No sum has been paid or agreed to be paid to any of our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by such Promoter(s) or by such firm or company, in connection with the promotion or formation of our Company.

Interest of Promoters in the Property of our Company

Our Promoters do not have any interest in any property acquired by our Company within three years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company as on the date of filing of this Red Herring Prospectus or in any transaction for acquisition of land, construction of buildings and supply of machinery.
As on date of this Red Herring Prospectus our Company has not leased any properties to our Promoter.

Interest of Promoters in our Company other than as Promoters

Except as stated in this section and the sections titled "*Our Business*", "*Our Management*", "*History and Certain Corporate Matters*", "*Financial Indebtedness*" and *"Related Party Transactions"* on pages 175, 230, 221, 359 and 322, respectively, our Promoters do not have any interest in our Company other than as promoters.

Interest in our Company arising out of being a member of a firm or company

Our Promoters are not interested as members of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce such person to become, or qualify him as a director, or otherwise for services rendered by him or by such firm or company in connection with the promotion or formation of our Company.

Interest of Promoters in Intellectual Property

Our Promoters are not interested in any intellectual property rights that are used by our Company.

COMMON PURSUITS OF OUR PROMOTERS

Our Promoters are not involved with any company or firms which are in the same line of activity or business as that of our Company except as disclosed in the below table:

Name of the Promoter	Name of the Entity	Nature of Interest
Suraksha Agri Retails (India) Private Limited	Nil	Nil
Yeluri Family Trust	Nil	Nil
Malathi S	Suraksha Agri Retails (India) Private Limited	Director/ Shareholder
	Nova Health Sciences Private Limited	Director
	Nova Dairy Tech India Private Limited	Director
Kiran Kumar Atukuri	Nova Agri Seeds India Private Limited	Director
	Nova Agri Sciences Private Limited	Director
	AIC- Nova Foundation for Agriculture Innovation and Research	Director
	Suraksha Agri Retails (India) Private Limited	Shareholder

PAYMENT OF AMOUNTS OR BENEFITS TO OUR PROMOTERS OR PROMOTER GROUP DURING THE LAST TWO YEARS

Except as stated in the section titled "*Related Party Transactions*" on page 322, no amount or benefit has been paid by our Company to our Promoters or members of our Promoter Group in the two years preceding the date of this Red Herring Prospectus and no amount or benefit is intended to be paid or given to any of our Promoters or members of our Promoter Group.

RELATED PARTY TRANSACTIONS

Except as stated in the section titled *"Related Party Transactions"* on page 322, our Company has not entered into any related party transactions with our Promoters.

CONFIRMATIONS

Except as stated in the section titled *"Related Party Transactions"* on page 322, our Company has not made any payments in cash or otherwise to our Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company.

Our Promoters are not related to any sundry debtors of our Company.

DISASSOCIATION BY PROMOTERS IN THE LAST THREE YEARS

Our Promoters have not disassociated from any companies or firms during the three years preceding the date of filing of this Red Herring Prospectus except as disclosed herein below:

Sl. No.	Dissociated Entity	Promoter	Date of Disassociation	Reasons for and circumstances leading to disassociation and terms of disassociation
1.	Rivrock Technologies Private Limited (*formerly known as Novatek Solutions Private Limited*)	Malathi S	November 20, 2021	Resignation as director under Section 168 of Companies Act, 2013 due to personal reasons.

GUARANTEES

Except as disclosed below, our Promoters have not given any material guarantee, in respect of the Equity Shares, as on the date of this Red Herring Prospectus:

SI No.	Particular of Guarantees Provided by Promoters	Reasons for obtaining the Loan
1	Vide Letter of Continuity dated February 22, 2016 Malathi S provided a guarantee to an amount of ₹ 400.00 lakhs for a cash credit sanctioned to our Company's subsidiary Nova Agri Sciences Private Limited. With an enhancement of the cash credit facility provided to Nova Agri Sciences Private Limited, her guarantee was extended to an amount of ₹ 800.00 lakhs vide Letter of Guarantee dated December 22, 2021, which was further extended vide Letter of Guarantee dated November 15, 2022 to a total of ₹ 2000.00 lakhs.	Cash Credit facility to meet working capital requirements.
2.	With an enhancement of the cash credit facility provided to our Company's subsidiary Nova Agri Sciences Private Limited, Kiran Kumar Atukuri extended a guarantee of ₹ 800.00 lakhs vide Letter of Guarantee dated December 22, 2021, which was further extended vide Letter of Guarantee dated November 15, 2022 to a total of ₹ 2000.00 lakhs.	Cash Credit facility to meet working capital requirements and a term loan to part finance project cost.
3.	Malathi S was made a guarantor vide sanction letter dated September 27, 2012 for a cash credit facility taken by our Company for an amount of ₹ 475.00 lakhs. This cash credit facility was enhanced to an amount of ₹ 800.00 lakhs wherein Malathi S extended her guarantee to the same vide Guarantee Agreement June 18, 2014. With an enhancement to the cash credit facility, Malathi S extended her guarantee vide Guarantee Agreement dated June 24, 2016 to the extent of the amount ₹ 1300.00 lakhs which was further extended to an amount of ₹ 2400.00 lakhs vide Guarantee Agreement dated November 23, 2017. Presently, vide Letter of Guarantee dated February 16, 2023 the guarantee extended by Malathi S totals upto an amount of ₹ 3000.00 lakhs.	Cash Credit facility to meet working capital requirements.
4.	Kiran Kumar Atukuri extended a guarantee to our Company vide Letter of Guarantee dated February 16, 2023 for an amount of ₹ 3000.00 lakhs.	Cash Credit facility to meet working capital requirements.
5.	Vide Letter of Guarantee dated May 13, 2022 Malathi S and Kiran Kumar Atukuri have provided a guarantee to our Company's subsidiary Nova Agri Sciences Private Limited for a term loan amounting to ₹ 53.00 lakhs guaranteeing the obligations of the Company under the loan documentation.	Term loan to meet temporary liquidity mismatch arising out of COVID-19 crisis.
6.	Vide Guarantee Agreements dated July 11, 2022 Malathi S and Kiran Kumar Atukuri have provided a guarantee to our Company's subsidiary Nova Agri Sciences Private Limited for a term loan amounting to ₹ 8.20 lakhs guaranteeing the obligations of the Company under the loan documentation.	Term loan for purchase of a vehicle.
7.	Vide Guarantee Agreements dated October 29, 2021 Kiran Kumar Atukuri has provided a guarantee to our Company for a term loan amounting to ₹ 16.00 lakhs guaranteeing the obligations of the Company under the loan documentation.	Term loan for purchase of a vehicle.
8.	Vide Guarantee Agreements dated October 29, 2021 Kiran Kumar Atukuri has provided a guarantee to our Company for a term loan amounting to ₹ 16.00 lakhs guaranteeing the obligations of the Company under the loan documentation.	Term loan for purchase of a vehicle.

There are no clauses/covenants included the guarantee agreements/letter of guarantees which are material in nature.

Promoter Group

In addition to the Promoters mentioned above, the individuals and entities that form part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations, 2018 are set out below:

I. Corporate Promoter- *There are no promoter group individuals/bodies corporate/firms/entities forming part of the Corporate Promoter.*

II. Yeluri Family Trust- Yeluri Divyesh and Yeluri Mainank Tarak who are beneficiaries of the Trust form a part of our Promoter Group.

III. Individual Promoters:

a. *Individuals who are a part of our Promoter Group:*

Relation	**Promoter Group Individual**
Malathi S	
Sambasivarao Yeluri	*Spouse*
Siripurapu Laxmi	*Mother*
Chandra Madhavi	*Sister*
Siripurapu Madhuri	*Sister*
Yeluri Divyesh	*Son*
Yeluri Mainank Tarak	*Son*
Suseelamma Eluri	*Mother of the Spouse*
Cherukuri Aruna	*Sister of the spouse*
Nutalapati Subbayamma	*Sister of the spouse*
Kiran Kumar Atukuri	
Atukuri Soujanya	*Spouse*
Lakshmana Rao Aetukuri	*Father*
Aetukuri Venkatramamma	*Mother*
Atukuri Sri Krishna Sai Vudheep	*Son*
Vunnathi Atukuri	*Daughter*
Parupalli Ravikumar	*Father of the spouse*
Parupalli Nagarathnam	*Mother of the spouse*
Abburi Lavanya	*Sister of the spouse*
Chaitanya Chanumolu	*Sister of the spouse*

b. Entities who are a part of our Promoter Group

Name of the Promoter	***Entity forming part of Promoter Group***
Malathi S	*Yeluri Sambasiva Rao (HUF)*

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group, see "*Capital Structure – Notes to Capital Structure - Shareholding of our Promoters and the members of our Promoter Group*" on page 87.

Other Confirmations

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

Our Promoters, and members of our Promoter Group have not been declared as wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers as defined under the SEBI ICDR Regulations and as per RBI master circular dated July 01, 2016.

None of our Promoters or Promoter Group are appearing in the list of directors of struck-off companies by RoC, Ministry of Corporate Affairs.

OUR GROUP COMPANIES

In accordance with the SEBI ICDR Regulations and the applicable accounting standards, for the purpose of identification of group companies, our Company has considered (i) the companies (other than our Promoter(s) and Subsidiaries) with which there are related party transactions during the period for which financial information is disclosed in the Restated Financial Statements, as covered under the applicable account standards (i.e., Ind AS 24), and (ii) such other companies as considered material by our Board pursuant to the Materiality Policy.

With respect to (ii) above, our Board in its meeting held on February 27, 2023 has adopted the Materiality Policy and has considered group companies of our Company to be such companies (other than the companies categorised under (i) above) that are a part of the Promoter Group (companies) (as defined in Regulation 2(1)(pp) of the SEBI ICDR Regulations) with which there were transactions with our Company during the last Fiscal included in the Restated Financial Statements, which individually or cumulatively in value, exceed 10% of the total restated revenue of our Company as derived from the Restated Financial Statements of the last completed Fiscal.

Based on the parameters outlined above, our Company has identified the following companies as Group Companies:

1. Nova Ferticare Private Limited
2. Nova Dairy Tech India Private Limited
3. Nova Health Sciences Private Limited
4. Agri Genome Resources India Private Limited
5. AIC- Nova Foundation for Agriculture Innovation and Research

In accordance with the SEBI ICDR Regulations, certain financial information in relation to our Group Companies for the preceding three financial years, extracted from their respective audited financial statements (as applicable) are available at the website indicated below.

Our Company is providing links to such website solely to comply with the requirements specified under the SEBI ICDR Regulations. None of our Company, the BRLMs or any of our Company's or the BRLMs' respective directors, employees, affiliates, associates, advisors, agents or representatives have verified the information available on the websites indicated below.

Details of our Group Companies

1. Nova Ferticare Private Limited

Corporate Identification Number
U24100TG2015PTC099837

Registered office
Nova Ferticare Private Limited was incorporated on July 17, 2015 having it's registered office situated at Sy.No.251/A/1., Singannaguda Village, Mulugu Mandal, Siddipet Medak-502279 Telangana, India.

Financial Performance
As Nova Ferticare Private Limited does not have its own website, information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit/(Loss) after tax; (iv) basic earning per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements of the Nova Ferticare Private Limited for the preceding three financial years shall be hosted on our Company's website at www.novaagri.in .

2. Nova Dairy Tech India Private Limited

Corporate Identification Number
U01119TG2013PTC087282

Registered office
Nova Dairy Tech India Private Limited was incorporated on April 26, 2013 having it's registered office situated at Sy.No.251/A/1., Singannaguda Village, Mulugu Mandal, Siddipet Medak-502279 Telangana, India.

Financial Performance
As Nova Dairy Tech India Private Limited does not have its own website, information with respect to (i) reserves (excluding revaluation reserve);(ii) sales; (iii) profit/(Loss) after tax; (iv) basic earning per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements of the Nova Dairy Tech India Private Limited for the preceding three financial years shall be hosted on our Company's website at www.novaagri.in.

3. Nova Health Sciences Private Limited

Corporate Identification Number
U85190TG2010PTC068584

Registered office
Nova Health Sciences Private Limited was incorporated on May 25, 2010 having it's registered office situated at Sy.No.2 5L/A/1., Singannaguda Village, Mulugu Mandal, Siddipet Medak-502279 Telangana, India.

Financial Performance
As Nova Health Sciences Private Limited does not have its website, information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit/(Loss) after tax; (iv) basic earning per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements of the Nova Health Sciences Private Limited for the preceding three financial years shall be hosted on our Company's website at www.novaagri.in.

4. Agri Genome Resources India Private Limited

Corporate Identification Number
U01403TG2011PTC072116

Registered office
Agri Genome Resources India Private Limited was incorporated on January 8, 2011 having its registered office situated at Plot No. 68, Jayanagar, New Bowenapally, Secunderabad-500011 Telangana, India.

Financial Performance
As Agri Genome Resources India Private Limited does not its own website, information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit/(Loss) after tax; (iv) basic earning per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements of the Agri Genome Resources India Private Limited for the preceding three financial years shall be hosted on our Company's website at www.novaagri.in.

5. AIC- Nova Foundation for Agriculture Innovation and Research

Corporate Identification Number
U93090TG2018NPL128938

Registered office
AIC- Nova Foundation for Agriculture Innovation and Research was incorporated on December 11, 2018 having it's registered office situated at Sy.No.2 5L/A/1., Singannaguda Village, Mulugu Mandal, Siddipet Medak-502279 Telangana, India.

Financial Performance
As AIC- Nova Foundation for Agriculture Innovation and Research does not have its website, information with respect to (i) reserves (excluding revaluation reserve); (ii) sales; (iii) profit/(Loss) after tax; (iv) basic earning per share; (v) diluted earnings per share; and (vi) net asset value, based on the audited statements of the AIC- Nova Foundation for Agriculture Innovation and Research for the preceding three financial years shall be hosted on our Company's website at www.novaagri.in.

Litigation which has a material impact on our Company

As on date of this Red Herring Prospectus, none of our Group Companies are currently party to any pending litigations which would have a material impact on our Company.

Common pursuits

There are no common pursuits amongst our group companies and our Company except Nova Ferticare Private Limited which is into similar line of business.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Related Party Transactions*" on page 322, there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

Business interests or other interests

Except as disclosed in "*Related Party Transactions*" on page 322, our Group Companies do not have any business interest in our Company.

Other Confirmations

a. None of our group Companies have any interest in the promotion of our Company.
b. None of our Group Companies is interested in the properties acquired by our Company in the three years preceding the fling of this Red Herring Prospectus, or proposed to be acquired. Further, our Group Companies have not made any public or rights issue of securities in the three years preceding the date of this Red Herring Prospectus.
c. The securities of our Group Companies are not listed on any stock exchange (in India or abroad).
d. Our Group Companies have not failed to meet the listing requirements or have failed to list on any recognised stock exchange in India or abroad.
e. None of our Group Companies are appearing in the list of directors of struck-off companies by RoC, Ministry of Corporate Affairs.

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder). The dividend policy of our Company was adopted pursuant to the resolution of our Board dated February 27, 2023 ("**Dividend Policy**").

In terms of the Dividend Policy, our Board will consider various internal / financial parameters before declaring or recommending dividend to Shareholders, including, amongst others, the operating cash flow of our Company, the profits earned during the year, the profits available for distribution, the earnings per share, if any, and our working capital requirements. Further, our Board will consider external factors, such as industry outlook and economic environment, statutory provisions and guidelines, and dividend pay-out ratios of companies in the same industry, before declaring dividend. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under our current or future loan or financing documents. For more information on restrictive covenants under our current loan agreements, see "*Financial Indebtedness*" on page 359.

Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Our Company has not declared any dividends on the Equity Shares during the last three Fiscals, until the date of this Red Herring Prospectus. The past trend in relation to our payment of dividends is not necessarily indicative of our dividend trend or dividend policy, in the future, and there is no guarantee that any dividends will be declared or paid in the future. For details in relation to the risk involved, see "*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the Future.*" on page 57.

SECTION V - FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

Independent Auditor's Examination Report on Restated Ind AS Consolidated Statement of assets and liabilities as at 30th September 2023, 31st March 2023, 31st March 2022 and 31st March 2021 and the related restated Ind AS Consolidated Statement of profit and loss (including other comprehensive income), Restated Ind AS Consolidated Summary of Cash flow statements, Restated Ind AS Consolidated Summary Statements of Changes in Equity, Restated Ind AS Consolidated Summary Statement of Significant Accounting Policies and other explanatory information for the period ended 30th September 2023, each of the year ended 31st March 2023 , 31st March 2022 and 31st March 2021 of Nova Agritech Limited and its subsidiaries (collectively called as the " Restated Ind AS Consolidated Statement")

To,
The Board of Directors
M/s Nova Agritech Limited.
CIN : U01119TG2007PLC053901
Sy.No.251/A/1., Singannaguda Village,
Mulugu Mandal, Siddipet, Medak, Telangana - 502279

Dear Sirs,

1. We, M/s NSVR & Associates LLP ("we" or "us"), have examined the attached Restated consolidated Financial information of **Nova Agritech Limited** (the "**Company**" or the "**Issuer**"), and its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), comprising the Restated consolidated Statement of Assets and Liabilities for the six months ended 30 September 2023, and years ended 31 March 2023, 31 March 2022 and 31 March 2021, the Restated consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity, the Restated consolidated Cash Flow Statement for the six months ended 30 September 2023, and years ended 31 March 2023, 31 March 2022 and 31 March 2021, the Summary Statement of Significant Accounting Policies, and the other explanatory information including the notes to the Restated Consolidated Financial Information (collectively, the " Restated consolidated Financial Statements") as approved by the Board of Directors of the company at their meeting held on 26th December, 2023 for the purpose of inclusion in the Red Herring Prospectus ("**RHP**") and Prospectus (hereinafter referred to as the "Offer Documents") prepared by the Company in connection with its proposed Initial Public Offer of equity shares along with an Offer for Sale by the existing shareholder (collectively refered to as"IPO") prepared in terms of the requirements of :

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (the "ICAI"), as amended from time to time (the "Guidance Note").

d) E-mail dated 28 October 2021 from Securities and Exchange Board of India (the "SEBI") to Association of Investment Bankers of India, instructing lead managers to ensure the companies provide financial information prepared in accordance with Indian Accounting Standards (Ind-AS) for all the three years and stub period (where applicable), hereinafter referred to as "the SEBI e-mail")

Responsibility of Management for the Restated Financial Information

2. The Company's Board of Directors are responsible for the preparation of the Restated consolidated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India (the "SEBI"), BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), ("BSE" together with "NSE" are collectively referred to as the "Stock Exchanges") and Registrar of Companies, Telangana at Hyderabad in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the company on the basis of preparation stated in Para 2.1 to the Restated consolidated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated financial information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note read with SEBI e-mail, as applicable in connection with the IPO.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 03, 2022 requesting us to carry out the assignment in connection with the proposed IPO of equity shares of the Company;
b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
d. The requirements of Section 26 of the Companies Act 2013 and the ICDR Regulations and the SEBI e-mail.

Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note read with SEBI e-mail, as applicable, in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the Management from:

a. The special purpose interim audited consolidated financial statements of the Group as at and for the six months period ended September 30, 2023 (the "Special Purpose Interim Audited Consolidated Financial Statements") which were prepared in accordance with recognition and measurement principles of India Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India which have been approved by the Board of Directors at their meeting held on 26th December2023; and
b. Audited consolidated Ind AS financial statements of the of the Group and its subsidiaries as at and years ended March 31, 2023, March 31, 2022 ,and March 31, 2021 which were prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India and presentation requirements of Division II of Schedule III of the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable, which have been approved by the Board of Directors at their meeting held on 02nd September2023, 31st August 2022, 13th November2021 respectively.

5. We have audited the Special Purpose Interim Consolidated Financial Statements as at and for the six months period ended September 30, 2023 and have issued an unmodified opinion thereon. We have issued our audit reports dated 26th December,2023, on the above Special Purpose Interim Audited Consolidated Financial Information for the period. We have also audited the consolidated financial statements of the group as at and for the years ended March 31, 2023, March 31, 2022, March 31, 2021 and have issued an unmodified opinion vide each of our audit report dated 02 September, 2023, 31 August,2022, 13 November, 2021.

6. For the purpose of our examination, we have relied on:

a. Audit reports issued by us dated 26th December, 2023 on the Special Purpose Interim Audited Consolidated Financial Statements as at and for the six-months period ended September 30, 2023, as referred in Para 4 above.

As at and for the six -months period ended September 30, 2023

We draw attention to Note 2 to the special purpose interim audited consolidated financial statements, which describes the basis of preparation of the consolidated financial statements. The special purpose interim audited consolidated financial statements have been prepared by the Company for the purpose of preparation of the Restated Consolidated Financial Information, which will be included in the RHP and Prospectus in connection with the proposed issue of equity shares of the Company by way of initial public offer. Our report is intended solely for the Company and should not be used, referred to or distributed for any other purpose.

a. Auditors' report issued by us dated 02 September, 2023, 31 August,2022, 13 November, 2021,on the consolidated financial information of the Group and its subsidiaries as at and for each of the years ended 31 March 2023 , 31 March , 2022, 31 March , 2021 as referred in paragraph 4 above.

7. The audit reports on the consolidated financial information issued by us were not modified.

8. Based on our examination and according to the information and explanations given to us we report that the Restated consolidated Financial Information

a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively for years ended March 31, 2023 , March 31, 2022 and ,March 31, 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed for the six months period ended September 30, 2023.
b. do not require any adjustment for modification as there is no modification in the underlying audit reports;
c. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note, as applicable;

9. We have not audited any financial statements of the Group as of any date or for any period subsequent to 30 September 2023. Accordingly, we express no opinion on the financial position, results of operations, cash flows and statement of changes in equity of the Group and its associate as of any date or for any period subsequent to 30 September 2023.

10. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the date of the reports on the audited consolidated financial information including special purpose interim audited consolidated financial information mentioned in paragraph 4 above.

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

14. Our report is intended solely for use of the Board of Directors for the purpose of inclusion in the RHP to be filed with Securities and Exchange Board of India and Stock Exchanges and Registrar of Companies, Telangana at Hyderabad in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For NSVR & ASSOCIATES LLP,
Chartered Accountants
(FRN No.008801S/S200060)

P Venkata Ratnam
Partner
M.no: 230675
UDIN: 23230675BGWGXK8229
Date:26-12-2023
Place: Hyderabad.

Nova Agritech Limited
(All amounts in ₹ Lakhs, Except Share Data or Unless otherwise stated)
Annexure I: Consolidated Restated Statement of Assets and Liabilities

Particulars	Annexure VI Note No	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Assets					
Non-current Assets					
(a) Property, Plant and Equipment	1.1	1477.15	1557.64	1682.42	1600.69
(b) Capital work in progress	1.2	73.17	63.00	5.04	-
(c) Goodwill	1.3	116.15	116.15	116.15	116.15
(d) Other Intangible assets	1.4	10.29	11.83	3.11	4.18
(e)Financial Assets					
(i)Investments	2	0.01	0.01	0.01	0.01
(ii)Other financial assets	3	31.19	31.35	72.98	90.80
(f) Deferred Tax Assets (Net)	4	494.16	457.31	417.50	356.94
Total Non-current Assets		**2202.12**	**2237.29**	**2297.21**	**2168.77**
Current Assets					
(a)Inventories	5	5045.90	4,172.10	3,679.60	3,542.27
(b)Financial Assets					
(i)Trade Receivables	6	11615.14	10,567.63	9,298.58	8,497.55
(ii)Cash and Cash Equivalents	7	131.60	335.18	164.21	31.55
(iii)Loans	8	3.68	3.71	2.85	2.35
(c)Other Current Assets	9	638.82	762.41	587.32	501.37
Total Current Assets		**17435.14**	**15,841.02**	**13,732.56**	**12,575.09**
Total Assets		**19637.25**	**18,078.33**	**16029.77**	**14743.86**

Equity and Liabilities					
Equity					
(a)Equity Share Capital	10	1254.05	1254.05	1254.05	1254.05
(b)Other Equity	11	6169.03	5133.92	3065.06	1688.93
Total Equity		**7423.08**	**6387.97**	**4319.11**	**2942.98**
Liabilities					
Non-current Liabilities					
(a) Financial Liabilities					
(i)Long-term borrowings	12	1220.38	1635.73	2363.79	1835.21
(ii) Other financial liabilities	13	48.01	71.11	71.94	400.93
(b) Provisions	14	99.14	89.18	92.98	71.66
Total Non-current Liabilities		**1367.53**	**1796.02**	**2528.71**	**2,307.80**
Current liabilities					
(a) Financial Liabilities					
(i) Short-term borrowings	15	5630.05	5459.78	4062.76	3274.98
(ii)Trade payables - total dues of: :small and micro enterprises	16	1524.24	682.01	1,816.24	2555.55
: others than small and micro Enterprises		1614.77	2045.59	1431.90	2077.33
(iii) Other financial liabilities	17	630.97	595.29	706.26	655.66
(b)Other current liabilities	18	99.02	171.35	247.60	178.05
(c)Provisions	19	135.36	128.79	97.34	84.55
(d)Current Tax Liability (Net)	20	1212.23	811.51	819.85	666.96

Total Current Liabilities	**10846.64**	**9894.34**	**9181.95**	**9493.08**
Total Liabilities	**19637.25**	**18078.33**	**16029.77**	**14743.86**

The above statement should be read with Annexure V & VI to the restated IND AS Consolidated Summary Statement.

As per our report of even date
For **NSVR & ASSOCIATES LLP**
FRN:008801S/S200060

For and on behalf of Board of Directors
KIRAN KUMAR ATUKURI
(Managing Director)
(DIN: 08143781)

VENKATA RATNAM P
Partner
Membership No. 230675
UDIN: 23230675BGWGXK8229

SREEKANTH YENIGALLA
(Director)
(DIN: 07228577)

NADELLA BASANTH KUMAR
(Director)
(DIN: 08139510)

GUNUPUDI KAMOJI SRINIVAS
(Chief Financial Officer)

NEHA SONI
(Company Secretary)

Place : Hyderabad
Date : 26-12-2023

Nova Agritech Limited

(All amounts in ₹ Lakhs, Except Share Data or Unless otherwise stated)

Annexure II: Consolidated Restated Statement of Profit & Loss

Particulars	Annexure VI Note No	For the six months ended 30th September, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Revenue					
Revenue from operations	21a	10321.60	21055.54	18556.77	16057.74
Other operating Income	21b	-	-	2.64	6.46
Other income	22	2.74	37.82	1.68	28.46
Total Revenue		**10324.34**	**21,093.35**	**18,561.09**	**16,092.66**
Expenses					
Cost of Materials consumed	23	6546.87	11,994.18	12,211.67	9,855.52
Changes in inventories of finished goods	24	(626.70)	139.84	(863.44)	48.98
Employee benefit expenses	25	1226.80	2,730.80	2,647.30	2,209.75
Finance costs	26	434.56	857.24	715.09	733.25
Depreciation and Amortisation expense	1	100.23	236.09	222.52	214.51
Other expenses	27	1239.46	2318.84	1,783.50	2,163.53
Total expenses		**8921.21**	**18,277.00**	**16,716.64**	**15,225.53**
Profit before tax		**1403.14**	**2,816.36**	**1,844.44**	**867.13**
Tax expense:					
Current tax		400.72	807.21	536.08	275.73
Deferred tax		(35.80)	(39.81)	(60.57)	(38.60)

Profit for the year	**1038.22**	**2048.95**	**1368.93**	**630.00**
Other comprehensive income				
Items that will not be reclassified to Profit or Loss	(4.16)	19.90	7.20	23.64
Income tax relating to item that will not be reclassified to Profit or Loss	1.05	(5.01)	(1.81)	(5.95)
Total Other comprehensive Income	(3.11)	14.89	5.39	17.69
Total comprehensive income for the year, net of tax	**1035.11**	**2063.84**	**1374.32**	**647.69**
Total comprehensive income for the year comprising Profit/(Loss)	**1038.22**	**2048.95**	**1368.93**	**630.00**
Earnings per equity share of ₹ 2/- each				
(1) Basic	1.66	3.27	2.18	1.00
(2) Diluted	1.66	3.27	2.18	1.00

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 65,202,740 Equity Shares of face value of ₹ 2 each

The above statement should be read with Annexure V &VI to the restated IND AS Consolidated Summary Statements.

As per our report of even date
For **NSVR & ASSOCIATES LLP**
FRN:008801S/S200060

For and on behalf of Board of Directors
KIRAN KUMAR ATUKURI
(Managing Director)
(DIN: 08143781)

VENKATA RATNAM P
Partner
Membership No. 230675
UDIN: 23230675BGWGXK8229

SREEKANTH YENIGALLA
(Director)
(DIN: 07228577)

NADELLA BASANTH KUMAR
(Director)
(DIN: 08139510)

GUNUPUDI KAMOJI SRINIVAS
(Chief Financial Officer)

NEHA SONI
(Company Secretary)

Place : Hyderabad
Date : 26-12-2023

NOVA AGRITECH LIMITED

(All amounts in ₹ Lakhs, Except Share Data Unless otherwise stated)

Annexure III : Statement of Changes in Equity

Particulars	Equity share capital		Other equity		
	Equity share capital		Reserves and Surplus		
	No of Shares	Amount	Retained earnings	Other comprehensive income	Total
Balance as at 01-04-2020	125.41	1254.05	1010.80	24.49	1035.29
Profit or loss for the year	-	-	630.00	-	630.00
Other comprehensive income	-	-	-	23.64	23.64
Total comprehensive income	-	-	-	-	653.64
Balance as at 31-03-2021	**125.41**	**1254.05**	**1640.80**	**48.13**	**1688.93**
Balance as at 01-04-2021	125.41	1254.05	1640.80	48.13	1688.93
Profit or loss for the year	-	-	1368.93	-	1368.93
Other comprehensive income	-	-	-	7.20	7.20
Total comprehensive income	-	-	-	-	1376.13
Balance as at 31-03-2022	**125.41**	**1254.05**	**3009.73**	**55.33**	**3065.06**
Balance as at 01-04-2022	**125.41**	**1254.05**	**3009.73**	**55.33**	**3065.06**
Profit or loss for the year	-	-	2048.95	-	2048.95
Other comprehensive Income	-	-	-	19.90	19.90
Total comprehensive income	-	-	-	-	2068.85
Balance as at 31-03-2023	**125.41**	**1254.05**	**5058.68**	**75.24**	**5133.92**
Balance as at 01-04-2023	**125.41**	**1254.05**	**5058.68**	**75.24**	**5133.92**
Profit or loss for the year	**-**	**-**	1038.22	**-**	1038.22

Other comprehensive Income	-	-	-	(3.11)	(3.11)
Total comprehensive income	-	-	-	-	**1035.11**
Balance as at 30-09-2023	**125.41**	-	**6096.90**	**72.13**	**6169.03**

General Reserve – It is a free reserve which is used from time to time to transfer profits from retained earnings for appropriation purposes .As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to consolidated statement of Profit and Loss account.

Retained earnings - Retained earnings are the amounts of profit a company has left over after paying all its direct costs , indirect costs , income taxes and its dividend to shareholders

As per our report of even date
For NSVR & ASSOCIATES LLP
FRN:008801S/S200060

For and on behalf of Board of Directors
KIRAN KUMAR ATUKURI
(Managing Director)
(DIN: 08143781)

SREEKANTH YENIGALLA
(Director)
(DIN: 07228577)

NADELLA BASANTHKUMAR
(Director)
(DIN: 08139510)

VENKATA RATNAM P
Partner
Membership No. 230675
UDIN: 23230675BGWGXK8229
Place : Hyderabad
Date : 26-12-2023

GUNUPUDI KAMOJI SRINIVAS
(Chief Financial Officer)

NEHA SONI
(Company Secretary)

NOVA AGRITECH LIMITED

(All amounts in ₹ Lakhs, Except Share Data Unless otherwise stated)

Annexure IV : Consolidated Cash Flow Statement

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Cash Flows from Operating Activities				
Net profit before tax	**1403.14**	**2816.36**	**1844.44**	**867.13**
Adjustments for :				
Depreciation and amortization expenses	100.23	236.09	222.52	214.51
Profit on sale of fixed assets		(33.10)	-	-
Provision for expenses and expected credit loss	169.81	268.50	112.44	119.47
Interest Expenses	434.56	857.24	715.09	733.25
Operating profit before working capital changes	**2107.74**	**4145.09**	**2894.50**	**1,934.35**
Movements in Working Capital				
(Increase)/Decrease in Trade Receivables	(1217.31)	(1537.55)	(913.47)	(1,475.13)
(Increase)/Decrease in Other financial assets	0.03	(0.36)	(0.5)	0.11
(Increase)/Decrease in Inventories	(873.80)	(492.49)	(137.33)	190.4
(Increase)/Decrease in Other Current Assets	123.58	(93.17)	11.47	(262.06)
Increase/(Decrease) in Trade Payables	411.41	(520.54)	(1384.74)	326.74
Increase/(Decrease) in Other Current liabilities	(72.33)	(76.25)	76.73	(96.46)
Increase/(Decrease) in Long term provision	9.96	(3.80)	21.31	(2.56)
Increase/(Decrease) in Short term provision	2.42	51.36	12.80	16.14
Other financial liabilities	12.59	(111.80)	50.6	50.86
Changes in Working Capital	**(1603.46)**	**(2784.59)**	**(2,263.13)**	**(1,251.96)**
Cash generated from operations	504.28	1360.50	631.37	682.39
Direct Taxes Paid	-	(815.55)	(383.19)	(164.26)
Net Cash from operating activities	**504.28**	**544.94**	**248.18**	**518.13**
Cash flows from Investing Activities				

Purchase of Property, plant and equipment (Including CWIP) and Advance for Capital Goods	(28.36)	(352.22)	(405.62)	(307.34)
Sale proceeds from sale Property, plant and equipment (Including CWIP)	-	125.41	-	-
Decrease/(Increase) in Other Long Term Loans & Advances	0.16	41.12	17.82	(5)
Net Cash From/ (Used In) Investing Activities	**(28.20)**	**(185.70)**	**(387.81)**	**(312.34)**
Cash flows from Financing Activities				
Proceeds from long term borrowings	-	-	528.58	372.41
Repayment of long term borrowings	(415.35)	(728.06)	(328.99)	-
Proceeds from short term borrowings	11.59	1429.71	739.86	-
Repayment of short term borrowings				(10.32)
Proceeds from/(Repayment of) Current maturities	158.67	(32.69)	47.93	188.2
Interest paid	(434.56)	(857.24)	(715.09)	(733.25)
Net Cash From/ (Used In) Financing Activities	**(679.66)**	**(188.28)**	**272.28**	**(182.96)**
Net Increase/(Decrease) in cash and cash equivalents	**(203.58)**	**170.97**	**132.66**	**22.83**
Cash and Cash equivalents at the beginning of the year	335.18	164.21	31.55	8.72
Cash and Cash equivalents at the ending of the year	**131.60**	**335.18**	**164.21**	**31.55**

Particulars	**As at 30th September 2023**	**As at 31st March 2023**	**As at 31st March 2022**	**As at 31st March 2021**
Cash and Cash Equivalents/ Bank Balances	**131.60**	**335.18**	**164.21**	**31.55**
Less: Unclaimed dividend				
Cash and Cash Equivalents/ Bank Balances	**131.60**	**335.18**	**164.21**	**31.55**

As per our report of even date
For NSVR & ASSOCIATES LLP
FRN:008801S/S200060

VENKATA RATNAM P
Partner
Membership No. 230675
UDIN: 23230675BGWGXK8229

Place : Hyderabad
Date : 26-12-2023

For and on behalf of Board of Directors

KIRAN KUMAR ATUKURI
(Managing Director)
(DIN: 08143781)

SREEKANTH YENIGALLA
(Director)
(DIN: 07228577)

NADELLA BASANTHKUMAR
(Director)
(DIN: 08139510)

GUNUPUDI KAMOJI SRINIVAS
(Chief Financial Officer)

NEHA SONI
(Company Secretary)

Nova Agritech Limited
Annexure V: -
Summary statement of Significant Accounting Policies and other explanatory information forming part of Restated Ind AS Consolidated Summary Statement
Group refers to Nova Agritech Limited and its wholly owned subsidiaries Nova Agri Sciences Private Limited and Nova Agri Seeds India Private Limited**.**

Business Overview:

The Restated Ind AS Consolidated Summary statement comprises financial statements of **Nova Agritech Limited** with CIN U01119TG2007PLC053901**,** (“Parent “) and its subsidiaries (collectively the Group) .The group 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 focussed 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.

2. Significant accounting policies
The Restated Financial Information has been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Restated Financial Information except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires change in accounting policy hitherto in use. This Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited Restated financial Information mentioned above.

Authorization of Restated Financial Information:
The Restated Financial Information was authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on December 26th ,2023.
2.1 Basis of preparation of Restated Ind AS Consolidated Summary Statement
Compliance with Ind AS:

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for the following material items in the balance sheet:

a. Derivative financial instruments are measured at fair value.
b. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
c. 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
d. Long-term borrowings are measured at amortized cost using the effective interest rate method.
e. 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.

The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1st, 2019, the Group has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2019 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

Application of New Indian Accounting Standard

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till restated financial information is authorized have been considered while preparing the restated financial information.

Basis of preparation

The Restated Ind AS Consolidated Summary Statement of Assets and Liabilities as at 30th September 2023, ,as at 31st March 2023, 31st March 2022 and 31st March 2021 and Restated Ind AS Consolidated Statement of Profit and Loss, Restated Ind AS Consolidated Summary Statement of Cash Flows and the Restated Ind AS Consolidated Statement of Changes in Equity for the 6 months ended 30th September 2023, and for the years ended 31st March 2023, 31st March 2022, 31st March 2021 and grouping annexures to the Restated Ind AS Consolidated Summary statement (together referred to as "Restated Ind AS Consolidated Summary Statement ") have been complied by the Group from the Audited Ind AS Consolidated Financial Statements to which further adjustments are made to comply in all material aspects with the requirements of the Securities and Exchange Board of India (Issue of Disclosure and Capital Requirements) Regulations, 2009, as amended (the "ICDR Regulations"). Accordingly, these Restated Ind AS Consolidated Summary have been prepared after incorporating adjustments for the material amounts in the respective financial years to which they relate as explained later. There were no exceptional items that needed to be disclosed separately for the respective years under consideration.

The Restated Ind AS Consolidated Summary have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act.

This Restated Ind AS Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed IPO of its equity shares, in accordance with the requirements of:

a) Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and

b) Relevant provisions of the ICDR Regulations issued by the Securities and Exchange Board of India ('SEBI') on 26 August 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

c) Guidance Note on Reports in Group's Prospectus issued by The Institute of Chartered Accountants of India ("ICAI ")

2.2 Basis of Measurement

These Restated Ind AS Consolidated Summary statement 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 and liabilities are measured either at fair value or at amortized cost depending on the classification;
- Employee defined benefit assets / (liability) are measured at fair value of plan assets, less present value of defined benefit obligations.
- Long-term borrowings are measured at amortized cost using the effective interest rate method.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization /settlement within twelve months period from the balance sheet date.

2.3. Use of Estimates and Judgements

The preparation of Restated Ind AS Consolidated Summary statement is in conformity with Ind AS and Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the restated statement of assets and liabilities date and reported amounts of revenues and expenses for the reporting period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial information in the period in which changes are made and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Restated Ind AS Consolidated Summary statement is included in the following notes:

- Useful lives of property, plant and equipment and intangible assets; (Ref 2.4 H)
- Impairment of non-financial and financial assets; (Ref 2.4 L & 2.4 N (v))

- Financial instruments; (Ref 2.4 N)
- Employee benefits; (Ref 2.4 P)
- Provisions, contingencies; and (Ref 2.4 M)
- Income taxes(Ref 2.4 G)

2.4 Summary of Significant Accounting Policies:

The Restated Ind AS Consolidated Summary statement Financial Information have been prepared using the accounting policies and measurement basis summarized below.

A. Basis of Consolidation

The Restated Ind AS Consolidated Summary Statement comprises the financial statements of the Company and its subsidiaries as at 30th September 2023, 31stMarch 2023, 31st March 2022 and 31st March 2021. 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 andwhen the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts 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 re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changesto one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains controlover 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 Restated Ind AS Consolidated SummaryStatement from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Ind AS Consolidated Summary Statement are prepared using uniform accounting policies for like transactionsand other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Ind AS Consolidated Summary Statement for like transactions and events in similar circumstances,appropriate adjustments are made to that Group member's financial statements in preparing the Restated Ind AS Consolidated Summary Statement 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 asthat of the parent company, i.e., six months ended 30th September 2023 . When the end of the reporting period of the parent is differentfrom 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 recognized in the Restated Ind AS Consolidated Summary Statement at the acquisition date.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion ofequity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

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 recognized in assets, such as inventory, property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Ind AS Consolidated Summary Statement. 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 (OCI) are attributed to the equity holders 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.

The Restated Ind AS Consolidated Summary Statement as at and for the 6 months ended 30th September 2023 for the years ended 31st March 2023, 31st March 2022 and 31st March 2021 have been prepared on the basis of the financial statements of the following subsidiaries which are principally engaged in the business of manufacturing the crop protection products and incorporated in India.

Ownership Interest

Name of the Company	**30th September 2023**	**31st March 2023**	**31st March 2022**	**31st March 2021**
Nova Agri Science Private Limited	100%	100%	100%	100%
Nova Agri Seeds India Private Limited	100%	100%	100%	100%

Notes:
1) The parent Company acquired controlling interest in Nova Agri Science Private Limited on March 20, 2018
2) The parent Company acquired controlling interest in Nova Agri Seeds India Private Limited on March 20, 2018

B. Functional and Presentation currency

These audited Ind AS Consolidated financial statements are presented in Indian rupee (INR or Rs.), which is also the functional currency of the Group. All financial information presented in Indian rupees has been rounded to the nearest lakhs.

C. Current and Non-Current classification

All the assets and liabilities have been classified as current or noncurrent as per the Group'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.

Assets: 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 Group'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.

Liabilities: A liability is classified as current when it satisfies any of the following criteria:
- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Group 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.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.
The Operating cycle is the time between the acquisition of the assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

D. Foreign currency Transaction

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Nonmonetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

E. Fair valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Group. 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. Fair value measurement and / or disclosure purposes in the Restated Ind AS Financial Information is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

The Group- 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 minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Ind AS Financial Information are categorized 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 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re measured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

F. Revenue Recognition:

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.

Return of Goods

The Group uses the expected value method to estimate liability and corresponding adjustment to cost of sales for the goods that are expected to be returned.

Other Income

Other Income is recognised only when it is reasonably certain that the ultimate collection will be made . This includes

(a) Interest Income on funds deposited in Banks.
(b) Miscellaneous Income

<u>Dividend Income:</u>

Dividend income is recognized when the Group's right to receive dividend is established.

G. Tax expense

Tax expense consists of current and deferred tax.

Income Tax:

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax:

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

H. Property Plant and Equipment

Recognition and measurement:

Property, Plant and Equipment 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.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

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 Group and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

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.

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its Property Plant and Equipment as recognised in the Special Purpose Ind AS Financial Statements as at the date of adoption to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of adoption i.e. April 01st , 2019.

Depreciation:

Depreciation on items of PPE is provided on written down value basis, computed on the basis of useful lives as mentioned in Schedule II to the Companies Act, 2013. Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.

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

The estimated useful lives are as follows:

Type of Asset	Estimated Useful Life
Office Equipment	5 Years
Computers And Data Processing Units	3 Years
Furniture and Fittings	10 Years
Motor Vehicles	8 Years
Plant & Machinery	8 Years
Buildings	30 Years
Electrical Installations and Equipment	10 Years

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

I. Goodwill and Intangible Assets

Goodwill - Goodwill represents the excess of the consideration transferred , together with the amount of non controlling interest in the acquire, over the fair value of the company’s share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets – Other intangible assets that are acquired by the company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses .

Research and Development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the statement of profit or loss when incurred.
Development activities involve a plan or design for the production of new or substantially improved products and processes. Development activities are capitalized only if

- Development cost can be measured reliably
- The product or process is technically and commercially feasible.
- Future economic benefits are probable and
- The group intends to, and has sufficient resources to complete development and to use or sell the asset

The expenditure to be capitalized includes the cost of materials and other costs directly attributable to prepare the asset for its intended usage. Other development expenditures are recognised in the statement of profit and loss as incurred .

Amortisation:

Intangible assets are amortized on the diminishing value method over a period of 10 years, based on management estimate

The amortization period and the amortization method are reviewed at the end of each financial year. Amortization is charged on a pro-rata basis on assets purchased/ sold during the year, with reference to date of installation/ disposal.

J. Borrowing Cost

Borrowing costs consist of interest, ancillary and other costs that the Group incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

K. Inventories

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods. Cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition including octroi and other levies, transit insurance and receiving charges and excluding rebates and Discounts. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.
The method of valuing the inventories is as follows:

- Raw-materials, Stores, Packing materials, Spare parts are valued at cost/ Net realizable value, whichever is less.
- Finished goods are valued at cost / Net realizable value, whichever is less.
- Cost of inventories is ascertained on FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

L. Impairment of Non-Financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

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 inflows of other assets or groups of assets (the "cash-generating unit").

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.

M. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Group 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:

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:

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.

N. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

i) Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii) Subsequent measurement

a) Financial Assets Measured at Amortized Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.
Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those

financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

iii) Investment in Subsidiaries, Associates and Joint Ventures

The Group has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

iv) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'. However, dividend on such equity investments are recognized in Statement of Profit and loss when the Group's right to receive payment is established.

v) Impairment of Financial Assets

The Group 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 Group 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)

For Trade Receivables the Group applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group 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.

vi) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of trade receivables:

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In accordance with Ind AS 109 (Changes) , the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Group took into consideration the weighted average number of delays taking into consideration the date of billing, the credit period and the collection days.

Financial liabilities:

i) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, 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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

ii) Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Restated Statement of Profit or Loss.

O. Cash and Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits For this purpose, "short-term" means investments having maturity of three months or less from the date of investment.

P. 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 Group 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.

Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

Defined Contribution Plan:

A defined contribution plan is a postemployment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme.

The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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 based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized 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 recognized immediately in income. 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 are charged or credited to equity in other comprehensive income in the period in which they arise.

Other long-term employee benefits:

The Group'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 recognized in the statement of profit and loss in the period in which they arise.

Q. Lease:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Group recognizes 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 accumulated impairment losses, and adjusted for any re measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, 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 group 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 Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchaseoption reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index ora rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencementdate, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease paymentsmade. In addition, the carrying amount of lease liabilities is re measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment(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 of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised asexpense on a straight-line basis over the lease term.

R. Earnings per share

The Group presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

In a capitalization 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.

S. Segment Reporting

The group operates in only one segment i.e. an agri-input manufacturer offering soil health management, crop nutrition and crop protection products. Accordingly, disclosure of segment information as prescribed in the Indian accounting standard 108 “Operating segments” is not applicable.

T. Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Group’s Board of Directors.

Nova Agritech Limited
Annexure VI: Consolidated Notes to Restated Financial Information
(All Amounts in ₹ Lakhs, Except Share Data or Unless otherwise stated)

Note 1.1 Property Plant & Equipment

Particular	**Land**	**Building**	**Plant and Equipment**	**Furniture and Fixtures**	**Vehicles**	**Office equipment**	**Computers**	**Electrical equipment**	**Total**
Gross Block									
As at 31st March, 2020	**311.03**	**970.35**	**226.05**	**23.19**	**86**	**12.86**	**47.51**	**15.25**	**1692.24**
Additions during the year	41.2	56.9	156.04	1.69	5.54	0.03	41.99	8.83	312.21
Deductions during the year									
As at 31st March, 2021	**352.23**	**1027.26**	**382.08**	**24.88**	**91.54**	**12.88**	**89.49**	**24.08**	**2004.44**
Additions during the year	164.00	2.18	26.33	5.30	57.47	3.72	31.12	19.46	309.58
Deductions during the year	-	-	-	5.99	-	-	-	0.44	6.43
As at 31st March 2022	**516.23**	**1029.44**	**408.41**	**24.19**	**149.01**	**16.60**	**120.61**	**43.10**	**2307.60**
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
As at 31st March 2023	**483.29**	**945.33**	**457.08**	**44.91**	**245.82**	**17.47**	**135.73**	**55.35**	**2384.99**
Additions during the six months	-	-	15.11	1.88	0.02	-	1.19	-	18.20
Deductions during the six months									
As at 30th September 2023	**483.29**	**945.33**	**472.19**	**46.79**	**245.85**	**17.47**	**136.92**	**55.35**	**2403.18**
Accumulated depreciation									
Up to 31st March, 2020		**91.60**	**64.13**	**6.23**	**(3.57)**	**5.57**	**24.17**	**2.57**	**190.70**
For the year		84.15	66.61	4.90	27.45	3.10	22.59	4.26	213.06
On deductions		-	-	-	-	-	-		-
Up to 31st March 2021		**175.75**	**130.74**	**11.12**	**23.88**	**8.68**	**46.76**	**6.83**	**403.75**
For the year		82.29	81.18	5.08	12.82	2.71	32.41	4.94	221.45
On deductions		-	-	-	-	-	-	-	-
Up to 31st March 2022		**258.04**	**211.92**	**16.21**	**36.71**	**11.39**	**79.17**	**11.77**	**625.20**
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
Up to 31st March 2023		**301.82**	**284.04**	**21.02**	**72.77**	**14.13**	**110.47**	**23.10**	**827.35**
For the period of six months		31.80	26.45	4.00	23.13	0.52	7.93	4.86	98.69
Deletions for the six months		-	-	-	-	-	-	-	-

Up to 30th September 2023		**333.62**	**310.49**	**25.01**	**95.90**	**14.66**	**118.40**	**27.96**	**926.03**
Net block									
As at 31st March 2021	**352.23**	**851.51**	**251.34**	**13.75**	**67.66**	**4.20**	**42.74**	**17.25**	**1600.69**
As at 31st March 2022	**516.23**	**771.40**	**190.95**	**13.97**	**112.30**	**4.79**	**41.44**	**31.33**	**1682.42**
As at 31st March 2023	**483.29**	**643.51**	**173.04**	**23.89**	**173.05**	**3.33**	**25.26**	**32.25**	**1557.64**
As at 30th September 2023	**483.29**	**611.71**	**161.70**	**21.77**	**149.95**	**2.81**	**18.52**	**27.39**	**1477.15**

Note 1.2 Capital Working In Progress

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Opening Balance	63.00	5.04	-	4.87
Add:- Additions during The Year	10.17	63.00	5.04	-
Less:- Capitalisations during the Year		5.04	-	4.87
Closing Balance	**73.17**	**63.00**	**5.04**	**-**

Balance as at 30th September 2023

Capital Working In Progress	Amount in CWIP				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects In Progress	70.47	2.70			73.17

Balance as at 31st March 2023

Capital Working In Progress	Amount in CWIP				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects In Progress	63.00				63.00

Balance As At 31st March, 2022

Capital Working In Progress	Amount in CWIP				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects In Progress	5.04	-	-	-	5.04

a) **Balance As At 31st March, 2021**

Capital Working In Progress	Amount in CWIP				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects In Progress	-		-	-	-

Note 1.3 Goodwill

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Opening	116.15	116.15	116.15	116.15
Additions During The Year	-	-	-	-
Deductions During The Year	-	-	-	-
Closing	116.15	116.15	116.15	116.15
Impairment				
Opening	-	-	-	-
For The Year	-	-	-	-
Closing	**-**	**-**	**-**	**-**
Net Block	**116.15**	**116.15**	**116.15**	**116.15**

Goodwill arising upon acquisition is not amortized but tested for impairment at least annually or more frequently if there is any indication exists. **Note 1.4**

Other Intangible Assets

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Opening	18.79	7.55	7.55	7.55
Additions During The Year	-	11.24	-	-
Deductions During The Year	-	-	-	-
Closing	**18.79**	**18.79**	**7.55**	**7.55**
Amortization				
Opening	6.95	4.44	3.37	1.95
For The Year	1.54	2.51	1.07	1.42
Closing	**8.49**	**6.95**	**4.44**	**3.37**
Net Block	**10.29**	**11.83**	**3.11**	**4.18**

Note No.2 Investments

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Investment in equity				
(100) equity shares of ₹10/- each in Agri Genome Resources India Pvt Ltd.	0.01	0.01	0.01	0.01
Total	**0.01**	**0.01**	**0.01**	**0.01**

Note 3. Other Financial Assets

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Security deposits	25.82	25.82	26.33	27.93
Inter Corporate Deposit	155.00	155.16	196.28	212.50
	180.82	**180.98**	**222.61**	**240.43**
Less				
Allowance For Doubtful Advance	149.63	149.63	149.63	149.63
Total	**31.19**	**31.35**	**72.98**	**90.80**

Note No.4 Deferred Tax Asset (Net)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Deferred Tax asset (Net)	494.16	457.31	417.50	356.94
Total	**494.16**	**457.31**	**417.50**	**356.94**

Note No.5 Inventories

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Raw material	1282.33	1,171.34	795.00	1187.80
Finished goods	2884.12	2,257.42	2397.26	1533.82
Packing material	879.54	743.33	487.34	820.65
Total	**5045.90**	**4172.10**	**3679.60**	**3542.27**

Inventories are provided as security for borrowings (Cash Credit limits) as mentioned in note 15

Note No.6 Trade Receivables

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Sundry debtors	12896.46	11690.41	10467.94	9,554.47
(-) Allowance for Doubtful Receivables	(1281.32)	(1122.78)	(1169.37)	(1056.93)
Total	**11615.14**	**10567.63**	**9298.58**	**8497.55**

Trade receivables are provided as security for borrowings (Cash Credit limits) as mentioned in note 15

Particulars	As at 30th September 2023					
	<6 months	**6months - 1 year**	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Undisputed Trade Receivables - considered Good	7857.10	3387.35	742.12	441.89	-	12428.46
Disputed Trade Receivables - considered Doubtful	-	-	-	-	468.00	468.00
(-) Loss allowance on debtors	-	-	-	-	-	(1281.32)
	7857.10	**3387.35**	**742.12**	**441.89**	**468.00**	**11615.14**

Particulars	As at 31st March 2023					
	<6 months	**6months - 1 year**	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Undisputed Trade Receivables - considered Good	6777.69	3512.94	560.43	181.77	-	11032.84
Disputed Trade Receivables -considered Doubtful	-	-	-	-	657.57	657.57
(-) Loss allowance on debtors	-	-	-	-	-	1122.78
	6777.69	**3512.94**	**560.43**	**181.77**	**657.57**	**10567.63**

Particulars	As at 31st March 2022					
	<6 months	**6months - 1 year**	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Undisputed Trade Receivables - considered Good	5588.43	3508.82	406.09	172.75	-	9676.08
Disputed Trade Receivables -considered Doubtful	-	-	-	-	791.86	791.86
(-) Loss allowance on debtors	-	-	-	-	-	(1169.37)
	5588.43	**3508.82**	**406.09**	**172.75**	**791.86**	**9298.58**

Particulars	As at 31st March 2021					
	<6 months	**6months - 1 year**	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Undisputed Trade Receivables - considered Good	5,756.10	2,608.20	278.93	138.39	-	8,781.62
Disputed Trade Receivables -considered Doubtful	-	-	-	-	772.86	772.86
(-) Loss allowance on debtors	-	-	-	-		(1,056.93)
	5,756.10	**2,608.20**	**278.93**	**138.39**	**772.86**	**8,497.55**

Loss allowance for Doubtful Debtors:-

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Opening	1122.78	1,169.37	1,056.93	937.46
Current year	169.81	268.50	112.44	119.47
Bad debts written off	11.27	315.09	-	-
Closing balance	**1281.32**	**1,122.78**	**1,169.37**	**1,056.93**

Note No.7 Cash and Cash Equivalents

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Cash on hand	130.62	107.15	64.94	11.10
Balances with banks in				
- Current accounts	0.98	228.03	99.27	20.45
Total	**131.60**	**335.18**	**164.21**	**31.55**

Note No.8 Loans

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Security and other Deposits	3.68	3.71	2.85	2.35
Total	**3.68**	**3.71**	**2.85**	**2.35**

Note No.9 Other Current Assets

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Balance with Revenue authorities	111.87	76.16	345.50	408.57
Other Advances	241.00	228.86	144.38	92.80
Advance to capital goods	179.36	179.36	97.44	-
Advance to material suppliers	106.60	278.03		-
Total	**638.82**	**762.41**	**587.32**	**501.37**

Note No 10 Equity Share Capital

Particulars	Number of Shares	Amount
Authorised:		
Equity Shares of INR 10 each.		
(as at 31st March 2021 -20000000 equity shares of ₹ 10 Each)	200.00	2,000.00
(as at 31st March 2022 -20000000 equity shares of ₹ 10 Each)	200.00	2,000.00
(as at 31th March 2023 -100000000 equity shares of ₹ 2 Each)	1000.00	2,000.00
(as at 30th September 2023 -100000000 equity shares of ₹ 2 Each)	1000.00	2,000.00
Issued, subscribed and paid up:		
Equity Shares of INR 10 each fully paid up		
(as at 31st March 2021 -12540548 equity shares of ₹ 10 Each)	125.41	1,254.05
(as at 31st March 2022 -12540548 equity shares of ₹ 10 Each)	125.41	1,254.05
(as at 31st March 2023 -6,27,02,740 equity shares of ₹ 2 Each)	627.02	1,254.05
(as at 31st March 2023-25,00,000 equity shares of ₹ 2 Each)	25.00	50.00
Total Equity Shares	652.02	1304.05
(Less : Treasury shares)	(25.00)	(50.00)
As at 31st March 20203	627.02	1,254.05
(as at 30th September 2023-6,27,02,740 equity shares of ₹ 2 Each)	627.02	1,254.05

Note No 11 Other Equity

Particulars	Reserves and surplus Retained Earnings	Other Comprehensive Income	Total
Balance as at 31st March, 2020	**1010.80**	**24.49**	**1035.29**
Add: Profit during the year	630.00	-	630.00
Less: Re-measurement gains/(losses) on account of OCI	-	23.64	23.64
Balance as at 31st March 2021	**1640.80**	**48.13**	**1688.93**
Add: Profit during the year	1368.93	-	1368.93
Less: Re-measurement gains/(losses) on account of OCI		7.20	7.20
Balance as on 31st March 2022	**3009.73**	**55.33**	**3065.06**
Add: Profit during the year	2,048.95	-	2048.95
Less: Re-measurement gains/(losses) on account of OCI	-	19.90	19.90
Balance as at 31st March 2023	**5058.68**	**75.24**	**5133.92**
Add: Profit during the period of six months	1038.22	-	1038.22
Less: Re-measurement gains/(losses) on account of OCI	-	(3.11)	(3.11)
Balance as at 30th September 2023	**6096.90**	**72.13**	**6169.03**

Note No.12 Long-term borrowings

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Secured Loan				
CELC Loan	-	-	-	3.12
Vehicle loans from banks	116.43	116.75	41.39	29.69
Term loans from banks	359.03	505.07	584.11	40.00
GELC Loans	-	-	110.25	-
Unsecured Loan				
Term loan from Shri ram city union finance limited	308.77	535.97	654.20	885.74
Vehicle Loans	13.68	15.93	27.69	22.56
From directors and related parties	422.48	462.02	944.61	627.67
Loan from India Info line Finance Limited		-	1.52	1.44
Inter Corporate Deposit			-	225.00
Total	**1220.38**	**1635.73**	**2363.79**	**1835.21**

S.No	Bank	Amount	ROI	Repayment Schedule	Security	Amount O/s
1	Union Bank of India	₹ 105 lakhs	7.50% p.a	Repayable in 36 monthly equal instalments of ₹ 3,26,616	EMI of factory land and buildings/sheds	61.79
2	ICICI Bank	₹ 35 lakhs	7 .50%p.a	Repayable in 60 equal instalments of ₹ 70293	Exclusive first charge on the entire fixed assets of the company	20.33
3	Union bank of India	₹ 53 lakhs	7.50% p.a	Repayable in 36 equal instalments of ₹ 3,23,250	Equitable Mortgage of factory land and buildings/sheds	53.00
4	IndusInd Bank	₹ 15.60 lakhs	9.05% p.a	Repayable in 65 monthly equal instalments of ₹.32853/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 21.90 lakhs	0.69
5	IndusInd Bank	₹ 7.70 lakhs	9.26 % p.a	Repayable in 65 monthly equal instalments of ₹.16294/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 9.05 lakhs	0.34
6	Corporation Bank	₹ 80 Lakhs	11.05% p.a	Repayable in 84 monthly equal instalments of ₹.132400/- each	Secured by hypothecation of Vehicle purchased amounting to Rs. 99.39 lakhs	8.99
7	Corporation UGELC	₹240 Lakhs	7.50 % p.a	Repayable in 60 monthly equal instalments of ₹.666666/- each	Secured by hypothecation of Factory building	240.00
8	Corporation Bank Loan	₹.480 Lakhs	7.50% p.a	Repayable in 48 monthly equal	Secured by hypothecation of	282.50

				instalments of ₹.1493100/- each	Factory building	
9	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 Rs. 9.05 lakhs	12.77
10	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 Rs. 9.05 lakhs	12.77
11	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	554.23
12	Union Bank of India	₹. 49 Lakhs	7.60% p.a	Repayable in 84 monthly equal instalments of ₹.75399 each	Secured by hypothecation of Factory building	42.71
13	UBI bank tractor loan	₹ 8.20 lakhs	11.15% pa	Repayable in 37 instalments	Secured by hypothecation of Factory building	7.29
14	UBI Bank Volva loan	₹. 50 lakhs	8.35% pa	Repayable in 84 monthly equal instalments of ₹. 78805 each	Secured by hypothecation of Factory building	44.95
15	UBI kia vehicle loan	₹.15.50 lakhs	8.45% pa	Repayable in 84 monthly instalments of ₹.24507 each	Secured by hypothecation	14.26

*The outstanding amounts include current maturities mentioned in Note No 15 Short term borrowing

Note No.13 Other financial liabilities

Particulars	**As at 30th September 2023**	**As at 31st March 2023**	**As at 31st March 2022**	**As at 31st March 2021**
Security Deposits from Dealers	48.01	71.11	71.94	400.93
Total	**48.01**	**71.11**	**71.94**	**400.93**

Note No.14 Provisions

Particulars	**As at 30th September 202**	**As at 31st March 2023**	**As at 31st March 2022**	**As at 31st March 2021**
Provision for employee retirement benefits				
Gratuity	99.14	89.18	92.98	71.66
Total	**99.14**	**89.18**	**92.98**	**71.66**

Note No.15 Short Term Borrowings

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Secured Loan repayable on demand				
Cash Credit	4971.95	4960.33	3564.46	2791.43
Current Maturities of Long Term Borrowings	558.73	400.06	432.74	384.82
Unsecured				
Credit Cards	99.37	99.39	65.56	98.73
Total	**5630.05**	**5459.78**	**4062.76**	**3274.98**

S.No	Bank	Amount	Date	Security	Amount Outstanding
1	Corporation Bank	₹. 3000 lakhs	13th Feb 2023	Secured by Hypothecation of Stock, Trade receivables & all other current assets of the company	₹.2994.27 lakhs
2	Corporation Bank	₹. 2000 lakhs	14th Nov 2022	Secured by Hypothecation of Stock, Trade receivables & all other current assets of the company	₹. 1977.68 lakhs
3	ICICI Bank	₹. 100 lakhs	11th Nov 2019	-	₹. 99.37 lakhs

Note No.16 Trade Payables

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Payable to small and micro enterprises	1524.24	682.01	1816.24	2555.55
Payable to others than small and micro enterprises	1614.77	2045.59	1431.90	2077.33
	3139.01	**2727.61**	**3248.14**	**4632.88**

Particulars	As at 30th September 2023				
	< 1 year	**1-2 years**	**2-3 years**	**>3 years**	**Total**
Undisputed MSME	1524.24	-	-	-	1524.24
Undisputed other than MSME	1551.19	63.59	-	-	1614.77
	3075.43	**63.59**	**-**	**-**	**3139.01**

Particulars	As at 31st March 2023				
	< 1 year	1-2 years	2-3 years	>3 years	Total
Undisputed MSME	682.01	-	-	-	682.01
Undisputed other than MSME	2002.76	42.84	-	-	2045.59
	2684.77	**42.84**	**-**	**-**	**2727.61**

Particulars	As at 31st March 2022				
	< 1 year	1-2 years	2-3 years	>3 years	Total
Undisputed MSME	1,816.24	-	-	-	1,816.24
Undisputed other than MSME	1,379.48	10.88	41.54	-	1,431.90
	3195.72	**10.88**	**41.54**	**-**	**3248.14**

Particulars	As at 31st March 2021				
	< 1 year	1-2 years	2-3 years	>3 years	Total
Undisputed MSME	2555.55	-	-	-	2555.55
Undisputed other than MSME	1413.90	539.42	124.01	-	2077.33
	3969.45	**539.42**	**124.01**	**-**	**4632.88**

Dues to Micro, Small and Medium Enterprises

Particulars	For the year ended 30th September, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
The amounts remain unpaid to micro and small supplies at the end of the year :-				
- Principal	1524.24	682.01	1816.24	2555.55
- 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 No.17 Other financial liabilities

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Expenses payable	630.97	595.29	706.26	655.66
Total	**630.97**	**595.29**	**706.26**	**655.66**

Note No.18 Other current liabilities

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Statutory dues payable	99.02	171.35	247.60	178.05
Total	**99.02**	**171.35**	**247.60**	**178.05**

Note No.19 Provisions

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Gratuity	14.30	12.88	4.56	4.25
Provision for Sales Returns	121.06	115.91	92.78	80.29
Provision for CSR	-		-	-
Total	**135.36**	**128.79**	**97.34**	**84.55**

Note No.20 Current Tax Liability (Net)

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Current Tax	1212.23	811.51	819.85	666.96
Total	**1212.23**	**811.51**	**819.85**	**666.96**

Note No.21 Revenue From Operations

Particulars	Six months ended September 2023	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
a. Revenue from Operations	10321.60	21,055.54	18,556.77	16,057.74
(A)	**10321.60**	**21,055.54**	**18,556.77**	**16,057.74**
b. Other Operating Income				
Interest income	-	-	-	3.46
Rental Income	-	-	-	3.00
Sale of scrap	-	-	2.64	-
(B)		**-**	**2.64**	**6.46**
Total(A+B)	**10321.60**	**21,055.54**	**18,559.41**	**16,064.20**

Note No.22 Other Income

Particulars	Six months ended September 2023	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Recurring other income				
Related to business activity				
Gain on Foreign Exchange fluctuation	2.74	-	1.40	27.76
Not related to business activity				
Discount Received	-	-	0.29	-
Miscellaneous Income	-	-	-	-
Other Income	-	37.82	-	0.70
Total	**2.74**	**37.82**	**1.68**	**28.46**

Note No.23 Cost of materials consumed

Particulars	Six months ended September 2023	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Opening Stock				
Raw material	1171.34	795.00	1187.80	1159.62
Packing material	743.33	487.34	820.65	990.24
Purchases during the year	6793.97	12626.51	11485.56	9714.10
Closing Stock				
Raw material	1282.23	1171.34	795.00	1187.80
Packing material	879.54	743.33	487.34	820.65
Total	**6546.87**	**11994.18**	**12211.67**	**9855.52**

Note No.24 Changes in inventories of finished goods

Particulars	Six months ended September 2023	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March2021
Finished Goods				
Opening	2257.42	2397.26	1533.82	1582.80
Closing	2884.12	2257.42	2397.26	1533.82
Total	**(626.70)**	**139.84**	**(863.44)**	**48.98**

Note No.25 Employee benefits

Particulars	Six months ended September 2023	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Salaries and Wages	1153.07	2550.49	2449.48	2102.84
Contribution to provident fund and other funds	52.97	138.50	118.10	54.88
Staff welfare expenses	20.76	41.81	79.73	52.03
Total	**1226.80**	**2730.80**	**2647.30**	**2209.75**

Note No.26 Finance Cost

Particulars	Six months ended September 2023	Year ended 31st March 2023	Year ended 31stMarch 2022	Year ended 31st March 2021
Interest on CC	292.10	453.75	342.56	348.80
Interest on term loan	134.78	360.19	345.88	343.60
Other Borrowing cost	7.68	43.30	26.65	40.85
Total	**434.56**	**857.24**	**715.09**	**733.25**

Note No.27 Other Expenses

Particulars	Six months ended September 2023	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Power & Fuel	22.12	38.43	23.98	14.34
Rental Expense	2.32	5.49	5.54	11.64
Repairs & Maintenance (Others)	25.99	92.77	49.62	91.40
Research & Development Expenses	36.24	65.67	49.93	61.23
Travelling Expenses	243.49	462.23	418.56	462.39
Transport Charges	411.84	683.91	611.82	733.95
Office Maintenance	8.04	41.18	18.52	57.53
Marketing Expenses	86.00	131.01	92.60	277.74
Subscriptions & Renewals	0.80	9.52	1.67	16.91
Bank Charges	1.29	22.90	5.89	30.34
Insurance Expenses	29.88	62.92	60.23	32.47
Rates & Taxes	12.25	33.70	48.68	28.10
Consultancy Charges	32.58	117.16	69.29	0.91
Audit Fees	7.00	13.11	8.55	6.05
Loading & Unloading Expenses	6.69	19.40	18.72	59.92
Allowance for doubtful debts	169.81	268.50	112.44	119.47
Postage & Courier Charges	0.71	2.87	11.24	21.87
Printing & Stationary Expenses	7.67	12.45	20.64	0.75
Electricity	15.15	26.37	23.63	19.53
Telephone Expenses	16.85	37.40	42.55	15.58
General office expenses	33.77	29.18	79.83	88.74
Provision for CSR	15.95	21.65	9.55	12.69
Loss on foreign exchange	53.03	121.04	-	-
Total	**1239.46**	**2318.84**	**1783.50**	**2163.53**

Nova Agritech Limited

Annexure VI: - Notes to Restated Ind AS Consolidated Summary statement
(Amount in ₹ lakhs, Except Share Data or unless otherwise specified)

28. Changes in liabilities arising from financing activities

For the six months ended 30th September 2023

Particulars	Current Borrowings	Non-current Borrowings
As at 1 April 2023	5059.73	2035.79
Borrowings made during the six months	11.59	-
Borrowings repaid during the six months	-	256.68
Effect of changes in foreign exchange rates	-	-
Recognition of right of use liability during the year	-	-
Payment of lease liability	-	-
Borrowings made during the six months	-	-
As at 30th September 2023	**5071.32**	**1779.11**

For the year ended 31 March 2023

Particulars	Current Borrowings	Non-current Borrowings
As at 1st April 2022	3630.02	2796.52
Borrowings made during the year	1429.71	
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	-	-
Borrowings made during the year	-	-
As at 31st March 2023	**5059.73**	**2035.79**

For the year ended 31 March 2022

Particulars	Current Borrowings	Non-current Borrowings
As at 1stApril 2021	2,890.16	2,220.04
Borrowings made during the year	739.86	576.49
Borrowings repaid during the year	-	-
Effect of changes in foreign exchange rates	-	-
Recognition of right of use liability during the year	-	-
Payment of lease liability	-	-
Borrowings made during the year	-	-
As at 31st March 2022	**3,630.02**	**2,796.52**

For the year ended 31st March 2021

Particulars	Current Borrowings	Non-current Borrowings
As at 1st April 2020	2900.48	1706.33
Borrowings made during the year	-	513.7
Borrowings repaid during the year	10.32	-
Effect of changes in foreign exchange rates	-	-
Recognition of right of use liability during the year	-	-
Payment of lease liability	-	-
Borrowings made during the year	-	-
As at 31st March 2021	**2890.16**	**2220.03**

29. Employee Benefits:

(a) Defined Contribution Plans:

Contribution are made to statutory provident fund which covers all regular employees .While both the employees and the group make predetermined contributions to the Provident fund. The contributions are normally based on a certain percentage of the employee's salary.

The Group has recognized following amounts as Expense in the Statement of Profit and Loss:

Particulars	For the six months ended 30th September, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Provident Fund	35.68	82.54	79.78	66.30
Employee State Insurance	4.02	11.15	11.30	4.26
Total	**39.70**	**93.69**	**91.08**	**70.56**

(b) Defined Benefit Plans:

The Group has defined benefit plans that provide gratuity benefit. It is governed by the Payment of Gratuity Act, 1972. Under the Gratuity Act, employees are entitled to specific benefit at the time of retirement or termination of the employment on completion of five years or death while in employment. The level of benefit provided depends on the member’s length of service and salary at the time of retirement/termination age. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at September 30,2023 by a member firm of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method. Each year, the Group reviews the level of funding in gratuity fund. The Group decides its contribution based on the results of its review.
The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
Employee benefit plan typically exposes the group to actuarial risks such as: investment risk, interest risk, longevity risk and salary risk.

Particulars	For the six months ended 30th September, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Defined benefit obligations at the beginning of the year	102.06	97.54	75.91	79.35
Benefits Paid	(6.04)	(2.11)	-	-
Expenses Recognised in statement of Profit & Loss	13.27	26.54	28.81	20.20
Current service cost	9.44	19.47	23.31	14.85
Interest on defined obligations	3.83	7.07	5.50	5.35
Expenses Recognised in statement of OCI	4.16	(19.91)	(7.20)	(23.64)
Actuarial loss/(gain) due to change in assumptions	-	-		
Actuarial loss/(gain) due to experience changes	4.16	(19.91)	(7.20)	(23.64)
Defined benefit obligations at the end of the year	113.44	102.06	97.54	75.91

Particulars	For the six months ended 30th September, 2023	For the year ended31st March, 2023	For the year ended31st March, 2022	For the year ended31st March, 2021
Present value of defined benefit obligation	113.44	102.06	97.54	75.91
Less: Fair value of plan assets				
Net cost recognized in the statement of Profit and loss	**13.27**	**26.54**	**28.81**	**20.20**
Current portion of the above	14.30	12.88	4.56	4.25
Non-current portion of the above	99.14	89.18	92.98	71.66

Investment Risk
The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.

Interest Risk
A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity Risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.
Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and employee turnover.

30. Discontinued Operations
The Group does not have any discontinued operations and hence not disclosure has been given for the same.

31. 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
Key Managerial Persons	Malathi S Sreekanth Yenigalla Kiran Kumar Atukuri Basanth Kumar Nadella Neha Soni (Company Secretary) Bhargavi Kandula (CFO) (resigned w.e.f 16th December 2022) Gunupudi kamoji Srinivas (CFO) (appointed w.e.f 3rd January 2023)
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

Related Party transactions details:

Particulars	For the six months ended 30th September, 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Managerial Remuneration to KMP*				
Malathi S	135.91	271.82	271.82	271.81
Sreekanth yenigalla	26.58	53.16	49.50	38.87
Kiran kumar atukuri	26.78	53.56	49.80	35.09
Basanth kumar Nadella	16.56	33.11	30.83	22.57
Neha soni	6.00	6.00	6.00	2.5
Bhargavi kandula	-	11.52	13.78	13.00
Gunupudi kamoji Srinivas	12.00	5.48		
Total	**223.83**	**434.66**	**421.73**	**383.84**
Loans taken by the group				
O/s balance of loan taken by the group:-				
Malathi S	228.75	295.59	592.39	142.94
Sreekanth yenigalla	2.22	2.21	14.34	15.34
Kiran kumar atukuri	182.85	154.85	284.01	420.13
Basanth kumar Nadella	8.66	9.37	54.87	49.26
Total	**422.48**	**462.02**	**944.61**	**627.67**
Purchases and Sales to Other Related Parties :-				
Sales to Suraksha Agri Retails (India) Private Limited			**104.79**	

Transactions with Subsidiaries

Particulars	For the six months ended 30th September ,2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Nova Agri Sciences Private Limited				
Sales to subsidiary	763.19	268.80	2,451.74	1,103.5
Purchases from subsidiary	979.72	1219.77	1,155.39	481.73
Receivable from subsidiary	-			163.63
Payables to subsidiary	893.91	684.82	1,910.36	
Investment in subsidiary	180.00	180.00	180.00	180.00
Income from leases from subsidiary	4.80	4.00	-	-
Nova Agri Seeds India Private Limited Investment in subsidiary	5.00	5.00	5.00	5.00

32. CAPITAL MANAGEMENT

The primary objective of the group's capital management is to maintain optimum capital structure to reduce cost of capital and to maximize the shareholder value.
The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.
The Group 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.

Gearing Ratio:

Particulars	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Gross Debt (Long term and short term borrowings including current maturities)	6850.43	7095.52	6426.55	5110.19
Less: Cash and bank balances	(131.60)	(335.18)	(164.21)	(31.55)
Net Debt (A)	**6718.83**	**6760.34**	**6262.34**	**5078.64**
Total Equity (B)	7423.08	6387.97	4319.11	2942.98
Net Debt to equity Ratio (A/B)	**0.91**	**1.06**	**1.45**	**1.76**

Debt Equity Ratio

Particulars	30th September, 2023	31st March, 2023	31st March, 2022	31st March, 2021
Total Debt	6850.43	7095.52	6426.55	5110.19
Total Equity	7423.08	6387.97	4319.12	2942.98
Debt Equity Ratio	**0.92**	**1.11**	**1.49**	**1.73**

33. Disclosure of Financial Instruments:

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Annexure V & VI to the financial statements.

Financial assets and liabilities : As on 30th September 2023

Particulars	Fair Value	Total Carrying value
Assets		
Investments	0.01	0.01
Loans and Advances	34.86	34.86
Trade Receivables	11615.14	11615.14
Cash and Cash Equivalents	131.60	131.60
Total	**11781.61**	**11781.61**
Liabilities		
Long-term borrowings	1220.38	1220.38
Short-term borrowings	5630.05	5630.05
Trade payables	3139.01	3139.01
Other financial liabilities	630.97	630.97
Total	**10620.41**	**10620.41**

Financial assets and liabilities : As on 31st March 2023

Particulars	Fair Value	Total Carrying value
Assets		
Investments	0.01	0.01
Loans and Advances	35.06	35.06
Trade Receivables	10567.63	10567.63
Cash and Cash Equivalents	335.18	335.18
Total	**10937.88**	**10937.88**
Liabilities		
Long-term borrowings	1635.73	1635.73
Short-term borrowings	5459.78	5459.78
Trade payables	2727.61	2727.61
Other financial liabilities	595.29	595.29
Total	**10418.42**	**10418.42**

Financial assets and liabilities: As on 31st March 2022

Particulars	Fair Value	Total Carrying Value
Assets		
Investments	0.01	0.01
Loans and Advances	72.98	72.98
Trade Receivables	9298.58	9298.58
Cash and Cash Equivalents	164.21	164.21
Total	**9535.78**	**9535.78**
Liabilities		
Long-term borrowings	2363.79	2363.79
Short-term borrowings	4062.76	4062.76
Trade payables	3248.14	3248.14
Other financial liabilities	706.26	706.26
Total	**10380.95**	**10380.95**

Financial assets and liabilities: As on 31st March 2021

Particulars	Fair Value	Total Carrying Value
Assets		
Investments	0.01	0.01
Loans and Advances	90.80	90.80
Trade Receivables	8497.55	8497.55
Cash and Cash Equivalents	31.55	31.55
Total	**8619.91**	**8619.91**
Liabilities		
Long-term borrowings	1835.21	1835.21
Short-term borrowings	3274.98	3274.98
Trade payables	4632.88	4632.88
Other financial liabilities	655.66	655.66
Total	**10398.73**	**10398.73**

34. Financial Risk Management

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.
These risks may be caused by the internal and external factors resulting into impairment of the assets of the Group causing adverse influence on the achievement of Group's strategies, operational and financial objectives, earning capacity and financial position.
The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

(a) Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Group's business plan.

(b) Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market Risk:
Market risk is the risk that changes in market prices- such as foreign exchange rates, interest rates - will affect the Group's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. The major components of market risk are foreign currency risk, interest rate risk and price risk.

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 Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The following are the particulars of the foreign currency transactions during the respective years

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Imports	1734.20	3339.93	3498.57	3673.86
Total	**1734.20**	**3339.93**	**3498.57**	**3676.86**

Sensitivity

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Impact on standalone profit or loss				
Sensitivity				
1% Increase in FCER	(17.34)	(33.40)	(34.98)	(36.74)
1% Decrease in FCER	17.34	33.40	34.98	36.74

Interest Rate Risk:
Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs.
The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations. The Group also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.
The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly **to** changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.
The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the year.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.
(Note: The impact is indicated on the profit/ (loss) before tax basis).

The exposure of the group's borrowings to interest rate changes at the end of the year are as follows:-

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Variable rate long term borrowings (including current maturities) and short term borrowings	6427.95	6633.5	5481.94	4482.52
Total Borrowings	**6427.95**	**6633.5**	**5481.94**	**4482.52**

Sensitivity

Particulars	Increase/decrease in basis points	Effect on profit before tax
30-09-2023		
INR	100.00	(64.28)
INR	(100.00)	64.28
31-03-2023		
INR	100.00	(66.34)
INR	(100.00)	66.34
31-03-2022		
INR	100.00	(54.81)
INR	(100.00)	54.81
31-03-2021		
INR	100.00	(44.82)
INR	(100.00)	44.82

The interest rate sensitivity is based on the closing balance of secured term loans and working capital loans from banks

Credit Risk:

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and wherever appropriate, the credit ratings of its counterparties are continuously monitored and spread amongst various counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management of the Group. Financial instruments that are subject to concentrations of credit risk, principally consist of balance with banks, trade receivables and loans and advances.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables as follows

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Neither past due nor impaired				
Past due but not impaired				
Less than 365 days	11244.45	10290.63	9097.25	8364.29
More than 365 days	1652.01	1399.78	1370.69	1190.18
Less : Allowance for credit losses	(1281.32)	(1,122.78)	(1169.37)	(1056.93)
Total	**11615.14**	**10567.63**	**9298.57**	**8497.55**

Movement of Loss allowance

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Balance at the beginning of the year	1122.78	1169.37	1056.93	937.46
Add: Provision made during the year	169.81	268.5	112.44	119.47
Less: Reversal of earlier years provisions	-	-	-	-
Less: Bad debts written off from earlier years provisions	11.27	315.09	-	-
Balance at the end of the year	**1281.32**	**1122.78**	**1169.37**	**1056.93**

Trade Receivable:
Concentration of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse. All trade receivables are reviewed and assessed for default on a quarterly basis.
Our historical experience of collecting receivables indicate a low credit risk. Hence, trade receivables are considered to be a single class of financial assets.

Liquidity risk

The Group monitors its risk of shortage of funds using a liquidity planning tool.
The Group follows a Conservative policy of ensuring sufficient liquidity at all times through a strategy of profitable growth, efficient liquidity at all times through a strategy of profitable growth, efficient working capital management as well as prudent capital expenditure. The Group has a overdraft facility with banks to support any temporary funding requirements.

The Group is of the view that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

Liquidity table:

The following tables detail the Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Group can be required to pay:

As at 30th September 2023	On demand	Less than 1 Year	1 to 5 years	Above 5 years	Total
Borrowings (Long Term) Excluding Current Maturities	-	-	1268.39	-	1268.39
Borrowings (Short Term)	-	5071.32	-	-	5071.32
Other Financial Liabilities	-	630.97	-	-	630.97
Other Current Liabilities	-	99.02	-	-	99.02
Trade payables	-	3,075.43	63.59	-	3139.01

As at 31st March, 2023	On demand	Less than 1 Year	1 to 5 years	Above 5 years	Total
Borrowings (Long Term) Excluding Current Maturities	-		1706.84	-	1706.84
Borrowings (Short Term)	-	5059.73	-	-	5059.73
Other Financial Liabilities	-	595.29	-	-	595.29
Other Current Liabilities	-	171.35	-	-	171.35
Trade payables	-	2684.77	42.84	-	2727.61

As at 31st March, 2022	On demand	Less than 1 Year	1 to 5 years	Above 5 years	Total
Borrowings (Long Term) Excluding Current Maturities	-	-	2363.79	-	2363.79
Borrowings (Short Term)	-	4062.76	-	-	4062.76
Other Financial Liabilities	-	706.26	71.94	-	778.20
Other Current Liabilities	-	247.60	-	-	247.60
Trade payables	-	3195.72	52.42	-	3248.14

As at 31st March , 2021	On demand	Less than 1 Year	1 to 5 years	Above 5 years	Total
Borrowings (Long Term) Excluding Current Maturities	-	-	1835.21	-	1835.21
Borrowings (Short Term)	-	3274.98	-	-	3274.98
Other Financial Liabilities	-	655.66	400.93	-	1056.59
Other Current Liabilities	-	178.05	-	-	178.05
Trade payables	-	3969.45	663.43	-	4632.88

The Group's principal financial liabilities comprise of loan from Banks, Financial Institutions and Related Parties and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as trade receivables, cash and other Advances , which arise directly from its operations.

The main risks arising from Group's financial instruments are foreign currency risk, credit risk, market risk, interest rate risk and liquidity risk. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board of Directors, risk Management committee and the Audit Committee is responsible for overseeing the Group's risk assessment and management policies and processes. The Board of Directors is further assisted by the group internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

35. Earning Per Share

Particulars	For the six months ended 30th September 2023	For the Year ended 31st March 2023	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Earnings Profit / (Loss) attributable to equity shareholders of the Group	1038.22	2048.95	1368.93	630.00
Shares Weighted average number of equity shares outstanding during the year – Basic*	627.03	627.03	627.03	627.03
Weighted average number of equity shares outstanding during the year – Diluted*	627.03	627.03	627.03	627.03
Total No. of Equity Shares at the end of the year				
Earnings per Share of face value of ₹ 2/- each - Basic	**1.66**	**3.27**	**2.18**	**1.00**
Earnings per Share of face value of ₹ 2/- each - Diluted	**1.66**	**3.27**	**2.18**	**1.00**

*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 Limited 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 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.

The above statement should be read with annexure VI of restated IND AS summary statement.

36. Corporate Social Responsibility:

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 Group during the year, computed at 2% of its average net profit before tax for the immediately preceding three financial years.

Particulars	As at 30th September, 2023	As at March 31st, 2023	As at March 31st, 2022	As at 31st March, 2021
Amount required to spent during the year	15.95	18.54	9.55	12.69
Amount required to be set of for the financial year if any	-	-	-	-
Total CSR obligation for the year	15.95	18.54	9.55	12.69
Total amount of expenditure	15.95	21.65	9.55	12.69
Shortfall/(excess) of the expenditure in the year	-	(3.11)	-	-
Shortfall/(excess) of the expenditure in the previous year				
Total shortfall/(excess)	-	(3.11)	-	-

Details of spending

Particulars	As at 30th September, 2023	As at March 31st, 2023	As at March 31st, 2022	As at 31st March, 2021
i) Construction of an Asset	-	-	-	-
ii) On purposes other than (i) above	15.95	21.65	9.55	12.69

37. Payment to auditors

Particulars	For the six months ended 30th September 2023	For the year ended 31st March,2023	For the year ended 31st a March, 2023	For the year ended 31st March, 2021
Statutory Audit Fees	6.00	11.11	6.55	4.80
Tax Audit Fees	1.00	2.00	2.00	1.25
Total	**7.00**	**13.11**	**8.55**	**6.05**

38. Contingent Liabilities / Assets:-

Particulars	For the six months ended 30th September 2023	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Corporate Guarantees- Given to Banks	800.00	800.00	800.00	400.00
Capital Commitment				-
i) Contract to be executed (net of advance)	251.26	251.26	300.00	
ii)Claims against the company not acknowledged as debts	19.63	19.63	19.63	19.63
Total	**1070.89**	**1070.89**	**1,119.63**	**419.63**

* The group vide its 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 31st March 2023 the group had paid an advance amounting to Rs. 123.74 lakhs towards purchase of 33% out of total consideration payable of Rs. 375.00 lakhs accordingly as at 30th September 2023, balance of Rs. 251.26 lakhs is disclosed as commitment.

39. Income Tax:-

a) Amount recognized in the statement of profit and loss

Particulars	For the six months ended 30th September 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Current Tax	400.72	807.21	536.08	275.73
Deferred tax attributable to temporary differences	(35.80)	(39.81)	(60.57)	(38.60)
Tax Expense for the year	**364.92**	**767.41**	**475.51**	**237.18**

b) **Amount recognized in other comprehensive income**

Particulars	For the six months ended 30th September 2023	For the year ended 31st March, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Re-measurement gains/ (losses) on defined benefit plans	**(4.16)**	**19.90**	**7.20**	**23.64**
Deferred tax on re-measurement losses on defined benefit plans	1.05	(5.01)	(1.81)	(5.95)

c) **Reconciliation of Effective tax rate**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 30 September 2023, 31 March 2023, 31 March 2022 and March 2021.

Particulars	For the six months ended 30th September 2023	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Accounting profit before income tax	1403.14	2816.36	1844.45	867.13
Accounting profit before income tax				
At India's statutory income tax rate of 25.17%	**353.17**	**708.88**	**464.25**	**218.26**
Deductible expenses for tax purposes:				
Depreciation allowable under income tax act	25.89	56.91	49.5	34.25
Gratuity	-	-	-	-
Deductions under taxes	-	-	-	22.69
Others	2.85	0.78	5.16	0.32
On account of IND AS adjustments				7.53
At the applicable tax rate of 25.17%	**28.74**	**57.69**	**54.66**	**64.79**
Non-deductible expenses for tax purposes:				
Depreciation debited to profit & Loss	26.03	60.09	56.01	44.87
CSR Expenses	6.05	5.45	2.4	-
Gratuity	1.82	6.14	5.44	13.46
Others	6.58	44.60	2.07	25.33
At the applicable tax rate of 25.17%	**40.49**	**116.29**	**65.92**	**83.66**
Total tax expense reported in the statement of profit and loss	**364.92**	**767.41**	**475.51**	**237.13**
	364.92	**767.41**	**475.51**	**237.13**
Effective income tax rate	**26.01%**	**27.25%**	**25.78%**	**27.35%**

Deferred tax relates to the following

Balance Sheet

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
<u>Deferred tax assets:</u>				
WDV differences of assets as per books and tax laws	(56.30)	(58.29)	(26.39)	(19.88)
Gratuity Provision	(28.55)	(25.69)	(24.55)	(19.11)
Provision for bad debts	(390.64)	(349.44)	(355.34)	(323.9)
Deferred Tax on business loss				

Remeasurement Loss on defined benefit obligations	(1.05)	4.42	1.81	5.95
Others	(17.62)	(28.31)	(13.03)	. -
Net deferred tax (assets)/liabilities	**(494.16)**	**(457.31)**	**(417.50)**	**(356.94)**

Reflected in the balance sheet as follows:

Particulars	As at 30th September 2023	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Deferred tax assets (continuing operations)	(494.16)	(457.31)	(417.5)	(356.94)
Deferred tax liabilities/(assets), net	**(494.16)**	**(457.31)**	**(417.5)**	**(356.94)**

40. Research and Development

Particulars	For the six months ended 30th September, 2023	For the year ended 31stMarch, 2023	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Cost of material consumed	-	-	-	-
Salaries & wages	-	-	-	-
Others	36.24	65.67	49.62	61.23
Total	**36.24**	**65.67**	**49.62**	**61.23**

41. Disclosures require by Schedule III

i. The company does not have any Benami property, where any proceedings has been initiated has been initiated or pending against the Company for holding any Benami property.

ii. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period .

iii. The company has not traded invested in Crypto currency or virtual currency during the current financial year.

iv. The company has not advanced or loaned or invested funds to any other persons or entities including foreign entities (Intermediaries) with the understanding that the intermediary shall : (a) directly or indirectly lend or invest in the persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) (b) provide any guarantee ,security or the like to or on behalf of the Ultimate Beneficiaries.

   The Company has not received any fund from any persons, entities, 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 the persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) (b) provide any guarantee ,security or the like to or on behalf of the Ultimate Beneficiaries.

v. The company does not have any transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year on 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.

vi. The company is not declared as willful defaulter by any bank or financial institution (as defined under Companies Act 2013) or consortium thereof or other lender in accordance with the guidelines of willful defaulters issued by Reserve Bank of India.

vii. The company has not revalued any of the Property Plant & Equipment (including Right –of –use assets) during the year.

viii. The company does not have any co-owned properties.

ix. The company has not granted any Loans and Advances in the nature of loans to promoters, Directors, KMPs and the related parties (as defined under Companies Act 2013) either jointly or severally with any other person .

x. The company has used the borrowings for it’s intended purpose during the year.

xi. The company does not have any transactions with Companies struck-off under Section 248 of The Companies Act , 2013 or Section 560 of The Companies Act , 1956 during the current and previous financial year .

42. Ratios

Ratio	Numerator	Denominator	30-09-2023	31-03-2023	31-03-2022	Variance (in %)	Reason
Current ratio	Current Assets	Current Liabilities	1.61	1.60	1.50	6.67	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.92	1.11	1.49	(25.50)	1
Debt Service Coverage ratio	Earnings for debt service	Debt service	1.88	2.44	1.45	68.28	2
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	0.15	0.38	0.38	-	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	2.24	5.36	5.14	4.28	
Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	0.93	2.12	2.09	1.44	
Trade Payable Turnover Ratio	Net credit purchases	Average Trade Payables	2.32	4.23	3.10	36.45	3
Net Capital Turnover Ratio	Revenue	Working capital	1.57	3.54	4.08	(13.24)	
Net Profit ratio	Net Profit	Revenue	0.14	0.13	0.07	85.71	4
Return on Capital Employed	Earnings before interest and taxes	Capital Employed	0.13	0.27	0.24	12.50	
Net Asset Value	Networth	No of outstanding shares	11.84	10.19	6.89	47.90	5

The ratio comparision are between 31-03-2022 and 31-03-2023
1. Increase in reserves and surplus, has resulted in decrease in the Debt -Equity ratio.
2.Increase in EBITDA contributes to the increase.
3. Decrease in average trade payables contribute to the increase.
4. Increase the profit has resulted in increase in the net profit ratio.
5.Increase in networth contribute to the increase in NAV.

43. Recent 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 23rd March, 2022 MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1st April 2022, as below:

a) Ind AS 16 – Proceeds before intended use

The amendments clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as a part of cost of an item of property, plant and equipment. The Company and its joint venture
does not expect the amendment to have any significant impact in its financial statements.

b) Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The company and its joint venture does not expect the amendment to have any significant impact in its financial statements.

c) Ind AS 37 – Onerous Contracts

Costs of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the company and its joint venture does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The company and its joint venture does not expect the amendment to have any significant impact in its financial statements

44. Previous years' figures have been re-grouped/ re-classified wherever necessary, to confirm to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.

45. Appropriate re-groupings have been made in the Restated Consolidated Statement of Assets and Liabilities, Statement of Profit and Loss and Statement of cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the classification as per the Ind AS financial information of the Group and its joint venture for the year ended 31st march 2022 prepared in accordance with Schedule III of Companies Act, 2013, requirements of applicable Ind AS and the requirements of the SEBI ICDR Regulations.

46. There are no adjusting events after the reporting date.

For and on behalf of Board of Directors

As per our report of even date
For **NSVR & ASSOCIATES LLP**
FRN:008801S/S200060

KIRAN KUMAR ATUKURI
(Managing Director)
(DIN: 08143781)

VENKATA RATNAM P
Partner
Membership No. 230675
UDIN: 23230675BGWGXK8229

SREEKANTH YENIGALLA
(Director)
(DIN: 07228577)

NADELLA BASANTH KUMAR
(Director)
(DIN: 08139510)

Place : Hyderabad
Date : 26-12-2023

GUNUPUDI KAMOJI SRINIVAS
(Chief Financial Officer)

NEHA SONI
(Company Secretary)

OTHER FINANCIAL INFORMATION

The audited financial statements of our Company as at for the period ended 30 September, 2023 and for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the reports thereon dated December 26, 2023, September 02, 2023August 31, 2022 and November 13, 2021, respectively ("**Audited Financial Statements**") are available at https://www.novaagri.in

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world.

The Audited Financial Statements should not be considered as part of information that any investor should consider to subscribe for or purchase any securities of our Company, or any entity in which it or its shareholders have significant influence (collectively, the "Group") and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor any Book Running Lead Managers or the Selling Shareholder, nor any of their respective employees, directors, shareholders, affiliates, agents, advisors or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(Amount in ₹ Lakhs)

Particulars	**For the six month period ended September 30, 2023^**	**For the year ended March 31, 2023**	**For the year ended March 31, 2022**	**For the year ended March 31, 2021**
Revenue from operations	10,321.60	21,055.54	18,556.77	16,057.74
Total Income	10,324.34	21.093.35	18,561.09	16,092.66
EBITDA(1)	1,935.19	3,871.88	2,777.73	1,779.97
Earnings per share(2)*				
Basic earnings per share (₹)	1.66	3.27	2.18	1.00
Diluted earnings per share (₹)	1.66	3.27	2.18	1.00
Return on net worth (%)(3)	13.99	32.08	31.69	21.41
Net asset value per equity share (₹)(4)	11.84	10.19	6.89	4.69

(1) EBITDA is calculated as profit after tax for the year, plus total tax expenses, exceptional items, finance costs and depreciation and amortization expenses, less other income.
(2) Basic and diluted earnings per share is computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
(3) Return on net worth means restated profit after tax for the year divided by total average equity.
(4) Net Asset Value per share is calculated by dividing the restated net worth by the number of equity shares outstanding at the end of the year.
**Pursuant to sub-division of Equity Shares*
^Not annualised

RELATED PARTY TRANSACTIONS

Details of the related party transactions, as per the requirements under applicable Indian Accounting Standards i.e. Ind AS 24 '*Related Party Transactions*' for the period ended 30 September, 2023 and for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021 as reported in the Restated Standalone Financial Information are given below:-

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
Key Managerial Persons	a. Malathi S b. Sreekanth Yenigalla c. Kiran Kumar Atukuri d. Basanth Kumar Nadella e. Neha Soni (Company Secretary) f. Bhargavi Kandula (CFO) (resigned w.e.f December 16, 2022) g. Gunupudi Kamoji Srinivas (CFO) (appointed w.e.f January 3, 2023)
Enterprises having significant influence over the company	a. Suraksha Agri Retails (India) Private Limited b. Nova Ferticare Private limited c. Nova Dairy Tech India Private Limited d. Nova Health Sciences Private Limited e. Agri Genome Resources India Private Limited f. AIC- Nova Foundation for Agricultural Innovation and Research

(Amount in ₹ lakhs)

Particulars	For the six months period ended September 30, 2023		For the year ended March 31, 2023		For the year ended March 31, 2022		For the year ended March 31, 2021	
	Amount	Percentage of revenue	Amount	Percentage of revenue	Amount	Percentage of revenue	Amount	Percentage of revenue
Managerial Remuneration to KMP								
Malathi S	135.91	1.32%	271.82	1.29%	271.82	1.46%	271.81	1.69%
Sreekanth Yenigalla	26.58	0.26%	53.16	0.25%	49.50	0.27%	38.87	0.24%
Kiran Kumar Atukuri	26.78	0.26%	53.56	0.25%	49.80	0.27%	35.09	0.22%
Basanth Kumar Nadella	16.56	0.16%	33.11	0.16%	30.83	0.17%	22.57	0.14%
Neha Soni	6.00	0.06%	6.00	0.03%	6.00	0.03%	2.50	0.02%
Bhargavi Kandula	-	-	11.52	0.06%	13.78	0.07%	13.00	0.08%
Gunupudi Kamoji Srinivas	12.00	0.12%	5.48	0.03%	-	-	-	-
Total	**223.83**	**2.17%**	**434.65**	**2.06%**	**421.73**	**2.27%**	**383.84**	**2.39%**
Malathi S	228.75	2.22%	295.59	1.40%	592.39	3.19%	142.94	0.89%
Sreekanth Yenigalla	2.22	0.02%	2.21	0.01%	14.34	0.08%	15.34	0.10%
Kiran Kumar Atukuri	182.85	1.77%	154.85	0.74%	284.01	1.53%	420.13	2.61%
Basanth Kumar Nadella	8.66	0.08%	9.37	0.04%	54.87	0.30%	49.26	0.31%
Total	**422.48**	**4.09%**	**462.02**	**2.19%**	**944.61**	**5.09%**	**627.67**	**3.91%**

Purchases and Sales to Other Related Parties :-								
Sales to Suraksha Agri Retails (India) Private Limited	-	-	-	-	104.79	0.56%		--
Transactions with Subsidiaries								
Nova Agri Sciences Private Limited								
Sales to subsidiary	763.19	7.39%	268.80	1.28%	2,451.74	13.21%	1,103.5	6.87%
Purchases from subsidiary	979.72	9.49%	1,219.77	5.79%	1,155.39	6.23%	481.73	3.00%
Receivable from subsidiary	-	-	-	-	--	-	163.63	1.02%
Payables to subsidiary	893.91	8.66%	684.82	3.25%	1,910.36	10.29%	--	-
Investment in subsidiary	180.00	1.74%	180.00	0.85%	180.00	0.97%	180.00	1.12%
Income from lease to subsidiary	4.80	0.05%	4.00	0.02%	-	-	-	-
Nova Agri Seeds India Private Limited								
Investment in subsidiary	5.00	0.05%	5.00	0.02%	5.00	0.03%	5.00	0.03%

Nova Agritech Limited (NATL) manufactures, distributes and markets a wide range of product categories consisting of soil health management products, crop nutrition products, bio stimulant products, bio pesticide products, Integrated Pest Management products and new technologies. Nova Agri Sciences Private Limited (“NASPL”) manufactures, distributes and markets crop protection products, which include insecticides, fungicides, herbicides and plant growth regulators. Currently, the other subsidiary of NATL i.e Nova Agri Seeds India Private Limited (“Nova Seeds”) is not carrying any operations.

The details of related party transactions between the Company and Subsidiaries represent sales to subsidiary and purchase from subsidiary. NATL holds marketing licenses for certain products of NASPL. NATL sells these products for NASPL under the marketing licenses by procuring the same from NASPL. Similarly, some of the raw materials required for NASPL are sourced by NATL depending on the availability of working capital limits. These transactions are recorded as Sales & Purchase. The amounts payable to subsidiary as at the date on which financial information is given includes purchase consideration and advances received from the subsidiary for further supplies to be made by NATL. Further, NATL has invested in the equity capital of the subsidiaries, NASPL & Nova Seeds.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements, which are included in this Red Herring Prospectus

This Red Herring Prospectus–contains forward - looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors including the considerations described under "*Risk Factors*" and "*Forward Looking Statements*" beginning on pages 29 and 19, respectively, and elsewhere in this Red Herring Prospectus.

Unless otherwise indicated or the context otherwise requires, the financial information used in this section is derived from our Restated Financial Statements included in this Red Herring Prospectus. See "*Restated Financial Statements*" on page 260. Further, unless otherwise indicated or the context otherwise requires, all operational information included herein for Fiscal 2021,2022 and 2023 and the six months period ended September 30, 2023 is on consolidated basis. For further information, see "*Restated Financial Statements*" on page 260. Our Company's Fiscal Year commences on April 1 and ends on March 31 of the immediately subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that particular year. Unless the context otherwise requires, in this section, references to "we", "us", "our", "the Company" or "our Company" refers to Nova Agritech Limited and its wholly owned subsidiaries, Nova Agri Sciences Private Limited and Nova Agri Seeds India Private Limited (hereinafter referred to as Nova).

Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Report on Crop Nutrition and Crop Protection Industry" dated January 02, 2024, by CARE Analytics and Advisory Private Limited **("CARE Report")** commissioned and paid for by our Company. Unless otherwise indicated, all industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. A copy of the CARE Report is available on the website of our Company at www.novaagri.in. There are no parts, data or information (which may be relevant for the proposed Offer), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the CARE Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "*Risk Factors – Certain sections of this Red Herring Prospectus disclose information from an industry report commissioned by us from CARE Analytics and Advisory Private Limited, which is an independent third-party entity and is not related to the Company, its Promoters or Directors in manner whatsoever. Any reliance on such information for making an investment decision in the Offer is subject to inherent risks*" on page 56. Also see, "*Certain Conventions, Currency of Presentation, Use of Financial Information and Market Data* " on page 16.

OVERVIEW

We are 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. We 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; and (g) crop protection products. Currently, the crop protection products are manufactured by our subsidiary Nova Agri Sciences Private Limited.

As on November 30, 2023, we have received a total of 720 product registrations comprising of 7 registrations in the soil health management category, 176 registrations in the crop nutrition category, 4 registrations in bio pesticide category, 7 registrations under Technical Indigenous Manufacture and 526 registrations in the crop protection category. All of the 526 registrations in the crop protection category are in the name of Nova Agri Sciences Private Limited. Further, we have applied for 14 registrations for new products across various categories in the name of Nova Agri Sciences Private Limited (NASPL) and 22 new registrations in the name of Nova Agritech Limited (NATL).

We have a total dealer network comprising of approximately 11,722 dealers out of which approximately 6,769 dealers are active to whom we have distributed and sold our products during the current financial year. Our dealer network is currently spread across 16 states of India namely Andhra Pradesh, Telangana, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Odisha, West Bengal, Bihar, Gujarat, Jharkhand, Uttarakhand and Jammu & Kashmir and 02 in Nepal. We have also entered into marketing, distribution and supply agreements with certain third parties in Bangladesh, Sri Lanka and Vietnam and are currently awaiting the necessary permission to start business in these jurisdictions.

Significant amounts of our revenue is generated from the distribution of our products in the three southern states of Andhra Pradesh, Karnataka and Telangana. The details of revenue distribution of products manufactured by the NATL across the states of Andhra Pradesh, Karnataka and Telangana for the six month period ended September 30, 2023, and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are follows:

S.No	State	As at the period ended September 30, 2023		Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
		Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations
1	Andhra Pradesh	843.23	11.75%	1,718.69	14.72%	1,525.06	13.15%	3,667.23	29.34%
2	Karnataka	183.43	2.56%	780.64	6.69%	646.20	5.57%	747.63	5.98%
3	Telangana	5,458.84	76.09%	6,374.81	54.60%	7,087.56	61.09%	6,286.98	50.31%
4	Other states	688.48	9.60%	2,800.67	23.99%	2,342.38	20.19%	1,795.37	14.37%

Significant amounts of our revenue is generated from the distribution of our products in the three southern states of Andhra Pradesh, Karnataka and Telangana. The details of revenue distribution of products manufactured by the NASPL across the states of Andhra Pradesh, Karnataka and Telangana for the six month period ended September 30, 2023, and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are follows:

S.No	State	As at the period ended September 30, 2023		Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
		Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations	Amount in ₹ Lakhs	% to Revenue from operations
1	Andhra Pradesh	279.04	5.71%	2,144.62	19.73%	*2,602.63*	24.64%	*1,093.31*	21.23%
2	Karnataka	474.47	9.70%	1133.61	10.43%	*1,063.13*	10.06%	*651.04*	12.64%
3	Telangana	2,948.79	60.30%	4,862.63	44.74%	*4,397.83*	41.64%	*2,403.14*	46.67%
4	Other states	1,188.24	24.30%	2,728.43	25.10%	2,499.10	23.66%	1,001.73	19.45%

The total volume of products manufactured and the total sales value of the products manufactured by our Company for the six month period ended September 30, 2023, and the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:

NATL				
Particulars	**As at Period ended September 30, 2023**	**As per Year Ended March 31, 2023**	**As per Year Ended March 31, 2022**	**As per Year Ended March 31, 2021**
Total volume of products manufactured (kgs/ltrs)	19,33,862	28,37,672	24,06,280	26,89,537
Total sales value of the products manufactured (Amount in ₹ lakhs)	7,173.98	11,674.81	11,601.20	12,497.21

NASPL				
Particulars	**As at Period ended September 30, 2023**	**As per Year Ended March 31, 2023**	**As per Year Ended March 31, 2022**	**As per Year Ended March 31, 2021**
Total volume of products manufactured (kgs/ltrs)	4,21,218	8,76,865	8,48,256	5,84,290
Total sales value of the products manufactured (Amount in ₹ lakhs)	4,890.54	10,869.30	10,562.70	5,149.23

Our registered office and manufacturing facilities are situated at, Sy.No.251/A/1 Singannaguda Village, Mulugu Mandal, Siddipet District, Telangana over an area admeasuring 12 acres and 5 guntas. Besides the manufacturing facilities, the total area includes warehousing facilities for storage of raw materifal and finished goods.

Nova Agritech Limited was incorporated as a private limited company under the provisions of the Companies Act, 1956 on May 9, 2007 at Hyderabad, Andhra Pradesh. Our business was started by our founders Sambasivarao Yeluri and Kalyana Chakravarthy with an objective to be a one-stop solution provider by offering ecologically sustainable and nutritionally balanced products to the farmers. Presently, the promoters of Nova Agritech Limited are Malathi S, Kiran Kumar Atukuri Yeluri Family Trust and Suraksha Agri Retails (India) Private Limited. (For more details, please see *"History and Certain other Corporate Matters"* on page 221).

We intend to import and distribute Technicals, which will be a prominent factor in the growth of the agriculture sector in India in the near future. Considering the same NASPL has entered into Registration and Distribution Agreements for import and distribution of Technicals with a Taiwanese entity on April 15, 2022 to act as the distributor for sales and formulation of Butachlor 85% Tech in India for a period of 5 years and a Chinese entity on April 15, 2022, to act as the distributor for sales and formulation of Emamectin Benzoate Technical 95% in India for a period of 5 years.

We run a farmer outreach program called Nova Kisan Seva Kendra program (NKSK) through which we educate farmers on various crop management practices. As on November 30, 2023, our NKSK team compromises of 24NKSK Coordinators who are all agri-graduates and are on the payrolls of our Company. Apart from the NKSK Coordinators, our Company also have arrangements with individuals across various states who provide their services to our Company as Kisan Mitras, and Kisan Sevaks catering to the need of the farmers. As on November 30, 2023 the Company is associated with 96 Kisan Mitras and 142 Kisan Sevaks at a grass root level. The key objective of NKSK is to provide farmers with need-based solutions, products, technologies, methodologies, knowhow and usage skills thereby enhancing farm yield. The advantage of these dedicated teams is that they can understand the local language of the farmers and are trained to identify the problems in field and are skilled to give solutions, thus creating an emotional connect with the local farmers and providing ease of solutions. 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 BHUPARIKSHAK and also the drones called as "NOVA AGRIBOT".

We have a dedicated in-house R&D and a Quality Control / Quality Assurance facility at our manufacturing facilities to support technology transfer for new products and on-site process improvement incubation centre. We also have tie-ups with various universities to get access of process know-how, innovation, R&D, knowledge transfer, technology transfer, product transfer, credit support, man power, development, etc. We have taken on lease 67.13 acres of land at Valaparla Village, Andhra Pradesh as a part of R&D, wherein we test the efficacy of our products on various crops.

Financial KPIs of our Company

(in ₹ lakhs except percentages and ratios)

Key Financial Performance	Six months period ended September 30, 2023	FY 2022-2023	FY 2021-2022	FY 2020-2021
Revenue from operations(1)	10,321.60	21,055.54	18,556.77	16,057.74
Total Income(2)	10,324.34	21,093.35	18,561.09	16,092.66
EBITDA(3)	1935.19	3,871.88	2,777.73	1,779.97
EBDITA Margin (%)(4)	18.75	18.39	14.97	11.08
PAT	1,038.22	2,048.95	1,368.94	630.00
PAT Margin (%)(5)	10.06	9.73	7.38	3.92
Operating Cash Flows	504.28	544.94	248.17	518.13
Net Worth(6)	7,423.08	6,387.97	4,319.12	2,942.98
Net Debt(7)	(1,757.30)	(1,079.69)	216.89	1,213.97
Debt Equity Ratio(8)	0.92	1.11	1.49	1.74
ROCE (%)(9)*	12.87	27.25	23.81	19.87
ROE (%)(10) *	15.03	38.27	37.70	24.08

** Not annualised*

(1) *Revenue from operation means revenue from sales, and other operating revenues.*

(2) *Total Income represents the total turnover of our business i.e., Revenue from Operations and Other Income, if any.*

(3) *EBITDA means Profit before depreciation, finance cost, tax and amortization, less other income.*

(4) *'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations.*

(5) *'PAT Margin' is calculated as PAT for the period/year divided by revenue from operations.*

(6) *Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the restated balance*

sheet, but does not include reserves created out of revaluation of assets, capital reserve arising on consolidation, capital redemption reserve, write-back of depreciation and amalgamation.
(7) Net Debt is total of short term borrowing, long term borrowing and trade payables minus total liquid assets. Total liquid asset is summation of cash and cash equivalent and current and non-current bank balance and trade receivables.
(8) Debt equity ratio means ratio of total debt (long term plus short term including current maturity of long term debt) and equity share capital plus other equity.
(9) Return on Capital Employed is ratio of EBIT and Capital Employed. Capital Employed is Total Shareholder's Equity, Non-Current Borrowing and short term borrowing.
(10) Return on Equity is ratio of Profit after Tax and Average Shareholder Equity.

Explanation for KPI metrics

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business.
Total income	Total income is used by the management to track revenue from operations and other income.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business.
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
Operating Cash Flows	Operating cash flows activities provides how efficiently our company generates cash through its core business activities.
Net Worth	Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity.
Net Debt	Net debt helps the management to determine whether a company is overleveraged or has too much debt given its liquid assets
Debt-equity ratio (times)	The debt to equity ratio compares an organization's liabilities to its shareholders' equity and is used to gauge how much debt or leverage the organization is using.
RoE (%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	ROCE provides how efficiently our Company generates earnings from the capital employed in the business.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Impact of COVID-19

March 2020 to May 2020

An outbreak of a novel strain of coronavirus disease 19 ("**COVID-19**"), was recognised as a pandemic by the World Health Organization ("**WHO**"), on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India have taken preventive or protective actions, such as imposing country-wide lockdowns, restrictions on travel and business operations and advising or requiring individuals to limit their time outside of their homes. Temporary closures of businesses had been ordered and numerous other businesses have temporarily closed voluntarily. Further, individuals' ability to travel had been curtailed through mandated travel restrictions and was further limited. Post the national lockdown, many local governments also implemented further phase wise restrictions and lockdowns thus affecting the business as a whole. Due to a government mandated lockdown in India, we had to temporarily close our manufacturing facility from March 24, 2020 to May 11, 2020. Like any other business across the country, even our operations and revenue had an impact during the lockdown.

In accordance to the government notification passed at regular intervals, we had to ensure that we maintain all our employees on our payrolls without terminating anyone and with very minimal business and revenue being generated. This had an adverse effect on our operations.

May 2020 onwards

The lockdown coincided with the close of financial year FY 2020 and since this was also off-season for business, the Company's manufacture, sales and distribution did not face a major impact. Additionally, since agriculture was covered under the Essential Commodities Act, necessary special approval were issued to continue operations. Once operations resumed on May 11, 2020, the Company resumed to its normal manufacture and distribution cycle.

We resumed operations from May 11, 2020 in a staggered manner. Our effective support systems allowed us to commence our operations in a timely manner, despite the temporary disruption in our business due to the lockdown. The capabilities and depth of our management team along with the support from our dealer network enabled us to restart the operations quickly post the restrictions were eased.

Our support system at all levels allowed us to commence our operations in a timely manner, despite the temporary pause in our business due to the nation-wide lockdown. Our widespread supply chain network built by us over the years and the capabilities and depth knowledge and understanding of the business by our management team enabled us to restart our operations quickly after the lockdowns eased and ensured that there are no instances of any non fulfilment of any obligations by any party for any existing agreement that may have a significant impact on the company's business or any termination or modification of any agreement that had an impact on the revenue of the Company during the time of the COVID 19 pandemic.

The Company availed moratorium for an amount of ₹ 105.47 lakhs which was 11.57% of the total borrowings in FY 2020-2021 during COVID 19 pandemic.

During the times of COVID 19 pandemic, we tried our best to ensure that we maintain the safety of our employees and also provide them with the best of the assistance during the tough time by providing quarantine house facility for the effected, conducting vaccination drive for our employees, medical check-ups and by also distributing food and medicines during the time of lockdown.

Details of Capacity Installed and Capacity Utilised for NATL and NASPL

Nova Agritech Limited (NATL)*								
Segment	**For the period April 1, 2023 to November 30, 2023**		**For the year ended March 31, 2023**		**For the year ended March 31, 2022**		**For the year ended March 31, 2021**	
	Installed Capacity (MTPA)	**Capacity Utilisation (%)**	**Installed Capacity (MTPA)**	**Capacity Utilisation (%)**	**Installed Capacity (MTPA)**	**Capacity Utilisation (%)**	**Installed Capacity (MTPA)**	**Capacity Utilisation (%)**
Owned Capacity (Singannauda)	5,928.00	37.55	5,928.00	53.42	5,928	45.30	5,928	50.63
Nova Agri Sciences Private Limited (NASPL)*								
Segment	**For the period April 1, 2023 to November 30, 2023**		**For the year ended March 31, 2023**		**For the year ended March 31, 2022**		**For the year ended March 31, 2021**	
	Installed Capacity (MTPA)	**Capacity Utilisation (%)**	**Installed Capacity (MTPA)**	**Capacity Utilisation (%)**	**Installed Capacity (MTPA)**	**Capacity Utilisation (%)**	**Installed Capacity (MTPA)**	**Capacity Utilisation (%)**
Owned Capacity (Singannauda)	3,237.60	25.76	3,237.60	36.98	3,237.60	35.77	3,237.60	24.64

** Pursuant to the certificate dated December 09, 2023, Chartered Engineer has confirmed the aforesaid Installed and Utilised Capacity for last 3 financial years and for the period of April 1, 2023 to November 30, 2023 for NATL and NASPL.*

Ability to enhance our product portfolio by expanding our manufacturing capacities and increasing our competencies.

As one of our Objects of the Offer, NATL intends to invest in NASPL for setting-up a new formulation plant and also funding capital expenditure in NATL, towards expansion of its existing plant at our owned property located in Sy.No.251/A/1 Singannaguda Village, Mulugu Mandal, Siddipet District, Telangana, wherein our existing factory is already situated. With the proposed formulation plant as a part of the objects of our offer, we intend to come up with advanced, safe, effective and efficient mechanism of creating formulated products. We intend to increase the capacity of

Suspension Concentrate (SC) formulations and also can add new formulation types like Capsule Suspension (CS), Suspo Emulsion (SE), Mixed formulation of CS&SC (ZC), Water Dispersible Granules (WDG) and Granules, thus allowing us to enhance our product range and production capacity *(For more details, please see Objects of the Offer on page 94).*

Our proposed expansion of manufacturing capacity will help us in increasing our competency level, making us self-sufficient in many ways across the entire manufacturing cycle of the product. The way the farming market is innovating and changing its dimension, it is growing towards restoring soil and crop health ecosystem for sustainable agriculture and to cater to such requirement, we intend to increase our strength in Biological Pesticides, Biological and organic fertilisers. The expansion of manufacturing capacity will leverage us to increase our visibility and secure future marketplace of biological products by enhancing our production capacity.

Expansion to newer geographies including expanding our export business to newer and wider spectrum.

The micronutrient market has grown at a Compound Annual Growth Rate (CAGR) of 7.1% from 6,85,000 MT in FY17 to 9,00,000 MT in FY21. The Indian agricultural micro-nutrient market size was USD 538.4 million in 2021. Going forward, the market size is likely to grow at a CAGR of around 8%-10% by 2025. The consumption of water-soluble fertilizers has grown at a Compound Annual Growth Rate (CAGR) of 13.6% from 1,80,000 tonnes in FY17 to 3,00,000 tonnes in FY21 and is expected to see further traction. The total production in 2021-22 of carrier-based solid biofertilizers in India was about 169 thousand tonnes. This marked a growth of about 40% from 2018-19. It increased at a CAGR of 8.7% during 2017-2018 to 2021-22. In the case of liquid fertilizers, India produced about 2,32,934 kiloliters of liquid biofertilizers in 2021-22. This marked a growth of about 2479% from 9,033 kiloliters in 2017-18. This segment grew by a higher 125% CAGR during 2017-2018 to 2021-22 (*Source: CARE Report*).

During the five-year period 2017-2021, the production of organic fertilizers has grown at a Compound Annual Growth Rate (CAGR) of 11.3% from 28.03 million tonnes in 2017 to 42.94 million tonnes in 2021. Over the five-year period 2018-19 to 2022-23, the domestic consumption of bio-pesticides grew marginally from 7.2 thousand tonnes in 2017-18 to 8.9 thousand tonnes in 2021-22, driven by increasing adoption of organic way of farming. The overall Indian pesticides market grew at a CAGR of 6.6% from Rs.368 billion in 2013-14 to Rs.655 billion in 2022-23. In terms of USD, the Indian market increased at a CAGR of 3.0% from USD 6.1 billion in 2013-14 to USD 7.9 billion in 2022-23. (*Source: CARE Report*).

Our strategy is to reach out to more geographies within India and enhance the presence and reach of NKSK program to pan India forms a part of our detailed business plan as duly approved vide board resolutions dated February 27, 2023 and and December 26, 2023. By reaching out to more geographies within India we intend to provide our services to a larger number of farmers, share the knowledge and educate them to ensure a better productivity. Our strategy is to ensure that through our NKSK program, we help in building our brand relationship with the farmers and enhance our scalability through online sales. We have identified specific markets, wherein we intend to invest in acquiring export registrations as per regulatory guidelines of the respective countries. Presently, we are exporting our products to Nepal. We have entered into marketing, distribution and supply agreements with certain third parties in Bangladesh, Sri Lanka and Vietnam and are currently awaiting the necessary permission to start business in these jurisdictions.

Focus towards Modern Technologies and solutions.

We intend to focus on implementing IAE Concept (Identify, Assess and Execute) to align with technology-based products for value addition. In view of delivering new safer formulations of biocontrol and pesticide formulations, we intend to establish fully automated state of art formulation technology for catering the needs and demand of the changing market. We have extended our focus towards precision farming tools like DGCA Approved Agricultural Drones in the name of "AGRIBOT" for fertilizer and pesticide application as a new method and state of art way of fertilizer and pesticide application system.

We have commenced the distribution of our soil health testing device in the name of "Nova BHUPARIKSHAK", which analyses and reports various parameters of soil, allows farmer to apply inputs at required quantities giving the farmer the correct knowledge of the soil. It also maintains farmer land data to keep track for future developments.

As a continuation to our plan of enhancing our portfolio in precision farming tools, we intend to keep working and upgrading on the enhancement and multi-tasking capabilities of the existing technologies available with us and also create newer state of the art technologies, thus allowing a farmer to do many tasks at a particular time with ease and perfection. We have also collaborated with various universities and educational institutions for research on new technologies and methodologies.

Augmentation of our business through distributorship of Technicals.

We intend to import and distribute Technicals in India, which will be a prominent factor in the growth of the agriculture sector in India. On April 15, 2022, we have entered into a Registration and Distribution Agreement with a Taiwanese entity to act as the distributor for sales and formulation of Butachlor 85% Tech in India for a period of 5 years. Butachlor is an herbicide of the acetanilide class and is used as a pre-emergent herbicide. This is typically used to control the growth of grass and broadleaf weeds in agricultural lands fields pertaining to rice and barley. On February 13, 2023, NASPL has been granted the registration certificate bearing the registration number CIR-256885/2023-Butachlor (Technical) (443)-2 under section 9(4) of the Insecticides Act, 1968 for the import of the Butachlor Technical 85% for indigenous manufacture by the Central Insecticides Board and Registration Committee, Ministry of Agriculture and Farmers Welfare.

On December 13, 2021, we have entered into a Registration and Distribution Agreement with a Chinese entity to act as the distributor for sales and formulation of Emamectin Benzoate Technical 95% in India for a period of 5 years. This product is a new form of an insecticide with a new mechanism and has adequate action against on Lepidoptera and as well as highly on some selected organisms.

A Taiwanese entity in its Consent Letter dated March 28, 2022 addressed to the Central Insecticides Board and Registration Committee, Directorate of Plant Protection, Quarantine and Storage, Faridabad, Haryana have stated that they are the manufacturer of Paraquat Dichloride Technical 42% and have given consent to our Company to import the same from them and through another German entity based out of Hamburg. The application has been approved and a Certificate of Registration dated July 7, 2023 was issued to NASPL by the Central Insecticides Board and Registration Committee. This form of insecticide controls the foliage part of the weeds and promotes intact roots and prevents soil erosion.

Marketing

We have invested in the promotion of our brand over the years. Our investment in marketing and building our brand value is one of the key factors, which has enabled us to build awareness, enhance our foothold to various locations, gain trust and generate profitability and scalability.

We have invested a considerable amount of our marketing budget in promotions and advertisements of our business and products in the form of print as well as digital & social media.

We also have a dedicated marketing team to support our pan India dealer network and also to support our farmers and dealers. We have a sales team of approximately 163 employees, who are responsible for managing branded sales, establishing and managing the distribution channel and product promotion at the farmer and dealer level. We also have employees, who continuously are dealing and engaged with the promotion of our products to increase the image of our brand value with the dealers and the farmers.

Competition

We face competition from various players in the Agritech sector. We are positioned to compete with the competitors due to our wide range of products, the innovations that we bring into our products and with our pan Indian expansion plans. We have established our presence in South India with our brand recognition and quality assurance of the products we offer.

Technology

Technology is growing and advancing at a very rapid pace. We use technology that we have implemented in the form of NOVA KISAN SEVAK KENDRA (NKSK) Application to get the farmers data from the farmer and to resolve the farmer's issues on immediate basis. Our Agri background specialists, who work from our office understand the problem of the farmer through the application and provides solution through the application that the farmer may require to tackle the problem that he is facing with his yield, farming or produce. The data can be entered through fingertips in fraction of minutes through a mobile and while using the application. We have already installed pre required questions prepared by the agri specialists into the application. Our employee visiting the farmers at the ground level need to enter those details through communication with farmer and understand the issues they face in the crop or the yield and accordingly solution is provided by our in house agri specialists.

Our Company also uses ERP application for the purpose of the database and business requirement. We have a central ERP software based database to collect data and information from various departments. This gives us easy access and a clear departmental wise visibility of data and information and helps in reducing duplication and conflicting storage of information. Considering the huge amount of data that our Company deals with, this use of technology provides a lot of ease in accessing and maintaining such data.

As a part of our technology driven initiative, we had launched a magazine by the name Agri Clinic published in Telugu language on a monthly basis. The main objective of the magazine was to empower the farmers, by providing knowledge and educating them on integrated management practices, new methods and profitable farming. We stopped the publication of the magazine from 2020 once COVID 19 pandemic hit the globe. Now the farmers, dealers and other interested users can visit the website www.agriclinic.org and access the archived magazines. Currently, we have kept the website www.agriclinic.org active by creating a ticker, wherein we provide the viewers with the pricing of different products that we manufacture.

Research and Development

We have a R&D centre at our existing manufacturing facility. This centre is equipped with various equipment and a dedicated microbiology lab for the purpose of conducting various tests towards our R&D programme. We also have a quality control laboratory at our manufacturing facility, which primarily monitors the quality of our raw materials and finished goods. Our R&D department has been working consistently for improving and upgrading the existing range of products and continuously working towards product efficacy and to ensure that we come up with more enhanced and better range of products. We rely on our R&D team, which helps us to manufacture products more efficiently and to cater the demand of the overseas customers across agri industry. We intend to obtain DSIR-Certification of our R&D laboratory. As at November 30, 2023, we have 27 employees dedicated towards the process of R&D at our manufacturing facility. Our focus with our R&D is to ensure that we develop newer technologies and manufacturing processes for existing as well as new products, which will help us to reduce the cost of production, improving product efficacy simplify manufacturing processes to improve safety, reduce environmental load and provide us with other growth opportunities. Our R&D capabilities enable us to support our growth strategy by developing new products and processes which enhance our product range. The focus of our R&D has been to strive for continuous process improvements and achieving manufacturing cost efficiencies for existing as well as new products. This helps in improving our procurement process thus reducing wastages, returns and other related costs. Our well-equipped R&D facilities are backed up by other departments through a responsive process that ensures the successful results of research to reach farmer community, which in turn has resulted in substantial recognition of our brand in the Agri-product Industry.

BASIS OF PREPARATION OF RESTATED IND AS CONSOLIDATED SUMMARY STATEMENT

Compliance with Ind AS:

The Restated Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1st, 2019, the Group has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2019 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

Application of New Indian Accounting Standard

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till restated financial information is authorized have been considered while preparing the restated financial information.

PRESENTATION OF RESTATED FINANCIAL STATEMENTS

The Restated Ind AS Consolidated Summary Statement of Assets and Liabilities as at 30th September 2023, 31st March 2023, 31st March 2022 and 31st March 2021 and Restated Ind AS Consolidated Statement of Profit and Loss, Restated Ind AS Consolidated Summary Statement of Cash Flows and the Restated Ind AS Consolidated Statement of Changes in Equity for the period ended 30th September 2023 and for the years ended 31st March 2023, 31st March 2022 and 31st March 2021 and grouping annexures to the Restated Ind AS Consolidated Summary statement (together referred to as "Restated Ind AS Consolidated Summary Statement") have been complied by the Group from the Audited Ind AS Consolidated Financial Statements to which further adjustments are made to comply in all material aspects with the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"). Accordingly, these Restated Ind AS Consolidated Summary have been prepared after incorporating adjustments for the material amounts in the respective financial years to which they relate as explained later. There were no exceptional items that needed to be disclosed separately for the respective years under consideration.

The Restated Ind AS Consolidated Summary have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("**the Act**") read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act.

The Restated Ind AS Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed IPO of its equity shares, in accordance with the requirements of:

a) Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and

b) Relevant provisions of the ICDR Regulations, 2018 issued by the Securities and Exchange Board of India ('SEBI'), as amended from time to time.

c) Guidance Note on Reports in Group's Prospectus issued by The Institute of Chartered Accountants of India ("ICAI")

Basis of Measurement

These Restated Ind AS Consolidated Summary statement 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 and liabilities are measured either at fair value or at amortized cost depending on the classification;
- Employee defined benefit assets / (liability) are measured at fair value of plan assets, less present value of defined benefit obligations.
- Long-term borrowings are measured at amortized cost using the effective interest rate method.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization /settlement within twelve months period from the balance sheet date.

Use of Estimates and Judgements

The preparation of Restated Ind AS Consolidated Summary statement is in conformity with Ind AS and Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the restated statement of assets and liabilities date and reported amounts of revenues and expenses for the reporting period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial information in the period in which changes are made and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Restated Ind AS Consolidated Summary statement is included in the following notes:

- Useful lives of property, plant and equipment and intangible assets;
- Impairment of non-financial and financial assets;
- Financial instruments;
- Employee benefits;
- Provisions, contingencies; and
- Income taxes.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Restated Ind AS Consolidated Summary statement Financial Information have been prepared using the accounting policies and measurement basis summarized below.

Significant accounting policies

The Restated Financial Information has been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Restated Financial Information except where a newly issued accounting standard is initially adopted or a revision to an existing standard requires change in accounting policy hitherto in use. This

Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited Restated financial Information mentioned above.

Authorization of Restated Financial Information:
The Restated Financial Information was authorized for issue in accordance with a resolution of the Board of Directors in its meeting held on December 26, 2023

2.1 Basis of preparation of Restated Ind AS Consolidated Summary Statement Compliance with Ind AS:

The Consolidated Financial Statements are prepared in accordance with Indian Accounting Standards ("Ind AS"), under the historical cost convention on the accrual basis except for the following material items in the balance sheet:

a. Derivative financial instruments are measured at fair value.
b. Certain financial assets are measured either at fair value or at amortized cost depending on the classification;
c. 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
d. Long-term borrowings are measured at amortized cost using the effective interest rate method.
e. 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.

The Ind AS are prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

Effective April 1st, 2019, the Group has adopted all the Ind AS and the adoption has been carried out in accordance with Ind AS 101, First Time Adoption of Indian Accounting Standards, with April 1, 2019 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, which was the previous GAAP.

Application of New Indian Accounting Standard

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till restated financial information is authorized have been considered while preparing the restated financial information.

Basis of preparation

The Restated Ind AS Consolidated Summary Statement of Assets and Liabilities as at 30th September 2023, 31st March 2023, 31st March 2022 and 31st March 2021 and Restated Ind AS Consolidated Statement of Profit and Loss, Restated Ind AS Consolidated Summary Statement of Cash Flows and the Restated Ind AS Consolidated Statement of Changes in Equity for the period ended 30th September 2023 and for the years ended 31st March 2023, 31st March 2022 and 31st March 2021 and grouping annexures to the Restated Ind AS Consolidated Summary statement (together referred to as "Restated Ind AS Consolidated Summary Statement ") have been complied by the Group from the Audited Ind AS Consolidated Financial Statements to which further adjustments are made to comply in all material aspects with the requirements of the Securities and Exchange Board of India (Issue of Disclosure and Capital Requirements) Regulations, 2018, as amended (the "ICDR Regulations"). Accordingly, these Restated Ind AS Consolidated Summary have been prepared after incorporating adjustments for the material amounts in the respective financial years to which they relate as explained later. There were no exceptional items that needed to be disclosed separately for the respective years under consideration.

The Restated Ind AS Consolidated Summary have been prepared and presented in accordance with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act.

This Restated Ind AS Financial Information has been prepared for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ('SEBI') in connection with proposed IPO of its equity shares, in accordance with the requirements of:

a) Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014; and

b) Relevant provisions of the ICDR Regulations issued by the Securities and Exchange Board of India ('SEBI'), 2018, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

c) Guidance Note on Reports in Group's Prospectus issued by The Institute of Chartered Accountants of India ("ICAI")

2.2 Basis of Measurement

These Restated Ind AS Consolidated Summary statement 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 and liabilities are measured either at fair value or at amortized cost depending on the classification;
- Employee defined benefit assets / (liability) are measured at fair value of plan assets, less present value of defined benefit obligations.
- Long-term borrowings are measured at amortized cost using the effective interest rate method.

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization /settlement within twelve months period from the balance sheet date.

2.3. Use of Estimates and Judgements

The preparation of Restated Ind AS Consolidated Summary statement is in conformity with Ind AS and Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the restated statement of assets and liabilities date and reported amounts of revenues and expenses for the reporting period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial information in the period in which changes are made and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Restated Ind AS Consolidated Summary statement is included in the following notes:

Useful lives of property, plant and equipment and intangible assets; (Ref 2.4 H) Impairment of non-financial and financial assets; (Ref 2.4 L & 2.4 N (v)) Financial instruments; (Ref 2.4 N)
Employee benefits; (Ref 2.4 P)
Provisions, contingencies; and (Ref 2.4 M) Income taxes (Ref 2.4 G)

2.4 Summary of Significant Accounting Policies:

The Restated Ind AS Consolidated Summary statement Financial Information have been prepared using the accounting policies and measurement basis summarized below.

A. Basis of Consolidation

The Restated Ind AS Consolidated Summary Statement comprises the financial statements of the Company and its subsidiaries as at 30th September 2023, 31st March, 2023, 31st March 2022 and 31st March 2021. 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 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 re-assesses 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. 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 Restated Ind AS Consolidated Summary Statement from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Ind AS Consolidated Summary Statement 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 Restated Ind AS Consolidated Summary Statement for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the Restated Ind AS Consolidated Summary Statement 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 parent company, i.e., year ended on 31st March. 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 recognized in the Restated Ind AS Consolidated Summary Statement 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. Business combinations policy explains how to account for any related goodwill.

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 recognized in assets, such as inventory, property, plant and equipment are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Ind AS Consolidated Summary Statement. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders 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.

The Restated Ind AS Consolidated Summary Statement for the six months ended 30th September 2023 and for the years ended 31st March, 2023, 31st March 2022 and31st March 2021 have been prepared on the basis of the financial statements of the following subsidiaries which are principally engaged in the business of rendering medical and healthcare services and incorporated in India.

Ownership Interest				
Name of the Company	**September 30, 2023**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
Nova Agri Science Private Limited	100%	100%	100%	100%
Nova Agri Seeds India Private Limited	100%	100%	100%	100%

Notes:

1) The parent Company acquired controlling interest in Nova Agri Science Private Limited on March 20, 2018
2) The parent Company acquired controlling interest in Nova Agri Seeds India Private Limited on March 20, 2018

B. Functional and Presentation currency

These audited Ind AS Consolidated financial statements are presented in Indian rupee (INR or rs), which is also the functional currency of the Group. All financial information presented in Indian rupees has been rounded to the nearest lakhs.

C. Current and Non -Current classification

All the assets and liabilities have been classified as current or noncurrent as per the Group'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.

Assets: 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 Group'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.

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

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is due to be settled within twelve months after the reporting date; or
- The Group 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.
- Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively. All other assets/ liabilities are classified as noncurrent. Deferred tax assets and liabilities are always disclosed as non-current.
- The Operating cycle is the time between the acquisition of the assets for processing and their realization in cash and cash equivalents. The group has identified twelve months as its operating cycle.

D. Foreign currency Transaction

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Nonmonetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

E. Fair valuation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the financial asset or settle the financial liability takes place either:

- In the principal market; or
- In the absence of a principal market, in the most advantageous market

The principal or the most advantageous market must be accessible by the Group. 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. Fair value measurement and / or disclosure purposes in the Restated Ind AS Financial Information is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

The Group- 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 minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Restated Ind AS Financial Information are categorized 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 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be re measured or re-assessed as per the Group's accounting policies.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

F. Revenue recognition:

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.

Return of Goods

The Group uses the expected value method to estimate liability and corresponding adjustment to cost of sales for the goods that are expected to be returned.

Other Income

Other Income is recognised only when it is reasonably certain that the ultimate collection will be made . This includes
(a) Interest Income on funds deposited in Banks.
(b) Miscellaneous Income

Dividend Income:

Dividend income is recognized when the Group's right to receive dividend is established.

G. Tax expense
Tax expense consists of current and deferred tax.

Income Tax:

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred Tax:

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

H. Property Plant and Equipment

Recognition and measurement:

Property, Plant and Equipment 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.
When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within in the statement of profit and loss.

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 Group and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

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.

The Group has elected to use the exemption available under Ind AS 101 to continue the carrying value for all its Property Plant and Equipment as recognised in the Special Purpose Ind AS Financial Statements as at the date of adoption to Ind ASs, measured as per the previous GAAP and use that as its deemed cost as at the date of adoption i.e. April 01st , 2019.

Depreciation:

Depreciation on items of PPE is provided on written down value basis, computed on the basis of useful lives as mentioned in Schedule II to the Companies Act, 2013. Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.
The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

The estimated useful lives are as follows:

Type of Asset	Estimated Useful Life
Office Equipment	5 Years
Computers And Data Processing Units	3 Years
Furniture and Fittings	10 Years
Motor Vehicles	8 Years
Plant & Machinery	8 Years
Buildings	30 Years

Electrical Installations and Equipment	10 Years

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress. Assets not ready for use are not depreciated.

I. Goodwill and Intangible Assets

Goodwill - Goodwill represents the excess of the consideration transferred, together with the amount of non controlling interest in the acquire, over the fair value of the company's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses.

Other intangible assets – Other intangible assets that are acquired by the company and that have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

Research and Development

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the statement of profit or loss when incurred.
Development activities involve a plan or design for the production of new or substantially improved products and processes. Development activities are capitalized only if:

- Development cost can be measured reliably
- The product or process is technically and commercially feasible.
- Future economic benefits are probable and
- The group intends to, and has sufficient resources to complete development and to use or sell the asset

The expenditure to be capitalized includes the cost of materials and other costs directly attributable to prepare the asset for its intended usage. Other development expenditures are recognised in the statement of profit and loss as incurred .

Amortisation:

Intangible assets are amortized on the diminishing value method over a period of 10 years, based on management estimate

The amortization period and the amortization method are reviewed at the end of each financial year. Amortization is charged on a pro-rata basis on assets purchased/ sold during the year, with reference to date of installation/ disposal.

J. Borrowing Cost

Borrowing costs consist of interest, ancillary and other costs that the Group incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

K. Inventories

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods. Cost includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition including octroi and other levies, transit insurance and receiving charges and excluding rebates and Discounts. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity.

The method of valuing the inventories is as follows:

- Raw-materials, Stores, Packing materials, Spare parts are valued at cost/ Net realizable value, whichever is less.
- Finished goods are valued at cost / Net realizable value, whichever is less.
- Cost of inventories is ascertained on FIFO basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

L. Impairment of Non-Financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31.

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 inflows of other assets or groups of assets (the "cash-generating unit").

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.

M. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Group 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:

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:

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.

N. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets:

i) Initial recognition and measurement:

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

ii) Subsequent measurement

a) **Financial Assets Measured at Amortized Cost (AC)**

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

b) **Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)**

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that represents solely payments of principal and interest on the principal amount outstanding.

c) **Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)**

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.
Financial assets are reclassified subsequent to their recognition, if the Group changes its business model for managing those financial assets. Changes in business model are made and applied prospectively from the reclassification date which is the first day of immediately next reporting period following the changes in business model in accordance with principles laid down under Ind AS 109 – Financial Instruments.

iii) Investment in Subsidiaries, Associates and Joint Ventures

The Group has accounted for its investments in Subsidiaries, associates and joint venture at cost less impairment loss (if any).

iv) Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in ‘Other Comprehensive Income’. However, dividend on such equity investments are recognized in Statement of Profit and loss when the Group’s right to receive payment is established.

v) Impairment of Financial Assets

The Group 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 Group 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)

For Trade Receivables the Group applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Group uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Group 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.

vi) Derecognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of trade receivables:

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In accordance with Ind AS 109 (Changes), the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. Expected credit loss model takes into consideration the present value of all the cash shortfalls over the expected life of a financial instrument. In simple terms, it is weighted average of credit losses with the respective risks of default occurring as weights. The credit loss is the difference between all contractual cash flows that are due to an entity as per the contract and all the contractual cash flows that the entity expects to receive, discounted to the effective interest rate. The Standard presumes that entities would suffer credit loss even if the entity expects to be paid in full but later than when contractually due. In other words, it simply focuses on DELAYS in collection of receivables.

For the purpose of identifying the days of delay, the Group took into consideration the weighted average number of delays taking into consideration the date of billing, the credit period and the collection days.

Financial liabilities:

i) Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, 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 Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

ii) Subsequent Measurement:

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities are carried at amortized cost using the effective amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Restated Statement of Profit or Loss.

O. Cash and Cash Equivalents

Cash and bank balances comprise of cash balance in hand, in current accounts with banks, demand deposit, short-term deposits. For this purpose, “short-term” means investments having maturity of three months or less from the date of investment.

P. 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 Group 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.

Long term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation determined actuarially by using Projected Unit Credit Method at the balance sheet date.

Defined Contribution Plan:

A defined contribution plan is a postemployment benefit plan under which the Group pays specified contributions to a separate entity. The Group makes specified monthly contributions towards Provident Fund, Superannuation Fund and Pension Scheme.

The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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 based on prevailing market yields of Indian Government Bonds and that have terms to maturity approximating to the terms of the related defined benefit obligation. The current service cost of the defined benefit plan, recognized 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 recognized immediately in income. 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 are charged or credited to equity in other comprehensive income in the period in which they arise.

Other long-term employee benefits:

The Group’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 recognized in the statement of profit and loss in the period in which they arise.

Q. Lease:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right of use assets

The Group recognizes 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 accumulated impairment losses, and adjusted for any re measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, 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 group 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 Impairment of non-financial assets.

Lease Liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index ora rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (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 of office equipment that are considered to be 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.

R. Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

In a capitalization 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.

S. Segment Reporting

The group operates in only one segment i.e. an agri-input manufacturer offering soil health management, crop nutrition and crop protection products. Accordingly, disclosure of segment information as prescribed in the Indian accounting standard 108 "Operating segments" is not applicable.

T. Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and Interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

OVERVIEW OF REVENUE AND EXPENSES

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Income: Our total income comprises of (i) revenue from operations; (ii) other operating income and (iii) other income.

Revenue from operations: Our revenue from operations comprises of revenue from manufacturing and marketing 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.

Other Operating Income: Our other operating income comprises of interest income, rental income, packing income and sale of scrap.

Other Income: Our other income comprises of gain of foreign exchange fluctuation, discount received, miscellaneous income and other income

Expenses

Our expenses comprise of cost of raw materials consumed, change in inventories, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

Cost of raw material consumed: comprises primarily of raw material costs incurred in the manufacturing of our products, such as active ingredients, emulsifiers, solvents and fertilizers etc. as raw material to manufacture the specialty Plant Nutrients, like Micronutrients, Water Soluble Fertilizers, Organic Fertilizers, Bio Stimulants and various other agri-solution products.

Changes in inventories: Changes in inventories comprises of the difference between opening and closing stock of raw material, packing material and finished goods.

Employee benefits expense: Our employee benefits expense includes salaries and wages, Director's Remuneration, Contribution to Provident Fund & ESI, Staff Welfare Expenses and Gratuity.

*Finance costs***:** Our finance costs comprise of Interest on Term Loans, Interest on Working Capital Loans, Interest on Vehicle Loans and other borrowing costs.

Depreciation and Amortization expense: Depreciation and amortization expenses comprise of Depreciation of Property, Plant and Equipment, Amortization of Intangible Assets, Depreciation of Investment properties and Amortization of right-of-use assets.

Other expenses: Our other expenses consist of Power and fuel, rental expense, repairs and maintenance, research and development expenses, travelling expenses, transport charges, office maintenance, marketing expenses, subscriptions and renewals, bank charges, insurance expenses, rates and taxes, consultancy charges, audit fees, loading and unloading expenses, allowance for doubtful debts, postage and courier charges, printing and stationery expenses, electricity, telephone expenses, general office expenses, provision for CSR.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in our accounting policies during Fiscal 2021,2022 and 2023 and the six month period ended September 30, 2023.

NON-GAAP MEASURES

EBITDA and EBITDA Margin, (together, "**Non-GAAP Measures**"), presented in this Red Herring Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, IFRS or US GAAP. In addition, these Non-GAAP Measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management is of the view that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance.

Reconciliation of EBITDA and EBIDTA margin to restated profit after tax

The table below reconciles restated (loss)/ profit for the year to EBITDA. EBITDA is calculated as a profit/ (loss) for the year, plus total tax expenses, finance costs and depreciation and amortization expenses, less other income, while EBITDA margin is the percentage of EBITDA divided by revenue from operations

(Amount in ₹ Lakhs)

Particulars	Six months ended September 30, 2023	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Restated profit for the year	1,038.22	2,048.95	1,368.93	630.00
Add:				
Total tax expense	364.92	767.41	475.51	237.13
Finance costs	434.56	857.24	715.09	733.25
Depreciation and amortization expenses	100.23	236.09	222.52	214.51
Less:				
Other income	2.74	37.82	4.32	34.92
Earnings before Interest, taxes, depreciation and amortization expenses (EBIDTA)	1,935.19	3,871.88	2,777.73	1,779.97
Revenue from operations	10,321.60	21,055.54	18,556.77	16,057.74
EBIDTA margin	18.75%	18.39%	14.97%	11.08%

Reconciliation of return on capital employed

(Amount in ₹ Lakhs)

Particulars	Six months ended September 30, 2023	Year ended Mar 31, 2023	Year ended Mar 31, 2022	Year ended Mar 31, 2021
Equity	7,423.08	6,387.97	4,319.12	2,942.98
Add:				
Long-term Borrowings	1,220.38	1,635.73	2,363.79	1,835.21
Short-term Borrowings	5,630.05	5,459.78	4,062.76	3,274.98
Less:				
Capital employed	**14,273.51**	**13,483.48**	**10,750.67**	**8,053.17**
Restated profit before interest and tax for the year	1,837.70	3,673.60	2,559.53	1,600.38
Return on Capital employed (%)	**12.87**	**27.25**	**23.81**	**19.87**

Reconciliation of Return on Equity to Total Equity

(Amount in ₹ Lakhs)

Particulars	Ref	Six months ended September 30, 2023	Year ended Mar 31, 2023	Year ended Mar 31, 2022	Year ended Mar 31, 2021
Closing equity	1	7,423.08	6,387.97	4,319.11	2,942.98
Opening equity	2	6387.97	4,319.11	2,942.98	2,289.35
Average equity	3=Avg (1,2)	6,905.53	5,353.54	3,631.05	2,616.16
Profit for the year	4	1,038.22	2,048.95	1,368.93	630.00
Return on equity (%)	5=4/3	**15.03%**	**38.27%**	**37.70%**	**24.08%**

Reconciliation of Total Borrowings and Debt to Equity Ratio

Particulars	Ref	Six months ended September 30,2023	Year ended Mar 31, 2023	Year ended Mar 31, 2022	Year ended Mar 31, 2021
Non-Current Liabilities - Borrowings	1	1,220.38	1,635.73	2,363.79	1,835.21
Current liabilities - Borrowings	2	5,630.05	5,459.78	4,062.76	3,274.98
Total borrowings	**3=1+2**	**6,850.43**	7,095.52	**6,426.55**	**5,110.19**
Total equity	4	7,423.08	6,387.97	4,319.12	2,942.98
Debt to equity ratio (times)	**5=3/4**	**0.92**	**1.11**	**1.49**	**1.74**

Our Results of Operations

The following table sets forth certain information with respect to our results of operations for the six month period ended September 30, 2023 and financial years ended March 31, 2023, 2022 and 2021, the components of which are also expressed as a percentage of total income for such years.

Particulars	Six months ended September 30, 2023		Year ended March 31, 2023		Year ended March 31, 2022		Year ended March 31, 2021	
	₹ In Lakhs	% of Total Income	₹ In Lakhs	% of Total Income	₹ In Lakhs	% of Total Income	₹ In Lakhs	% of Total Income
Income								
Revenue from operations	10,321.60	99.97	21,055.54	99.82	18,556.77	99.98	16,057.74	99.78
Other Income	2.74	0.03	37.82	0.18	4.32	0.02	34.92	0.22
Total Income	**10,324.34**	**100**	**21,093.36**	**100**	**18,561.09**	**100.00**	**16,092.66**	**100.00**
Expenses								
Cost of raw material consumed	6546.87	63.41	11994.18	56.86	12,211.67	65.79	9,855.52	61.24
Changes in Inventories	(626.70)	(6.07)	139.84	0.66	(863.44)	(4.65)	48.98	0.30
Employee benefit expense	1226.80	11.88	2730.8	12.95	2,647.30	14.26	2,209.75	13.73
Finance costs	434.56	4.21	857.24	4.06	715.09	3.85	733.25	4.56
Depreciation and amortization	100.23	0.97	236.09	1.12	222.52	1.20	214.51	1.33
Expense								

Other expenses	1,239.46	12.01	2,318.84	10.99	1,783.50	9.61	2,163.53	13.44
Total Expenses	**8,921.22**	**86.41**	**18,277.00**	**86.65**	**16,716.64**	**90.06**	**15,225.53**	**94.61**
Profit Before Tax	**1,403.12**	**13.59**	**2,816.36**	**13.35**	**1,844.44**	**9.94**	**867.13**	**5.39**
Tax Expenses								
Current Tax	400.72	3.88	807.21	3.83	536.08	2.89	275.73	1.71
Deferred Tax	(35.80)	(0.35)	(39.81)	(0.19)	(60.57)	(0.33)	(38.60)	(0.24)
Total Tax Expenses	**364.92**	**3.53**	**767.40**	**3.64**	**475.51**	**2.56**	**237.13**	**1.47**
Profit for the Year	**1,038.22**	**10.06**	**2,048.95**	**9.71**	**1,368.93**	**7.38**	**630.00**	**3.91**
Other Comprehensive Income								
Items that will not be reclassified to profit or loss								
Items that will not be reclassified to profit or loss	(4.16)	(0.04)	19.90	0.09	7.20	0.04	23.64	0.15
Income tax relating to Items that will not be reclassified to profit or loss	1.05	10.06	(5.01)	(0.02)	(1.81)	(0.01)	(5.95)	(0.04)
Total comprehensive income for the year, Net of Tax	1035.11	10.03	2,063.85	9.78	1,374.32	7.40	647.69	4.03
Total comprehensive income for the year	**1038.22**	**10.06**	**2,048.95**	**9.73**	**1,368.93**	**7.38**	**630.00**	**3.91**

**** (%) column represents percentage of total income***

SIX MONTH PERIOD ENDED SEPTEMBER 30, 2023

Total Income

Our total income during the six month period ended September 30, 2023 was ₹ 10,324.34Lakhs.

Revenue from operations:
Our revenue from operations during the six month period ended September 30, 2023 was ₹ 10,321.60 Lakhs

Other income:
Our other income during the six month period ended September 30, 2023 was ₹ 2.74 Lakhs comprising miscellaneous income.

Total Expenses

Our total expenses during the six month period ended September 30, 2023 was ₹ 8,921.21 Lakhs

Cost of material consumed:
Our cost of material during the six month period ended September 30, 2023 was ₹ 6,546.87 Lakhs.

Changes in inventories:
Our changes in inventory during the six month period ended September 30, 2023 was ₹ (626.70) Lakhs.

Employee benefits expense:
Our employee benefits expense during the six month period ended September 30, 2023 was ₹ 1,226.80 Lakhs

Finance costs:
Our Finance costs during the six month period ended September 30, 2023 was ₹ 434.56 lakhs

Depreciation and amortisation expense:
Our Depreciation and amortisation expense during the six month period ended September 30, 2023 was ₹100.23 lakhs

Other expenses:
Our Other expenses during the six month period ended September 30, 2023 was ₹ 1,239.46 Lakhs

***Profit before tax*:**

Our Profit before tax during the six month period ended September 30, 2023 was ₹ 1,403.14 Lakhs.

***Tax expenses*:**

Our Tax expenses during the six month period ended September 30, 2023 was ₹364.92 Lakhs.

***Profit for the year*:**

Our Profit for the six month period ended September 30, 2023 was ₹ 1,038.22 Lakhs.

Total Comprehensive Income for the Year

Our Total Comprehensive Income for the six month period ended September 30, 2023 was ₹ 1,035.11 Lakhs.

FINANCIAL YEAR 2022-23 COMPARED WITH FINANCIAL YEAR 2021-22

Total Income

Our total income increased by 13.64% to ₹ 21,093.35 Lakhs for the financial year 2022-23 from ₹ 18,561.09 Lakhs for the financial year 2021-22 due to the factors described below:

Revenue from operations:

Our revenue from operations increased by 13.47% to ₹ 21,055.54 Lakhs for the financial year 2022-23 from ₹ 18,556.77 Lakhs for the financial year 2021-22, an increase of ₹ 2,498.77 Lakhs. The increase in revenue was on account of an increase in business volumes on the back of Technical Import registrations, foraying into new states like Tamil Nadu and consolidation of business in existing states namely, Telangana, Andhra Pradesh and Karnataka.

Other income:
Our other income increased by 775.46% to ₹ 37.82 Lakhs for the financial year 2022-23 from ₹ 4.32 Lakhs for the financial year 2021-22, an increase of ₹ 33.50 Lakhs. The increase in other income was predominantly on account of capital gain on sale of property and other miscellaneous income.

Total Expenses

Our total expenses increased by 9.33% to ₹ 18,277.00 Lakhs for the financial year 2022-23 from ₹ 16,716.64 Lakhs for the financial year 2021-22, an increase of ₹ 1,560.36 Lakhs.

Cost of material consumed:

Our cost of material decreased by 1.78% to ₹ 11,994.18 Lakhs for the financial year 2022-23 from ₹ 12,211.67 Lakhs for the financial year 2021-22, a decrease of ₹ 217.49 Lakhs on account of a better product mix comprising of high margin focus products.

Changes in inventories:
Our changes in inventory increased by 116.20% to ₹ 139.84 Lakhs for the financial year 2022-23 from ₹ (863.44) Lakhs for the financial year 2021-22, an increase of ₹ 1003.28 Lakhs on account of increase in stocks for oncoming season.

Employee benefits expense:

Our employee benefits expense increased by 3.15% to ₹ 2,730.80 Lakhs for the financial year 2022-23 from ₹ 2,647.30 Lakhs for the financial year 2021-22, an increase of ₹ 83.50 Lakhs. The increase was on account an increase in salary and wages on account of annual increments.

Finance costs:
Our Finance costs increased by 19.88% to ₹ 857.24 Lakhs for the financial year 2022-23 from ₹ 715.09 Lakhs for the financial year 2021-22, an increase of ₹ 142.15 Lakhs on account of additional bank limits availed.

Depreciation and amortisation expense:
Our Depreciation and amortisation expense increased by 6.10% to ₹ 236.09 Lakhs for the financial year 2022-23 from ₹ 222.52 Lakhs for the financial year 2021-22, an increase of ₹ 13.57 Lakhs on account of an increase in our fixed assets .

***Other expenses*:**

Our Other expenses increased by 30.02% to ₹ 2,318.84 Lakhs for the financial year 2022-23 from 1,783.50 Lakhs for the financial year 2021-22, an increase of ₹ 535.34 Lakhs primarily on account of increase in foreign fluctuation expenses on imports, consultancy charges for product registrations and allowance for doubtful debts.

***Profit before tax*:**

Our Profit before tax increased by 52.69% to ₹ 2,816.36Lakhs for the financial year 2022-23 from ₹ 1,844.44 Lakhs for the financial year 2021-22, an increase of ₹ 971.92 Lakhs. The increase was on account of increased sales of Focus 1 products yielding better margins.

***Tax expenses*:**

Our Tax expenses increased by 61.38% to ₹ 767.41 Lakhs for the financial year 2022-23 from ₹ 475.51 Lakhs for the financial year 2021-22, an increase of ₹ 291.90 Lakhs on account of an increase in profits for the year.

***Profit for the year*:**

Our Profit for the year increased by 49.69% to ₹ 2,048.95 Lakhs for the financial year 2022-23 from ₹ 1,368.93 Lakhs for the financial year 2021-22 an increase of ₹ 680.02 Lakhs.

Total Comprehensive Income for the Year

Our Total Comprehensive Income for the Year was ₹ 2,063.84 Lakhs for the financial year 2022-23 as compared to ₹ 1,374.32 Lakhs for the financial year 2021-22.

FINANCIAL YEAR 2021-22 COMPARED WITH FINANCIAL YEAR 2020-21

Total Income

Our total income increased by 15.34% to ₹ 18,561.09 Lakhs for the financial year 2021-22 from ₹ 16,092.66 Lakhs for the financial year 2020-21 due to the factors described below:

Revenue from operations:
Our revenue from operations increased by 15.56% to ₹ 18,556.77 Lakhs for the financial year 2021-22 from ₹ 16,057.74 Lakhs for the financial year 2020-21, an increase of ₹ 2,499.03 Lakhs. The increase in revenue was on account of an increase in business volumes on the back of Technical Import registrations, foraying into new states like Rajasthan and Odisha and consolidation of business in existing states namely, Karnataka, Maharashtra and Madhya Pradesh.

Other income:
Our other income decreased by 87.63% to ₹ 4.32 Lakhs for the financial year 2021-22 from ₹ 34.92 Lakhs for the financial year 2020-21, a decrease of ₹ 30.60 Lakhs. The decrease in other income was predominantly on account of decrease in gains on account of foreign exchange fluctuations and decrease in interest and rental income.

Total Expenses

Our total expenses increased by 9.79% to ₹ 16,716.64 Lakhs for the financial year 2021-22 from ₹ 15,225.54 Lakhs for the financial year 2020-21, an increase of ₹ 1,491.10 Lakhs.

Cost of material consumed:
Our cost of material increased by 23.91% to ₹ 12,211.67 Lakhs for the financial year 2021-22 from ₹ 9,855.52 Lakhs for the financial year 2020-21, an increase of ₹ 2,356.15 Lakhs on account of increase in volume of technical sales and bulk sales. The increase was in line with the increase in overall revenue of the company

Changes in inventories:
Our changes in inventory increased by 1,862.84% to ₹ (863.44) Lakhs for the financial year 2021-22 from ₹ 48.98 Lakhs for the financial year 2020-21, an increase of ₹ 912.42 Lakhs on account of increase in product sales during the period.

Employee benefits expense:

Our employee benefits expense increased by 19.80% to ₹ 2,647.30 Lakhs for the financial year 2021-22 from ₹ 2,209.75 Lakhs for the financial year 2020-21, an increase of ₹ 437.55 Lakhs. The increase was on account of including an increase in salary and wages from ₹2,102.84 Lakhs in FY 2021 to ₹ 2,449.48 Lakhs in FY 2022, an increase in staff welfare expenses from ₹52.03 Lakhs in FY 2021 to ₹79.73 lakhs in FY 2022 and an increase in contribution to provident fund and other funds from ₹54.88 Lakhs in FY 2021 to ₹118.10 lakhs in FY 2022. During the financial year 2020-21, on account of the Covid19 pandemic, the Company had adopted several cost rationalisation measures including reduction in salaries of the staff and management. Subsequently, on returning to normalcy, the salaries were restored and/or increased. Further, on account of the prevailing COVID19 pandemic the Company undertook at its cost, welfare measures such as vaccination drives and provided its employees and staff with personal protective kits which resulted in an increase in in staff welfare expenses

Finance costs:
Our Finance costs decreased by 2.48% to ₹ 715.09 Lakhs for the financial year 2021-22 from ₹ 733.25 Lakhs for the financial year 2020-21, a decrease of ₹ 18.16 Lakhs on account of decrease in interest rates on cash credit and term loans and other borrowing costs

Depreciation and amortisation expense:
Our Depreciation and amortisation expense increased by 3.73%% to ₹ 222.52 Lakhs for the financial year 2021-22 from ₹ 214.51 Lakhs for the financial year 2020-21, an increase of ₹ 8.01 Lakhs on account of an increase in our fixed assets.

***Other expenses*:**

Our other expenses decreased by 17.57% to ₹ 1,783.50 Lakhs for the financial year 2021-22 from ₹ 2,163.53 Lakhs for the financial year 2020-21, a decrease of ₹ 380.03 Lakhs. The decrease was primarily on account of decrease in rental expense from ₹11.64 Lakhs in FY 2021 to ₹5.54 Lakhs in FY 2022, reduction in repairs and maintenance from ₹91.40 lakhs in FY 2021 to ₹49.62 lakhs in FY 2022, decrease in research and development expenses from ₹61.23 lakhs in FY 2021 to ₹49.93 lakhs in FY 2022, decrease in travelling expenses from ₹462.39 lakhs in FY 2021 to ₹418.56 lakhs in FY 22, decrease in transport charges from ₹733.95 lakhs in FY 2021 to ₹611.82 lakhs in FY 2022, decrease in marketing expenses from ₹277.74 lakhs in FY 2021 to ₹92.60 lakhs in FY 2022 on account of the Covid pandemic. The decrease in expenses was set off by an increase in insurance expenses from ₹32.47 lakhs in FY 2021 to ₹60.23 lakhs in FY 2022, an increase in consultancy charges from ₹0.91 lakhs in FY 2021 to ₹69.29 lakhs in FY 2022, an increase in telephone expenses from ₹15.58 lakhs in FY 2021 to ₹42.55 lakhs in FY 2022

***Profit before tax*:**

Our Profit before tax increased by 112.71% to ₹ 1,844.44 Lakhs for the financial year 2021-22 from ₹ 867.12 Lakhs for the financial year 2020-21, an increase of ₹ 977.33 Lakhs. The increase in revenue was higher than increase in expenses leading to increase in overall profitability (profit before tax as a % of total revenue was 9.94% for the financial year 2021-22 as against 5.39% for the financial year 2020-21)

***Tax expenses*:**

Our Tax expenses increased by 100.53% to ₹ 475.51 Lakhs for the financial year 2021-22 from ₹ 237.13 Lakhs for the financial year 2020-21, an increase of ₹ 238.38 Lakhs on account of an increase in profits for the year.

***Profit for the year*:**

Our Profit for the year increased by 117.30% to ₹ 1,368.93 Lakhs for the financial year 2021-22 from ₹ 630.00 Lakhs for the financial year 2020-21, an increase of ₹ 738.93 Lakhs.

Total Comprehensive Income for the Year

Our Total Comprehensive Income for the Year was 1,374.32 Lakhs for the financial year 2021-22 as compared to ₹ 647.69 Lakhs for the financial year 2020-21.

CASH FLOW

The table below summaries our cash flows from our Restated Consolidated Financial statement for the six months period ended September 30, 2023 and for the financial years ended March 31, 2023, 2022 and 2021:

(Amount in ₹ Lakhs)

Particulars	Six months period ended September 30, 2023	Fiscal		
		2023	2022	2021
Net cash generated from/ (used in) operating activities (A)	504.28	544.94	248.18	518.13
Net cash generated from/ (used in) investing activities (B)	(28.20)	(185.70)	(387.81)	(312.34)
Net cash generated from /(used in) financing activities (C)	(679.66)	(188.28)	272.28	(182.96)
Net change in cash and cash equivalent (A+B+C)	**(203.58)**	**170.97**	**132.66**	**22.83**
Cash and cash equivalents at the beginning of the year	335.18	164.21	31.55	8.72
Cash and cash equivalents at year end of the year	131.60	335.18	164.21	31.55

Net Cash Flow from Operating activities

Net cash flow from operating activities comprises cash consumed / generated from operations, increase / decrease in working capital and increase / decrease in non-current / current liabilities.

Six month period ended September 30, 2023

During the six month period ended September 30, 2023, net cash flow generated from operating activities was ₹ 504.28 Lakhs. Profit before tax stood at ₹ 1,403.14 Lakhs. Primary adjustments were on account of interest expense of ₹ 434.56 Lakhs, depreciation and amortisation expenses on property, plant and equipment of ₹ 100.23 and provision for expenses and credit loss of ₹ 169.81 Lakhs.

Operating cash flows before working capital changes was at ₹ 2,107.74 Lakhs during the six month period ended September 30, 2023. Primary adjustments included increase in inventories of ₹ 873.80 Lakhs, an increase in trade payables of ₹ 411.41 Lakhs and an increase in trade receivables of ₹ 1,217.31 Lakhs. Cash generated from operations during the six month period ended September 30, 2023 was ₹ 504.28 Lakhs.

Financial Year 2022-23

In Financial Year 2022-23, net cash flow generated from operating activities was ₹ 544.94 Lakhs. Profit before tax stood at ₹ 2,816.36 Lakhs. Primary adjustments were on account of interest expense of ₹ 857.24. Lakhs, depreciation and amortisation expenses on property, plant and equipment of ₹ 236.09 Lakhs. and provision for expenses and credit loss of ₹ 268.50 Lakhs.

Operating cash flows before working capital changes was at ₹ 4,145.09 Lakhs for Financial Year 2022-23. Primary adjustments included increase in inventories of ₹ 492.49 Lakhs, an increase in trade receivables of ₹ 1,537.55 Lakhs and decrease in trade payables of ₹ 520.54 Lakhs. Cash generated from operations was ₹ 1,360.50 Lakhs. Income tax paid amounted to ₹ 815.55 Lakhs. Operating cash flow before exceptional items stood at ₹ 544.94 Lakhs.

Financial Year 2021-22

In Financial Year 2021-22, net cash flow generated from operating activities was ₹ 248.18 Lakhs. Profit before tax stood at ₹1,844.44 Lakhs. Primary adjustments were on account of interest expense of ₹ 715.09. Lakhs, depreciation and amortisation expenses on property, plant and equipment of ₹ 222.52. and provision for expenses and credit loss of ₹ 112.44 Lakhs.

Operating cash flows before working capital changes was at ₹ 2,894.50 Lakhs for Financial Year 2021-22. Primary adjustments included increase in inventories of ₹ 137.33 Lakhs, an increase in trade receivables of ₹ 913.47 Lakhs and decrease in trade payables of ₹ 1384.74 Lakhs. Cash generated from operations was ₹ 631.37 Lakhs. Income tax paid amounted to ₹ 383.19 Lakhs. Operating cash flow before exceptional items stood at ₹ 248.18 Lakhs.

Financial Year 2020-21

In Financial Year 2020-21, net cash flow generated from operating activities was ₹ 518.13 Lakhs. Profit before tax stood at ₹ 867.12 Lakhs. Primary adjustments were on account of interest expense of ₹ 733.25 Lakhs, depreciation on property, plant and equipment and investment properties of ₹ 214.51 Lakhs and provision for expenses and credit loss of ₹ 119.47 Lakhs.

Operating cash flows before working capital changes was at ₹ 1,934.35 Lakhs for Financial Year 2020-21. Primary adjustments included decrease in inventories of ₹ 190.40 Lakhs, an increase in trade receivables of ₹ 1,475.13 Lakhs which was partially set off by an increase in trade payables of ₹ 326.74 Lakhs. Cash generated from operations was ₹ 682.39 Lakhs. Income tax paid amounted to ₹ 164.26 Lakhs. Operating cash flow before exceptional items stood at ₹ 518.13 Lakhs.

Investing activities

Net cash flow from investing activities comprises proceeds from purchase and sale of fixed assets including capital work-in-progress, sale/adjustment of property, plant and equipment, dividend income, receipt of interest income and bank balances not considered as cash and cash equivalents and sale and purchase of mutual fund units.

Six month period ended September 30, 2023

Net cash generated from investing activities during the six month period ended September 30, 2023 was ₹ 28.20Lakhs.

Financial Year 2022-23

Net cash used in investing activities stood at ₹ (185.70) Lakhs as at the end of Financial Year 2022-23, primarily on account of net investment made in property, plant and equipment including capital work in progress of ₹ 352.22 lakhs and decrease in long term loans and advances of ₹ 41.12 lakhs.

Financial Year 2021-22

Net cash used in investing activities stood at ₹ (387.81) Lakhs as at the end of Financial Year 2021-22, primarily on account of net investment made in property, plant and equipment including capital work in progress is ₹405.62 lakhs and decrease in long term loans and advances of ₹17.82 lakhs, The Company has, in a phased manner, undertaken capital expenditure such as construction of mezzanine sheds to create additional space, works of renovation and upgradation of the plant.

Financial Year 2020-21

Net cash used in investing activities stood at ₹ (312.34) Lakhs as at the end of Financial Year 2020-21, primarily on account of net investment made in property, plant and equipment including capital work in progress is ₹307.34 lakhs and increase in long term loans and advances of ₹5.00 lakhs, The Company has, in a phased manner, undertaken capital expenditure such as construction of mezzanine sheds to create additional space, works of renovation and upgradation of the plant.

Financing activities

Net cash flow from financing activities comprises impact due to business combination, proceeds / repayment of borrowing, interest and financial charges.

Six months period ended September 30, 2023

Net cash used in financing activities during the six months period ended September 30, 2023 was ₹ (679.66) lakhs comprising of, repayment of long-term liabilities of ₹ (256.68) lakhs, proceeds from short-term borrowings of ₹ 11.59 lakhs and interest paid ₹ 434.56 lakhs**.**

Financial Year 2022-23

Net cash generated from financing activities in financial year 2022-23 was ₹ (188.28) lakhs comprising of repayment of loans of ₹ 760.75 Lakhs, proceeds from short-term borrowings of ₹ 1,429.71 lakhs and interest paid ₹ 857.24 lakhs.

Financial Year 2021-22

Net cash generated from financing activities in financial year 2021-22 was ₹ 272.28 lakhs comprising of proceeds from loans of ₹528.58 lakhs, repayment of long-term liabilities of ₹328.99 lakhs, proceeds from short-term borrowings of ₹739.86 lakhs and interest paid ₹715.09 lakhs.

Financial Year 2020-21

Net cash used in financing activities in financial year 2020-21 was ₹ (182.96) Lakhs, comprising of proceeds from loans of ₹362.09 lakhs, proceeds from current maturities of ₹188.20 lakhs and interest paid of ₹ 733.25 Lakhs.

INDEBTEDNESS

The following table sets forth certain information relating to our outstanding indebtedness as of November 30, 2023. For further information on our indebtedness, see "*Financial Indebtedness*" on page 359.

Category of borrowing	Sanctioned amount (₹ in Lakhs) as of November 30, 2023	Outstanding amount (₹ in Lakhs) as of November 30, 2023
COMPANY (Nova Agritech Limited)		
Long-term Borrowings (including current maturities		
Term loans (Secured)	832.00	527.87
Term loans (Unsecured)	1,283.26	669.60
Sub-Total	**2,115.26**	**1,197.47**
Short-term Borrowings		
Secured	3,000.00	3,119.85
Unsecured	100.00	99.64
Sub-Total	**3,100.00**	**3,219.49**
Total (including current maturities)	**5,215.26**	**4,416.96**
SUBSIDIARIES (Nova Agri Science Private Limited)		
Long-term Borrowings (including current maturities		
Term loans (Secured)	280.70	214.68
Term loans (Unsecured)	614.14	300.04
Sub-Total	**894.84**	**514.72**
Short-term Borrowings		
Secured	2000.00	2,063.52
Unsecured	-	-
Sub-Total	**2,000.00**	**2,063.52**
Total (including current maturities)	**2,894.84**	**2,578.24**

SUBSIDIARIES (Nova Agri Seeds India Private Limited)		
Long-term Borrowings (including current maturities)		
Term loans (Secured)	**-**	**-**
Term loans (Unsecured)	**5.00**	**5.00**
Sub-Total	**5.00**	**5.00**
Short-term Borrowings		
Secured	**-**	**-**
Unsecured	**-**	**-**
Sub-Total	**-**	**-**
Total (including current maturities)	**5.00**	**5.00**
Total (Company and Subsidiaries)	**8,115.10**	**7,000.19**

CAPITAL EXPENDITURE

Our capital expenditure towards additions to fixed assets (property, plant and equipment's and intangible assets) and capital work-in-progress for the six months period ended September 30, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 were ₹ 28.37 lakhs, ₹ 275.3 lakhs, ₹ 314.62 lakhs and ₹ 312.21 lakhs, respectively. The following table sets forth our gross block of fixed assets for the periods indicated:

Particulars	Six month period ended September 30, 2023	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Plant, Property and Equipment	18.20	201.13	309.58	312.21
Intangible Assets	-	11.24	-	-
Capital Work in Progress	10.17	63.00	5.04	-
Total	**28.37**	**275.37**	**314.62**	**312.21**

CONTINGENT LIABILITIES AND COMMITMENTS

The following table sets forth our contingent liabilities as per Ind AS 37 for the six months period ended September 30, 2023. We expect that such commitments and liabilities will not have any material effect on our liquidity and cash flows in future years.

(Amount in ₹ lakhs)

Particulars	
Corporate Guarantees- Given to Banks	800.00
Capital Commitment Contract to be executed (net of advance)	251.26
Claims against the company not acknowledged as debts	19.63
Total	**1070.89**

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Credit Risk

Credit risk is the risk of financial loss to the Company, if a customer or the counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and from its investing activities, including deposits with banks. The carrying amounts of financial assets represent the maximum credit risk exposure.

Trade receivables

The company deals with Soil Health Management, Crop Nutrition and Crop Protection productsand in general the farmer realises the money after the season enabling him to settle his dues to the dealer who in turn pays to the company. Due to this reason, debtor days of the company are high.

There are crop duration-wise products which are to be sold at the appropriate time of crop growth for better performance. Once the stage is crossed the demand for that product will arise again only in the next crop season. The crop now moves to the next stage where a different product meeting the requirement of that stage is introduced. There are generally 3 to 6 stages in most crops in each cropping season. The company has several formulation products for each of these stages which are sold appropriately resulting in extended credit period for a crop and funds are realised only after the harvest. Normally the generic products will have low margins, but cash is realised quickly.

Farmers and dealers seek higher credit period till the product becomes an established brand. Based on several new products launched during the past, the company has extended higher credit period to establish the same in the market. As and when the products succeed, credit period offered to the dealers comes down thereby reducing debtor days.

Other Financial Assets

Credit risk on cash and cash equivalent and other bank balances is limited as our Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity Risk

Our Company faces the risk that it may not have sufficient cash flows to meet its operating requirements and its financing obligations when they come due. Our Company manages its liquidity profile through the efficient management of existing funds and effective forward planning for future funding requirements. Going forward, and to the extent it is able to do so, our Company intends to primarily use internally generated funds to meet its financing requirements.

Market Risk

We are exposed to various types of market risks during the normal course of business. Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Product Price Risk

Price risk is the financial risk on an entity's financial performance/profitability upon fluctuations in the prices of product that are out of the control of the entity since they are primarily driven by external market forces. A fall in price decreases sales revenue, potentially decreasing the value of the organisation, and/or lead to change in business strategy, reduce or eliminate the viability of production

Currency Risk

Our Company is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Interest Rate Risk

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

Inflation

In recent years, India has experienced relatively high rates of inflation. In our view, inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Related Party Transactions

We have engaged in the past, and may engage in future, in transactions with related parties, including with our affiliates and certain key management members on an arm's lengths basis. Such transactions are ordinarily for purchase/ sale transactions and payments for salary or remuneration, payment of rent and loans and advances. For further information, see "*Other Financial Information - Related Party Transactions*" on page 322.

Known Trends or Uncertainties

Other than as described in this Red Herring Prospectus, particularly above and in "*Risk Factors*" on page 29, to our knowledge, there are no trends or uncertainties that have had or are expected to have a material adverse impact on our income from continuing operations, on our results of operations or financial condition.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, to our knowledge, there have been no events or transactions that may be described as "unusual" or "infrequent".

Seasonality of Business

Our business exhibits seasonality with relatively higher revenues recorded during the months of September to February periods compared to other periods. The seasonality in business is overcome by covering planning sales on kharif, rabi and summer crops and targeting different crops across the year like paddy, cotton, chillies and horticultural crops to ensure business flows without a break throughout the year.

Future Relationship between Costs and Income

Other than as described above and in "*Risk Factors*" on page 29, to our knowledge, there are no known factors which will have a material adverse impact on our operations and finances.

Significant Dependence on a Single or Few Customers

We have a wide customer base and our business is not dependent on any single or few customers. For more information, see "*Our Business*" on page 175.

Segment Reporting

The Company is primarily engaged in the business of agri-input manufacturing and offering soil health management, crop nutrition and crop protection products, which in the terms of Ind AS 108 on 'Operating Segments', constitutes a single reporting business segment. There are no material individual markets outside India and hence the same is not disclosed for geographical segments for the segment revenues or results or assets.

Competitive Conditions

For information on our competitive conditions and our competitors, see "*Risk Factors*" and "*Our Business*" on pages 29 and 175, respectively.

STATUS OF ANY PUBLICLY ANNOUNCED NEW PRODUCTS OR BUSINESS SEGMENTS

Except as disclosed in this Red Herring Prospectus, we have not announced and do not expect to announce in the near future any new products or business segments.

SIGNIFICANT RECENT DEVELOPMENTS

Except as stated below, no circumstances have arisen since September 30, 2023, which may materially and adversely affect or are likely to affect, our results of operations and profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months:

NATL has availed an Adhoc Cash Credit amounting to ₹ 500.00 lakhs from Union Bank of India vide sanction letter dated December 16, 2023 at an interest rate of EBLR+2% wherein the tenure of the loan is for a period of 3 months.

CAPITALISATION STATEMENT

(Amount in ₹ Lakhs)

Particulars	Pre-Issue as at September 30, 2023	Adjusted for the post-Issue*
Borrowings		
Short term debt	5,630.05	[●]
Long term debt	1,220.38	[●]
Total borrowings	6,850.43	[●]
Shareholders' funds		
Share capital	1,254.05	[●]
Reserves and surplus	6,169.03	[•]
Total shareholders' funds	7,423.08	[●]
Long term debt / equity ratio	0.16	[●]

**These terms shall carry the meaning as per Schedule III of the Companies Act.*
** To be updated upon finalization of the Offer Price.*

Notes:
1.The above statement has been prepared on the basis of the restated financial information for the six months period ended September 30, 2023.
2.The corresponding post offer capitalisation data for each of the amount in the above table is not determinable at this stage pending the completion of book building process and hence the same have not been furnished.

FINANCIAL INDEBTEDNESS

Our Company has entered into financing arrangements in the ordinary course of its business with various banks, including borrowings in the form of term loans and other working capital facilities to meet working capital requirements. Further, our Company has availed unsecured borrowings from our Promoter and Directors. For details regarding the borrowing powers of our Board, please see "*Our Management – Borrowing Powers of our Board*" on page 236. Our Company has obtained the necessary consents required under the relevant loan documentation for undertaking activities in relation to the Offer, including, inter alia, effecting a change in our shareholding pattern, effecting a change in the composition of our Board, and amending our constitutional documents.

Set forth below is a brief summary of our aggregate borrowings as of November 30 , 2023:

Category of borrowing	Sanctioned amount (₹ in Lakhs) as of November 30, 2023	Outstanding amount (₹ in Lakhs) as of November 30, 2023
COMPANY (Nova Agritech Limited)		
Long-term Borrowings (including current maturities)		
Term loans (Secured)	832.00	527.87
Term loans (Unsecured)	1,283.26	669.60
Sub-Total	**2,115.26**	**1,197.47**
Short-term Borrowings		
Secured	3,000.00	3,119.85*
Unsecured	100.00	99.64
Sub-Total	**3,100.00**	**3,219.49**
Total (including current maturities)	**5,215.26**	**4,416.96**
SUBSIDIARIES (Nova Agri Science Private Limited and Nova Agri Seeds India Private Limited)		
Long-term Borrowings (including current maturities)		
Term loans (Secured)	280.70	214.68
Term loans (Unsecured)	614.14	300.04
Sub-Total	**894.84**	**514.72**
Short-term Borrowings		
Secured	2000.00	2,063.52**
Unsecured	-	-
Sub-Total	**2,000.00**	**2,063.52**
Total (including current maturities)	**2,894.84**	**2,578.24**
SUBSIDIARIES (Nova Agri Seeds India Private Limited)		
Long-term Borrowings (including current maturities)		
Term loans (Secured)	-	-
Term loans (Unsecured)	**5.00**	**5.00**
Sub-Total	**5.00**	**5.00**
Short-term Borrowings		
Secured	-	-
Unsecured	-	-
Sub-Total	-	-
Total (including current maturities)	**5.00**	**5.00**
Total (Company and Subsidiaries)	**8,115.10**	**7,000.19**

As certified by the Statutory Auditor pursuant to their certificate dated December 26, 2023.

**Nova Agritech Limited (NATL) has availed an amount of ₹ 200.00 Lakhs from Union Bank of India vide sanction letter dated November 17, 2023 for a period of 15 days. As on the date of this RHP, same has been repaid.*

***Nova Agri Sciences Private Limited (NASPL) has availed an amount of ₹ 150.00 Lakhs from Union Bank of India vide sanction letter dated November 20, 2023 for a period of 15 days. As on the date of this RHP, same has been repaid.*

The Unsecured Loans of Nova Agritech Limited (NATL):

Sl.No.	Name of the Lender	Sanctioned Loan Amount (in ₹ lakhs)	Outstanding amount (₹ in Lakhs) as of November 30, 2023	Terms of Lending
1.	Shriram City Union Finance Limited	1000.00	517.70	A business loan dated July 19, 2019 for a period of 60 months with an interest rate of 17.50%*
2.	Malathi S	187.73	125.77	An interest free loan taken from the Director of the Company vide loan agreement dated September 30, 2022 for a period of 3 years. In an event of default, the lender shall be entitled to claim interest at 9% per annum for the overdue payments.
3.	Kiran Kumar Atukuri	39.90	17.46	An interest free loan taken from the Director of the Company vide loan agreement dated September 30, 2022 for a period of 3 years. In an event of default, the lender shall be entitled to claim interest at 9% per annum for the overdue payments.
4.	Nadella Basanth Kumar	55.63	8.66	An interest free loan taken from the Director of the Company vide loan agreement dated September 30, 2022 for a period of 3 years. In an event of default, the lender shall be entitled to claim interest at 9% per annum for the overdue payments.
5.	Credit Cards-ICICI bank	100.00	99.64	Repayable within 16 days from the end of the month. In case of default, interest is to be paid at the rate of 40.80% per annum.
	Total	**1,383.26**	**769.24**	

*Shriram City Union Finance Limited unsecured loan IRR is 26.68%

The Unsecured Loans of Nova Agri Sciences Private Limited (NASPL):

S.No	***Name of Lender***	***Sanctioned Amount (in* ₹ lakhs)**	**Outstanding amount (₹ *in* Lakhs) as of November 30, 2023**	***Terms of Lending***
1.	ICICI Bank	*35.00*	19.17	A vehicle loan dated April 29, 2021 for a period of 60 months with an interest rate of 7.50%

2.	Malathi S	*375.52*	109.53	An interest free loan taken from the Director of the Company vide loan agreement dated September 30,2022 for a period of 3 years. In an event of default, the lender shall be entitled to claim interest at 9% per annum for the overdue payments.
3.	Kiran Kumar Atukuri	203.62	171.33	An interest free loan taken from the Director of the Company vide loan agreement dated September 30, 2022 for a period of 3 years. In an event of overdue payments.
	Total	**614.14**	**300.04**	

The Unsecured Loans of Nova Agri Seeds India Private Limited (Nova Seeds):

S.No	***Name of Lender***	***Sanctioned Amount (in ₹ lakhs)***	**Outstanding amount (₹ in Lakhs) as of November 30, 2023**	***Terms of Lending***
1.	Malathi S	5.00	5.00	An interest free loan taken from the Director of the Company vide loan agreement dated September 30,2023 for a period of 2 years. In an event of default, the lender shall be entitled to claim interest at 9% per annum for the overdue payments.
	Total	**5.00**	**5.00**	

Principal terms of the subsisting borrowings of our Company:

1. ***Interest***: Some of our facilities have floating interest rates which typically include a spread ranging from 3 to 3.5 basis points above MCLR and some of our facilities have fixed interest rates which typically range from 7.3% to 26.68 %.

2. ***Tenor***: The tenor of the facilities availed by our Company typically ranges between 3 years to 5 years.

3. ***Security***: Our borrowings, where applicable, are secured by:

(a) Equitable mortgage over free hold land and building thereon;
(b) Hypothecation of movable assets such as that on vehicles, equipment and machinery; and
(c) Book Debts and Inventory such as Raw material, Packing material, Work-in-progress and Finished goods

In addition to the above, our Company has provided a corporate guarantee vide Guarantee Agreements dated February 22, 2016 to its subsidiary Nova Agri Sciences Private Limited for a term loan amounting to ₹ 650.00 lakhs.

4. ***Prepayment***: As per the terms of certain facilities availed by our Company, we can prepay amounts outstanding on payment of certain prepayment penalty/interest rate. However, certain facilities require prior consent of the lender for prepayment.

5. ***Repayment:*** The facilities available by our Company are repayable as per the repayment schedule mentioned in respective facilities.

6. ***Restrictive Covenants***: Certain of the loans availed by our Company contain certain restrictive covenants which require prior approval of the lender, or prior intimation to be made to the lender, for certain specified events or corporate actions, *inter alia*:

(a) Effect any change in the capital structure;
(b) All future borrowings and personal guarantees shall be with the prior written consent of the banks;
(c) Implement any scheme of merger, amalgamation, merger, de-merger, buy-back, compromise or reconstruction;
(d) Facility not to be utilized for adjustment/takeover of borrowings availed from other Banks and financial institutions;
(e) No shares to be pledged with any other bank/ financial institution/ commercial company without obtaining prior permission from the bank;
(f) Enter into borrowing arrangements either secured or unsecured with any other bank, financial institution, company or person;
(g) No claim of damages can be made against the bank; and
(h) No transfer or investment of funds of our company in whatsoever manner in any other concern without the prior permission of the bank.

7. ***Cross default:*** No provisions for cross default.

8. ***Events of default***: In terms of our facility agreements and sanction letters the following, among others, constitute events of default:

(a) Failure or inability to pay amount on due dates;
(b) Breach of any covenant, condition, agreement in the loan/facility agreement;

9. **Consequences of occurrence of events of default:** The consequences of occurrence of events of default under our facility agreements and sanction letters are, among others, as follows, whereby the lenders may:

(a) Terminate the facility/ loan agreements;
(b) Suspend further access to/drawals by our Company of the facilities;
(c) Take possession of the security;
(d) Declare any or all amounts under the facility, either whole or in part, as immediately due and payable to the lender; and
(e) Seek additional interest.

For the purpose of the Offer, our Company has intimated and obtained necessary consents from all its lenders, as required under the relevant facility documentations for undertaking activities relating to the Offer including consequent actions, such as change in the capital structure, change in the shareholding pattern of our Company and/or change in management, amendments to the Articles of Association of our Company, etc. The Company hereby confirms that there is no past default on any borrowings.

For risks in relation to the financial and other covenants required to be complied with in relation to our borrowings, see "*Risk Factors – The Agreements governing our Company's indebtedness contains conditions and restrictions on our operations, additional financing and capital structure*" on page 35.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated below there are no outstanding (i) criminal proceedings involving our Company, Group Companies, Subsidiaries, Directors, or Promoters (“**Relevant Parties**”); (ii) actions by statutory or regulatory authorities involving the Relevant Parties; (iii) outstanding claims relating to direct and indirect taxes involving the Relevant Parties; and (iv) other pending litigation as determined to be material by our Board pursuant to the Materiality Policy (as disclosed herein below); or (v) litigation involving our Group Company which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Financial Years including any outstanding action.*

For the purposes of (iv) above in terms of the Materiality Policy adopted by a resolution of our Board dated February 27, 2023:

Any outstanding civil litigation involving the Relevant Parties which exceeds the amount of ₹ 20.48 lakhs, being 1% of the profits after tax being ₹ 2,048.95 lakhs as per the Restated Financial Information of our Company for the Financial Year 2022-23, have been considered material.

Accordingly, disclosures of the following types of litigation involving the Relevant Parties have been considered material and accordingly disclosed, as applicable, (a) where the aggregate amount involved in such individual civil litigation (including tax proceedings) exceeds the relevant monetary threshold disclosed above, individually; (b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed the relevant monetary threshold; (c) where the monetary liability is not quantifiable, but where the outcome of such legal proceedings could have a material adverse effect on the business, operations, financial position, prospects or reputation, results of operations or cash flows of our Company.

For the purposes of the above, pre-litigation notices received by the Relevant Parties or the Group Company from third parties(excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that any of the Relevant Parties or the Group Company, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of 5% of the total consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Financial Information. The consolidated trade payables of our Company as on September 30, 2023 was ₹ 3,139.01 lakhs. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditors exceeds ₹ 156.95 lakhs as on September 30, 2023.

Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.

Summary of the Outstanding Litigation

Type of Proceedings	Number of cases	Amount^ (In ₹ lakhs)
Cases against our Company		
Criminal proceedings	1	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	1	42.25*
Other pending material litigation proceedings	1	19.63
Total	**3**	**61.88**
Cases by our Company		
Criminal proceedings *(103 Criminal complaints under Section 138 of the Negotiable Instruments Act, 1881 in relation to the dishonor of cheques and recovery of dues)* *(1 criminal complaint under sections 408, 420 read with 34 of India Penal Code, 1860 regarding criminal breach of trust)*	103 1	595.07 39.00
Other pending material litigation proceedings	1	211.44

(Suit for recovery of money under section 26 read with Order VII of the Code of Civil Procedure, 1908)		
Total	**105**	**845.51**
Cases against our Subsidiaries		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil
Cases by our Subsidiaries		
Criminal proceedings	45	258.59
Other pending material litigation proceedings	Nil	Nil
Total	**45**	**258.59**
Cases against our Directors other than our Promoters		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil
Cases by our Directors other than our Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil
Cases against our Promoters		
Criminal proceedings	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Claims related to direct and indirect taxes	Nil	Nil
Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Red Herring Prospectus by SEBI or any stock exchange	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil
Cases by our Promoters		
Criminal proceedings	Nil	Nil
Other pending material litigation proceedings	Nil	Nil
Total	Nil	Nil
Cases involving our Group Companies		
Any pending litigation which has material impact on the issuer	Nil	Nil
Total	Nil	Nil

^ *To the extent quantifiable*
**The outstanding amount has been settled by the Company vide corporate tax payment challans dated February 23, 2023. There is no further communication regarding the matter from the Income Tax department, however, we await receipt of the closure order from the Income Tax Department, if any.*

As on the date of this Red Herring Prospectus, there are no criminal matters initiated by or against the Company, group companies, its subsidiary, directors and/or promoters which are at First Information Report ("**FIR**") stage.

Litigation involving our Company

Litigation against our Company

A. Outstanding criminal proceedings

<u>Case No. R.C.C./285/2021</u>

1. The State of Maharashtra ("**Complainant**") filed a complaint dated December 22, 2021, before the Civil and Criminal Court, Sillod under Sections 19 and 28(1)(a) of the Fertilizer (Control) Order, 1985 ("**FCO, 1985**") read with Sections 3 and 10 of the Essential Commodities Act, 1955 against our Company for the manufacture, sale and distribution of non-standard fertilizers having less than the prescribed quality of nutrients. *Vide* show cause notice dated March 17, 2021 issued by the Agriculture Officer, Panchayat Samiti, Sillod, Aurangabad annexed with Fertilizer Analysis Report bearing Sr. No. R-49/2021 dated February 17, 2021, our Company was asked to provide reasonable explanation as to why samples taken from fertilizer NPK 18:46:0 manufactured and sold by our Company were not according to FCO, 1985 specifications.

Our Company submitted its response to the said notice *vide* letter dated March 31, 2021. Our Company's response to the observations made in the Analysis Report, is as follows: *"… M/s Nova Agritech Ltd. runs its business fairly from its date of establishment. We reaffirm that we manufacture our products with the utmost care and accuracy to ensure its performance and goodwill. The alleged variation in content might have occurred due to certain human error, error in analytical methods, reagents used for analysis for the fore mentioned content coupled with the reasons mentioned above, which we are sure, you will appreciate are beyond our control…"*

Finding the response unsatisfactory, the Complainant herein instituted a regular criminal case against our Company on the date and before the court hereinbefore mentioned. The matter is currently pending before the 3-Civil Judge JD and J.M.F.C., Sillod. The next date of hearing is on February 22, 2024 for the purpose of arguments on exhibits.

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding civil litigation

C.C No. 31/2015 (Warangal)

1.Roopireddy Krishna Reddy ("**Complainant**") had filed a consumer complaint dated May 7, 2015, before the District Consumer Forum at Warangal ("**District Forum**") under Section 12 of the Consumer Protection Act, 1986 against our Company and one other ("**Opposite Parties**") for the purpose of recovering ₹ 19.63 lakhs for losses caused due to supply of substandard material (NOVA Mulch 25mm) by our Company. *Vide* order dated September 4, 2018, the District Forum allowed the complaint in part, directing the Opposite Parties jointly and severally liable to deposit with the District Forum a sum of ₹ 1.63 lakhs towards the cost of material with interest at7.5% per annum from the date of purchase till the date of realization, along with photograph costs, labour charges and compensation for loss due to substandard supply within one month.

Our Company filed Appeal No. A/565/2018 dated November 12, 2018 before the Telangana State Consumer Disputes Redressal Forum at Hyderabad ("**State Forum**") under Section 15 of the Consumer Protection Act, 1986 seeking to set aside the impugned order dated September 4, 2018 passed by the District Forum. Our Company has filed written arguments before the State Forum on January 30, 2023. The matter is currently pending before the State Forum and the next date of hearing is on February 23, 2024.

Litigation by our Company

A. Outstanding criminal proceedings

1. Venkata Uday Kiran Pydipati has filed an FIR dated May 22, 2020 on behalf of our Company against Janjirala Mohan Rao, Ravula Srikanth, Tenkurala Rajeswara Rao, Purinam Mahender and Punnam Sudhakar ("Accused") under sections 408, 420 read with 34 of India Penal Code regarding criminal breach of trust the Accused amounting to ₹39.00 lakhs. Subsequently, the case was filed on September 16, 2020 before the Chief Metropolitan Magistrate, Secunderabad under Section 420 of the Indian Penal Code, 1860. However, due to the outbreak of COVID-19, there has been no development in this matter and it is currently pending. The next date of hearing for the matter is on January 08, 2024 at the examination stage.

2. Our Company has filed 103 pending complaints against various dealers/suppliers/entities under sections 190, 200 and 357(3) of Criminal Procedure Code read with sections 138, 139, 141 and 142 of Negotiable Instruments Act, 1881, in relation to the dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before various forums. The aggregate amount involved in these matters is ₹ 595.07 lakhs.

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding civil litigation

1. Our Company ("Plaintiff") has filed a plaint dated March 02, 2015, before the Ranga Reddy District Court: At L.B. Nagar, under section 26 read with Order VII of the Code of Civil Procedure, 1908 for the recovery of a total sum of ₹211.44 lakhs against M/s Apoorva Dairy Farm India Private Limited, Makkena Samba Siva Rao, Makkena Vasundhara and Sri Vasi Reddy Shekar Babu ("Defendants"). As per the plaint, the Defendants approached the Plaintiff in the month of September 2012 with a request to transfer the unit of M/s Apoorva Dairy Farm India Private Limited against 51% shares of Defendant company in favor of the Plaintiff. Accordingly, the Plaintiff remitted a total sum of ₹ 149.60 lakhs from its account and made payments to the Defendants through several. Real Time Gross Settlements (RTGS). Subsequently, the Plaintiff came to know about the mala fide intentions of the Defendants of defrauding them and upon confronting them, the Defendants confessed their mala fide intentions. The Plaintiff thereafter demanded that the defendants reimburse the amount deposited by them against the afore-mentioned transfer of shares in the Defendant company. The Defendant agreed to return the entire sum along with the interest of 18% from the respective dates of the Real Time Gross Settlements (RTGS) made by the Plaintiff. Accordingly, the Defendants executed the promissory notes for partial liability of ₹ 51.90 lakhs and issued six cheques dated June 05, 2013 for the same. However, on presenting the cheques for encashment by the Plaintiff, the cheques were dishonored with banker's endorsement 'Funds Insufficient' and were returned by the memo dated August 06, 2013. Further, the Plaintiff issued the legal notice dated August 16, 2013 calling upon the Defendants to pay the entire liability including the interest of ₹ 211.40 lakhs Thereafter, the Plaintiff filed this recovery suit under section 26 read with Order VII of the Code of Civil Procedure, 1908 which vide orders in Dis. No. 7192/2021 dated December 21, 2021 was withdrawn and transferred to the court of XV Additional District and Sessions Judge-cum-II Additional Family Court, at Kukatpally. The matter is currently pending.

Litigation involving our Subsidiaries

Litigation by Nova Agri Sciences Pvt. Ltd.

A. Outstanding criminal proceedings

1. Our Subsidiary, Nova Agri Sciences Private Limited, has filed 45 pending complaints against various dealers/suppliers/ entities under sections 190, 200 and 357(3) of Criminal Procedure Code read with sections 138, 139, 141 and 142 of Negotiable Instruments Act, 1881, in relation to the dishonour of cheques and recovery of dues. These matters are currently pending at different stages of adjudication before various forum. The aggregate amount involved in these matters is ₹ 258.59 lakhs

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding material civil litigation

Nil

Litigation by Nova Agri Seeds India Pvt. Ltd.

A. Outstanding criminal proceedings

Nil

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding material civil litigation

Nil

Litigation involving our Promoters

Litigation against our Promoters

A. Outstanding criminal proceedings

Nil

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding material civil litigation

Litigation by our Promoters

A. Outstanding criminal proceedings

Nil

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding material civil litigation

Nil

Litigation involving our Directors

Litigation against our Directors

A. Outstanding criminal proceedings

Nil

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding material civil litigation

Nil

Litigation by our Directors

A. Outstanding criminal proceedings

Nil

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding material civil litigation

Nil

Outstanding litigation involving our Group Company which has a material impact on our Company

Litigation by our Group Company

A. Outstanding criminal proceedings

Nil

B. Actions initiated by regulatory or statutory authorities

Nil

C. Outstanding material civil litigation

Nil

Tax Proceedings

Except as disclosed below, there are no outstanding tax proceedings involving our Company, Directors or Promoters:

Nature of the cases	Number of cases	Amount Outstanding* (₹ in lakhs)
Company		
Income Tax Order under section 226 of the Income Tax Act, 1961	1	42.25**
Directors	Nil	Nil
Promoters	Nil	Nil
Total	**1**	**42.25**

* *To the extent quantifiable*

****The outstanding amount has been settled by the Company vide corporate tax payment challans dated February 23, 2023. There is no further communication regarding the matter from the Income Tax department, however, we await receipt of the closure order from the Income Tax Department, if any.*

Outstanding dues to creditors

As per the Materiality Policy, creditors to whom an amount exceeding ₹ 156.95 lakhs, which is 5% of the total consolidated trade payables of our Company as of the end of the most recent period covered in the Restated Financial Information, i.e. as of September 30, 2023, were considered 'material' creditors. Based on the above, there are 1 material creditors of our Company as on September 30, 2023. Based on this criterion, details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at September 30, 2023 by our Company, are set out below:

Types of creditors	Number of creditors	Amount (₹ in lakhs)
Micro, small and medium enterprises	49	1,524.24
Material creditors	1	514.61
Other creditors	220	1,100.16
Total	**270**	**3,139.01**

The details pertaining to net outstanding dues towards our material creditors are available on the website of our Company at www.novaagri.in.

It is clarified that information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.novaagri.in would be doing so at their own risk.

Material developments

Except as otherwise disclosed in "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 324, no circumstances have arisen, since the date of last Restated Financial Information disclosed in this Red Herring Prospectus, that could materially and adversely affect or are likely to affect, our trading, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have set out below an indicative list of approvals obtained by our Company and our Subsidiaries which are considered material and necessary for the purpose of undertaking their business activities. Except as disclosed herein, we have obtained all material consents, licenses, permissions, registrations and approvals, from various governmental statutory and regulatory authorities, which are necessary for undertaking our current business activities and operations. Except as stated below, no further material approvals from any regulatory authority are required to undertake the Offer or continue such business activities. In the event that any of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Red Herring Prospectus. For incorporation details of our Company, see "*History and Certain Corporate Matters*" on page 221.

For details in connection with the regulatory and legal framework within which our Company and our Subsidiaries operate, see section "*Key Regulations and Policies*" on page 211. For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see "*Risk Factors – We are required to obtain and maintain various licenses and Permits for our business.*" on page 31.

A. APPROVALS OBTAINED BY OUR COMPANY

I. Approvals relating to the Offer

For details regarding the approvals and authorisations obtained by our Company in relation to the Offer, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 382.

II. Incorporation details of our Company

a. Certificate of incorporation dated May 9, 2007 issued by the Registrar of Companies, Hyderabad to our Company.

b. Subsequently, our Company obtained the approval of the shareholders vide special resolution passed on September 8, 2018 and converted itself into a Public Company as per the provisions of Companies Act, 2013. Consequent upon which the word "Private" was deleted from the name of our Company and the name of our Company was changed to "Nova Agritech Limited" and our Company had obtained the fresh Certificate of Incorporation from the Registrar of Companies, Hyderabad on September 24, 2018.

c. The CIN of our Company is U01119TG2007PLC053901

III. Material Approvals obtained by our Company in relation to our business and operations

We require various approvals issued by central and state authorities under various rules and regulations to carry on our business and operations in India. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

a. 'License to work a factory' bearing registration number 105705 issued by the Inspector of Factories, Government of Telangana under the Factories Act, 1948;

b. No Objection Certificate issued by Office of the Gram Panchayat - Singannaguda for construction of a new building for formulation of micronutrients, water soluble fertilizers, bio products, agri-plastics, pheromone chemicals and organic manure at Sy. No. 251/A1, within the limits of Grampanchayat Singannaguda, Mulugu Mandal, Siddipet District.

c. Consent & Authorization Order for Fresh – Orange Category granted to our Company under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and provisions of the Hazardous & Other Wastes (Management & Handling & Transboundary Movement) Rules, 2016, issued by the Joint Chief Environmental Engineer, Telangana State Pollution Control Board.

d. Udyam Registration Certificate dated February 25, 2021 bearing no. UDYAM-TS-26-0000856 issued by the Ministry of Micro, Small and Medium Enterprises. The type of enterprise is medium and major activity is manufacturing.

e. Certificate of Manufacture in respect of Mixture of Micronutrients granted to our Company in the state of Telangana, issued by the Commissioner & Director of Agriculture, Telangana under the Fertilizer (Control) Order, 1985.

f. Our Company has obtained licenses/letter of authorisation entitling our Company to carry on the business of fertilisers under the Fertilizer (Control) Order, 1985, for various states where we have our selling operations.

g. No Objection Certificate granted in favour of our Company by Office of the Director of Agriculture, Gujarat State for production and sale of fertilizer in the state of Gujarat under the provisions of the Fertilizer (Control) Order, 1985.

h. License for operating as a trader at any yard in the State of Karnataka, issued by Director of Agricultural Marketing, Karnataka State under the Karnataka Agricultural Produce Marketing (Regulation and Development) Act, 1966 and the Karnataka Agricultural Produce Marketing (Regulation & Development) Rules, 1968.

IV. Tax Related Approvals

a. Permanent Account Number AACCN8771A, issued by the Income Tax Department, Government of India.

b. Tax Deduction Account Number HYDN03585B, issued by the Income Tax Department, Government of India.

c. Profession Tax Registration Certificate bearing PTIN: 36884760928 issued by the Commercial Taxes Department, Government of Telangana under the Telangana Tax on Professions, Trades, Callings and Employments Act, 1987.

d. We have obtained GST registrations for the states where we have our business operations.

V. Foreign Trade Related Approvals

a. Our Company has obtained an Importer-Exporter Code (IEC) bearing number 0909009597, issued by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

VI. Labour Related Approvals

a. Certificate of registration issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

b. Certificate of registration issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948.

c. Registration certificate of our Company under the Telangana Shops and Establishments Act, 1988.

VII. Intellectual Property Approvals in relation to our Company

As on date of this Red Herring Prospectus, our Company has obtained 36 trademarks registered under various classes with the Registrar of Trade Marks under the Trade Marks Act, 1999. This includes our logo NOVA AGRI TECH LTD. appearing on the cover page of this Red Herring Prospectus being registered with the Registrar of Trade Marks under class 1. Further, our Company has no applications pending under the Trademarks Act, 1999.

The licenses obtained and applied for by NATL are as follows:

Sl. No.	Name of the Approval/ Registration/ License	Issuing Authority	Whether obtained/ applied for	Date of Approval/ Application	Period of validity
1.	Permanent Account Number	Income Tax Department	Obtained	November 05, 2008	Valid until cancelled
2.	Tax Deduction Account Number	Income Tax Department	Obtained	Updated on October 31, 2018	Valid until cancelled
3.	Profession Tax Registration Certificate under the Telangana Tax on Professions, Trades, Callings and Employments Act, 1987	Commercial Taxes Department, Government of Telangana	Obtained	October 31, 2022	Valid until cancelled
4.	Certificate of registration under the Employees	Employees' Provident Fund	Obtained	April 01, 2010	Valid until cancelled

	Provident Fund and Miscellaneous Provisions Act, 1952	Organization, India			
5.	Certificate of registration under the Employees State Insurance Act, 1948	Employees State Insurance Corporation, Secunderabad	Obtained	December 01, 2012	Valid until cancelled
6.	Importer Exporter Code Number	Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Obtained	September 14, 2009	Valid until cancelled
7.	GST registration for Telangana	Income Tax Department	Obtained	November 21, 2019	Valid until cancelled
8.	GST registration for Andhra Pradesh	Income Tax Department	Obtained	January 16, 2019	Valid until cancelled
9.	GST registration for Gujarat	Income Tax Department	Obtained	October 04, 2021	Valid until cancelled
10.	GST registration for Karnataka	Income Tax Department	Obtained	February 25, 2019	Valid until cancelled
11.	GST registration for Maharashtra	Income Tax Department	Obtained	January 15, 2019	Valid until cancelled
12.	GST registration for Chhattisgarh	Income Tax Department	Obtained	September 26, 2017	Valid until cancelled
13.	GST registration for Bihar	Income Tax Department	Obtained	September 04, 2019	Valid until cancelled
14.	GST registration for Rajasthan	Income Tax Department	Obtained	July 17, 2018	Valid until cancelled
15.	GST registration for Tamil Nadu	Income Tax Department	Obtained	February 06, 2020	Valid until cancelled
16.	GST registration for Madhya Pradesh	Income Tax Department	Obtained	March 12, 2020	Valid until cancelled
17.	GST registration for Odisha	Income Tax Department	Obtained	October 18, 2019	Valid until cancelled
18.	GST registration for West Bengal	Income Tax Department	Obtained	August 29, 2019	Valid until cancelled
19.	GST registration for Uttar Pradesh	Income Tax Department	Obtained	February 02, 2019	Valid until cancelled
20.	GST registration for Uttarakhand	Income Tax Department	Obtained	November 14, 2022	Valid until cancelled
21.	GST registration for Jharkhand	Income Tax Department	Obtained	December 27, 2022	Valid until cancelled
22.	GST registration for Punjab	Income Tax Department	Obtained	September 04, 2021	Valid until cancelled
23.	GST registration for Jammu and Kashmir	Income Tax Department	Obtained	August 12, 2022	Valid until cancelled
24.	GST registration for Kerala	Income Tax Department	Obtained	September 01, 2022	Valid until cancelled
25.	License to work a Factory under the Factories Act, 1948 and the rules made thereunder.	Inspector of Factories, Government of Telangana	Obtained	August 14, 2018	Valid until cancelled
26.	No Objection Certificate – Construction of a new building for formulation of micronutrients, water soluble fertilizers, bio	Office of the Gram Panchayat - Singannaguda	Obtained	March 17, 2017	Valid until cancelled

	products, agri-plastics, pheromone chemicals and organic manure.				
27.	Consent & Authorization Order for Fresh – Orange Category granted under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and provisions of the Hazardous & Other Wastes (Management & Handling & Transboundary Movement) Rules, 2016.	Telangana State Pollution Control Board	Obtained	August 27, 2018	March 31, 2028
28.	UDYAM Registration Certificate bearing type of enterprise as medium and major activity as manufacturing.	Ministry of Micro, Small and Medium Enterprises, Government of India	Obtained	February 25, 2021	Valid until cancelled or surrendered
29.	Certificate of manufacture in respect of Mixture of Micronutrients granted to our Company in the state of Telangana	Commissioner & Director of Agriculture, Telangana	Obtained	March 12, 2010	March 11, 2025
30.	Letter of Authorization to carry on business of selling fertilisers as a wholesale dealer in state of Telangana under the Fertilizer (Control) Order, 1985.	Commissioner and Director of Agriculture, Telangana	Obtained	October 01, 2017	September 30, 2024, unless suspended or revoked by the competent authority
31.	Letter of Authorization to carry on business of selling fertilisers as a wholesale dealer in state of Karnataka under the Fertilizer (Control) Order, 1985.	Department of Agriculture, Government of Karnataka	Obtained	January 30, 2022	January 31, 2027, unless suspended or revoked by the competent authority
32.	Letter of Authorization to carry on the business of sale of fertilizers in the state of Maharashtra under the Fertilizer (Control) Order, 1985	Commissionerate of Agriculture, Government of Maharashtra	Obtained	May 03, 2022	May 02, 2027, unless suspended or revoked by the competent authority
33.	Letter of Authorization to carry on the business of sale of fertilizers in wholesale in the state of Andhra Pradesh subject to the provisions of the Fertilizer (Control) Order, 1985	Additional Director of Agriculture, Government of Andhra Pradesh	Obtained	June 18, 2015	June 17, 2026, unless suspended or revoked by the competent authority
34.	Letter of Authorization to carry on business of sale of fertilizers as a Wholesale Dealer in the state of Odisha subject to	Department of Agriculture and Farmers' empowerment, Odisha	Obtained	February 20, 2023	February 19, 2028, unless suspended or revoked by the competent authority

	the provisions of the Fertilizer (Control) Order, 1985.				
35.	Letter of Authorization for sale and marketing of Bio and Organic Fertilizer in the state of Madhya Pradesh, subject to the provisions of Fertilizer (Control) Order, 1985	Department of Agriculture, Government of Madhya Pradesh	Obtained	January 25, 2020	January 24, 2025, unless suspended or revoked by the competent authority
36.	Letter of Authorization to carry on the business of Sale/Marketing of Micronutrients Fertilizers in the state of Madhya Pradesh subject to the provisions of the Fertilizer (Control) Order, 1985	Directorate of Farmer Welfare and Agriculture Development, Government of Madhya Pradesh	Obtained	February 10, 2020	February 09, 2025, unless suspended or revoked by the competent authority
37.	Letter of Authorization to carry on the business of sale of fertilizers in the state of Rajasthan subject to the provisions of the Fertilizer (Control) Order, 1985	Pant Krishi Bhawan, Agriculture Commissionerate, Jaipur, Rajasthan	Obtained	October 12, 2020	October 11, 2025, unless suspended or revoked by the competent authority
38.	Letter of Authorization to carry on the business of sale of fertilizers in the state of Chhattisgarh subject to the provisions of the Fertilizer (Control) Order, 1985	Directorate of Agriculture, Chhattisgarh Raipur	Obtained	August 13, 2013	August 12, 2024, unless suspended or revoked by the competent authority
39.	Letter of Authorization to carry on business of sale of fertilizers in the state of Uttar Pradesh subject to the provisions of the Fertilizer (Control) Order, 1985	Fertilizer Section, Directorate of Agriculture, Uttar Pradesh	Obtained	January 28, 2020	January 27, 2025, unless suspended or revoked by the competent authority
40.	Letter of Authorization to carry on business as Manufacturer/Importer of fertilizers in the state of West Bengal subject to the provisions of the Fertilizer (Control) Order, 1985	Deputy Director of Agriculture (Manures & Fertilisers), West Bengal	Obtained	December 04, 2020	December 03, 2025, unless suspended or revoked by the competent authority
41.	Letter of Authorization to carry on the business as Wholesale Dealer of Micronutrients Fertilizers in the state of Bihar subject to the provisions of the Fertilizer (Control) Order, 1985.	Fertilizer Cell, Directorate of Agriculture, Bihar, Patna	Obtained	March 20, 2020	March 19, 2025, unless suspended or revoked by the competent authority
42.	Letter of Authorization to carry on the business as wholesale dealer in the state of Bihar subject to the provisions of the	Fertilizer Cell, Directorate of Agriculture, Bihar, Patna	Obtained	February 19, 2021	February 18, 2026, unless suspended or revoked by the competent authority

	Fertilizer (Control) Order, 1985.				
43.	No-Objection Certificate for production and sale of fertiliser in the state of Gujarat under the Fertilizer (Control) Order, 1985.	Office of the Director of Agriculture, Gujarat	Obtained	April 04, 2022	February 28, 2025
44.	License for operating as a trader at any yard in the state of Karnataka under the Karnataka Agricultural Produce Marketing (Regulation and Development) Act, 1966 and Karnataka Agricultural Produce Marketing (Regulation & Development) Rules, 1968	Director of Agricultural Marketing, Karnataka	Obtained	July 31, 2018	March 31, 2028
45.	Letter of Authorization to carry on business as Manufacturer/Importer of fertilizers in the state of in the state of Jammu and Kashmir subject to the provisions of the Fertilizer (Control) Order, 1985	Directorate of Agriculture, Kashmir	Obtained	January 04, 2023	January 03, 2028
46.	Letter of Authorization to carry on business as Manufacturer/Importer of fertilizers in the state of in the state of Jammu and Kashmir subject to the provisions of the Fertilizer (Control) Order, 1985	Directorate of Agriculture (Fertiliser), Tamil Nadu	Obtained	March 28, 2023	March 27, 2027
47.	Letter of Authorization to carry on business of selling fertilisers as a wholesale dealer in the state of Jharkhand subject to the provisions of the Fertilizer (Control) Order, 1985	Directorate of Agriculture, Jharkhand	Obtained	April 13, 2023	April 12, 2028
48.	Letter of Authorization to carry on business of selling fertilisers as a wholesale dealer in the state of Uttarakhand subject to the provisions of the Fertilizer (Control) Order, 1985	Directorate of Agriculture, Uttarakhand	Obtained	August 10, 2023	August 10, 2028

B. APPROVALS OBTAINED BY OUR SUBSIDIARIES

B1. Approvals obtained by Nova Agri Sciences Private Limited

I. Incorporation details of Nova Agri Sciences Private Limited

a. Certificate of incorporation dated May 12, 2010 issued by the Registrar of Companies, Hyderabad to Nova Agri Sciences Private Limited.

b. The CIN of Nova Agri Sciences Private Limited is U01403TG2010PTC068405.

II. Approvals obtained by Nova Agri Sciences Private Limited in relation to its business and operations

a. 'License to work a factory' bearing registration number 105719 issued by the Inspector of Factories, Government of Telangana under the Factories Act, 1948.

b. No Objection Certificate for Installation of Petroleum Class B & Class C above ground storage tanks at the Singannaguda facility, issued by the Office of the District Collector, Medak at Sangareddy, Government of Telangana in terms of the Petroleum Rules, 2002 and Explosive Rules, 1983.

c. License for importation and storage of petroleum in an installation issued by the Chief Controller of Explosives, Petroleum & Explosives Safety Organisation, Ministry of Commerce and industry, Government of India, under the Petroleum Act, 1934 and Petroleum Rules, 2022.

d. Udyam Registration Certificate dated February 25, 2021 bearing no. UDYAM-TS-26-0000857 issued by the Ministry of Micro, Small and Medium Enterprises. The type of enterprise is small and major activity is manufacturing.

e. Consent & Authorization Order for Fresh – Orange Category granted to Nova Agri Sciences Private Limited under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and provisions of the Hazardous & Other Wastes (Management & Handling & Transboundary Movement) Rules, 2016, issued by the Joint Chief Environmental Engineer, Telangana State Pollution Control Board.

f. Registration of our products with the Central Insecticides Board and Registration Committee (CIBRC) under the Insecticides Act, 1968 and the Insecticides Rules, 1971.

g. License to manufacture insecticides at the Singannaguda facility issued by Department of Agriculture, Government of Telangana, under the Insecticides Act, 1968 and the Insecticides Rules, 1971.;

h. Licenses to sell, stock, or exhibit for sale or distribute insecticides in the various states where business operations are carried out, issued under the Insecticides Act, 1968 and the Insecticides Rules, 1971.

i. Approval for extension of electricity supply (150KVA CMD with connected load of 200HP under HT Cat-I) to Nova Agri Sciences Private Limited at the Singannaguda facility, issued by the Southern Power Distribution Company of Telangana Limited under the Electricity Act, 2003.

III. Tax Approvals in relation to Nova Agri Sciences Private Limited

a. Permanent Account Number AADCN9236F, issued by the Income Tax Department, Government of India.

b. Tax Deduction Account Number HYDN06927E, issued by the Income Tax Department, Government of India.

c. Profession Tax Registration Certificate bearing PTIN: 36865869486 issued by the Commercial Taxes Department, Government of Telangana under the Telangana Tax on Professions, Trades, Callings and Employments Act, 1987.

d. Nova Agri Sciences Private Limited has obtained GST registrations for the states where it has its business operations.

IV. Foreign Trade Related Approvals

a. Nova Agri Sciences Private Limited has obtained an Importer-Exporter Code (IEC) bearing number 0914004204, issued by the Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

V. Labour Related Approvals

a. Certificate of registration issued by the Employees' Provident Fund Organisation, India under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

b. Certificate of registration issued by Employees State Insurance Corporation, India under the Employees State Insurance Act, 1948.

c. Registration certificate of Nova Agri Sciences Private Limited under the Telangana Shops and Establishments Act, 1988.

VI. Intellectual Property Approvals in relation to Nova Agri Sciences Private Limited

As on date of this Red Herring Prospectus, Nova Agri Sciences Private Limited has obtained 109 trademarks registered under various classes with the Registrar of Trade Marks under the Trade Marks Act, 1999. Further, our Subsidiary, Nova Agri Sciences Private Limited has filed 19 applications for registration of trademarks under the Trademarks Act, 1999, which are pending at various stages.

B2 Approvals Obtained by Nova Agri Seeds India Private Limited

I. Incorporation details of Nova Agri Seeds India Private Limited

a. Certificate of incorporation dated November 9, 2009 issued by the Registrar of Companies, Hyderabad to Nova Agri Seeds India Private Limited.

b. Subsequently, our Subsidiary, Nova Agri Seeds India Private Limited obtained the approval of the shareholders vide special resolution passed on July 26, 2010 and changed its name as per the provisions of Companies Act, 1956. Consequent upon which the word "India" was added to the name of our Subsidiary and the name of our Subsidiary was changed to "Nova Agri Seeds India Private Limited" and the Subsidiary had obtained the fresh Certificate of Incorporation from the Registrar of Companies, Hyderabad on September 28, 2010.

c. The CIN of Nova Agri Seeds India Private Limited is U01403TG2009PTC065732.

II. Tax Approvals in relation to Nova Agri Seeds India Private Limited

a. Permanent Account Number AADCN8599D, issued by the Income Tax Department, Government of India.

C. PENDING APPROVALS/RENEWALS APPLIED FOR BUT NOT RECEIVED

I. By our Company

a. Our Company has filed 22 applications for registration of insecticides with the Central Insecticides Board and Registration Committee under the Insecticides Act, 1968 and the Insecticides Rules, 1971.

II. By Nova Agri Sciences Private Limited

a. Our Subsidiary, Nova Agri Sciences Private Limited has filed 14 applications for registration of insecticides with the Central Insecticides Board and Registration Committee under the Insecticides Act, 1968 and the Insecticides Rules, 1971.

b. Our Subsidiary has filed the following applications:

i. Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Chhattisgarh under the Insecticides Act, 1968 and the Insecticides Rules, 1971,

ii. Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Madhya Pradesh under the Insecticides Act, 1968 and the Insecticides Rules, 1971, and;

iii. Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Jammu and Kashmir under the Insecticides Act, 1968 and the Insecticides Rules, 1971

III. By Nova Agri Seeds India Private Limited- Nil

D. APPROVALS NOT APPLIED FOR

I. By our Company- Nil

II. By Nova Agri Sciences Private Limited- Nil

III. By Nova Agri Seeds India Private Limited- Nil

The licenses obtained and applied for by NASPL are as follows:

Sl. No.	Name of the Approval/ Registration/ License	Issuing Authority	Whether obtained/ applied for	Date of Approval/ Application	Period of Validity
1.	Permanent Account Number	Income Tax Department	Obtained	March 29, 2012	Valid until cancelled
2.	Tax Deduction Account Number	Income Tax Department	Obtained	January 28, 2017	Valid until cancelled
3.	Profession Tax Registration Certificate under the Telangana Tax on Professions, Trades, Callings and Employments Act, 1987	Commercial Taxes Department, Government of Telangana	Obtained	October 31, 2022	Valid until cancelled
4.	Certificate of registration under the Employees Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Organization, India	Obtained	May 01, 2017	Valid until cancelled
5.	Certificate of registration under the Employees State Insurance Act, 1948	Employees State Insurance Corporation, Regional Office at Hyderabad	Obtained	August 01, 2016	Valid until cancelled
6.	Importer Exporter Code Number	Directorate General of Foreign Trade, Ministry of Commerce and Industry, Government of India	Obtained	May 22, 2014	Valid until cancelled
7.	GST registration for Telangana	Income Tax Department	Obtained	July 18, 2018	Valid until cancelled
8.	GST registration for Jammu and Kashmir	Income Tax Department	Obtained	August 26, 2022	Valid until cancelled
9.	GST registration for Punjab	Income Tax Department	Obtained	September 1, 2021	Valid until cancelled
10.	GST registration for Andhra Pradesh	Income Tax Department	Obtained	July 17, 2018	Valid until cancelled
11.	GST registration for Gujarat	Income Tax Department	Obtained	July 17, 2021	Valid until cancelled
12.	GST registration for Karnataka	Income Tax Department	Obtained	July 08, 2018	Valid until cancelled
13.	GST registration for Maharashtra	Income Tax Department	Obtained	July 19, 2018	Valid until cancelled
14.	GST registration for Chhattisgarh	Income Tax Department	Obtained	September 26, 2017	Valid until cancelled
15.	GST registration for Bihar	Income Tax Department	Obtained	September 06, 2019	Valid until cancelled
16.	GST registration for	Income Tax	Obtained	August 17, 2018	Valid until

	Rajasthan	Department			cancelled
17.	GST registration for Jharkhand	Income Tax Department	Obtained	November 09, 2019	Valid until cancelled
18.	GST registration for Tamil Nadu	Income Tax Department	Obtained	December 17, 2019	Valid until cancelled
19.	GST registration for Madhya Pradesh	Income Tax Department	Obtained	October 10, 2017	Valid until cancelled
20.	GST registration for Odisha	Income Tax Department	Obtained	April 1, 2019	Valid until cancelled
21.	GST registration for West Bengal	Income Tax Department	Obtained	August 29, 2019	Valid until cancelled
22.	GST registration for Uttar Pradesh	Income Tax Department	Obtained	April 5, 2019	Valid until cancelled
23.	GST Registration for Uttarakhand	Income Tax Department	Obtained	December 06, 2022	Valid until cancelled
24.	License to work a Factory under the Factories Act, 1948 and the rules made thereunder.	Inspector of Factories, Government of Telangana	Obtained	November 28, 2020	Valid until cancelled
25.	No Objection Certificate – Installation of Petroleum Class B & Class C above ground storage tanks.	Office of the District Collector, Medak at Sangareddy, Government of Telangana	Obtained	December 22, 2014	Valid until cancelled
26.	License for importation and storage of petroleum in an installation.	Chief Controller of Explosives, Petroleum & Explosives Safety Organisation, Ministry of Commerce and industry, Government of India	Obtained	January 30, 2015	December 31, 2024
27.	Consent & Authorization Order for Fresh – Orange Category granted under the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and provisions of the Hazardous & Other Wastes (Management & Handling & Transboundary Movement) Rules, 2016.	Joint Chief Environmental Engineer, Telangana State Pollution Control Board	Obtained	December 13, 2018	December 31, 2028
28.	UDYAM Registration Certificate bearing type of enterprise as small and major activity as manufacturing.	Ministry of Micro, Small and Medium Enterprises, Government of India	Obtained	February 25, 2021	Valid until cancelled or surrendered
29.	Certificates of registration of 467 insecticides of varying chemical composition under Section 9(4) of the Insecticides Act, 1968	Central Insecticides Board and Registration Committee, Directorate of Plant Protection,	Obtained	Each of the 467 registrations carry varying dates of approval	-

		Quarantine & Storage, Government of India			
30.	License to manufacture insecticides of varying chemical composition	Department of Agriculture, Government of Telangana	Obtained	March 17, 2016 last amended on April 14, 2023	December 31, 2028
31.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Andhra Pradesh under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Commissioner & Director of Agriculture, Andhra Pradesh	Obtained	August 02, 2023	The license granted for such operations shall be valid for a period of five years
32.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Bihar under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Department of Agriculture, Government of Bihar	Obtained	January 31, 2020	December 31, 2025 unless suspended or revoked by the competent authority
33.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Gujarat under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Director of Agriculture, State of Gujarat	Obtained	Original license obtained on July 29, 2021; license amended on 24 May, 2023	December 31, 2025 unless suspended or revoked by the competent authority
34.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Jharkhand under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Department of Agriculture, Animal Husbandry & Co-operative Agriculture Directorate, Jharkhand	Obtained	December 28, 2021	The license granted for such operations shall be valid for a period of five years
35.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Maharashtra under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Commissionerate of Agriculture, State of Maharashtra	Obtained	June 09, 2023	May 19, 2025 unless suspended or revoked by the competent authority
36.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Odisha under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Joint Director Agriculture (Plant Protection), Odisha	Obtained	May 26, 2022	The license granted for such operations shall be valid for a period of five years
37.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Tamil Nadu under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Department of Agriculture, Tamil Nadu	Obtained	Original license obtained on May 02, 2019; license amended on July 20, 2020	The license granted for such operations shall be valid for a period of five years
38.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Telangana	Commissioner of Agriculture, State of Telangana	Obtained	Original license obtained on June 27, 2016; license last amended on	The license granted for such operations shall be valid for a

	under the Insecticides Act, 1968 and the Insecticides Rules, 1971			June 06, 2023	period of five years
39.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Uttar Pradesh under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Department of Agriculture, Uttar Pradesh	Obtained	May 24, 2019	The license granted for such operations shall be valid for a period of five years
40.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of West Bengal under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Department of Agriculture, West Bengal	Obtained	February 06, 2020	The license granted for such operations shall be valid for a period of five years
41.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Rajasthan under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Joint Director Agriculture (Extension) Zila Parishad Jaipur	Obtained	Original license obtained on April 17, 2018; license amended on February 01, 2023	December 31, 2024 unless suspended or revoked by the competent authority
42.	Approval for extension of electricity supply (150KVA CMD with connected load of 200HP under HT Cat-I) under the Electricity Act, 2003	Superintending Engineer, Southern Power Distribution Company of Telangana Limited	Obtained	June 21, 2014	Valid until cancelled
43.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Uttarakhand under the Insecticides Act, 1968 and the Insecticides Rules, 1971	District Plant Protection Officer, Uttarakhand	Obtained	Original License obtained on December 23, 2021; license amended on June 19, 2023	The license granted for such operations shall be valid for a period of five years
44.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Karnataka under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Department of Agriculture, Government of Karnataka	Obtained	Original License obtained on March 17, 2016; license amended on January 11, 2024	December 31, 2025 unless suspended or revoked by the competent authority
45.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Chhattisgarh under the Insecticides Act, 1968 and the Insecticides Rules, 1971	Directorate of Agriculture, Chhattisgarh	Obtained	Licensed renewed on January 05, 2024	December 31, 2024 unless suspended or revoked by the competent authority

The following licenses have expired on December 31, 2023 and NASPL is in the process of making an application for its renewal:

Sl. No.	Name of the Approval/ Registration/ License
1.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Madhya Pradesh under the Insecticides Act, 1968 and the Insecticides Rules, 1971
2.	Licenses to sell, stock, exhibit for sale or distribute insecticides in the State of Jammu and Kashmir under the Insecticides Act, 1968 and the Insecticides Rules, 1971

The Licenses obtained by Nova Seeds are as follows:

Sl.No	Name of the Approval/Registration/ License	Issuing Authority	Whether obtained/ applied for	Date of Approval/ Application	Period of validity
1	Permanent Account Number	Income Tax Department	Obtained	September 28, 2010	Valid until cancelled.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated February 27, 2023 and the Fresh Offer by our Shareholders pursuant to a special resolution passed at their meeting dated March 01, 2023 and the DRHP has been approved by our Board by way of its resolution dated March 03, 2023 and this Red Herring Prospectus has been approved by our Board by way of its resolution dated January 12, 2024.

Approval from the Selling Shareholder

The Selling Shareholder has confirmed and authorized the transfer of the Offered Shares pursuant to the consent letter dated February 27, 2023 Offer for Sale of 77,58,620 Equity Shares. For further details, see "*The Offer*" on page 65.

In-principle Listing Approvals

Our Company has received in-principle approvals from the BSE and NSE for the listing of the Equity Shares pursuant to letters dated June 01, 2023 and May 31,2023, respectively.

Prohibition by SEBI, RBI or other Governmental Authorities

Our Company, our Promoters, Promoter Group, Directors, the Selling Shareholder and the persons in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any other governmental authority in India. or any other authority/court.

Compliance with the Companies (Significant Beneficial Owners Rules, 2018 ("SBO Rules")

Our Company, Promoters, members of the Promoter Group, and the Selling Shareholder, confirm that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable to them, as on the date of this Red Herring Prospectus.

Directors associated with the Securities Market

None of our Directors are, in any manner, associated with the securities market and none of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities. Further, there is no outstanding action initiated by SEBI against any of the Directors of our Company in the past five years preceding the date of this RHP.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 6(1) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

- Our Company has net tangible assets of at least ₹ 300.00 lakhs, calculated on a restated and consolidated basis, in each of the preceding three full years (of 12 months each), of which not more than 50% are held in monetary assets;

- Our Company has an average operating profit of at least ₹ 1500.00 lakhs, calculated on a restated and consolidated basis, during each of the preceding three years (of 12 months each), with operating profit earned in each of these preceding three years;

- Our Company has a net worth of at least ₹ 100.00 lakhs in each of the preceding three full years (of 12 months each), calculated on a restated basis; and

- Our Company has not changed its name in the immediately preceding year.

Our Company's operating profit, net worth and net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets are derived from the Restated Financial Information included in this Red Herring Prospectus as at, and for the last three Financial Years are set forth below:

(Amount in ₹ Lakhs)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Restated Net tangible assets(1)	17,493.01	15,493.54	14,331.31
Restated Monetary assets(2)	335.18	164.21	31.55
Monetary assets as a % of net tangible assets (%), as restated	1.92	1.03	0.21
Operating Profit, as restated (3)	3,635.78	2,557.85	1,571.92
Net worth(4) as restated	6,387.97	4,319.11	2,942.98

Notes

(1) *"Net tangible assets" means the sum of all net assets of the Company excluding Intangible Assets (as per IND AS-38) as defined in Indian Accounting Standard (IND AS) 38 and Deferred Tax Assets as defined in (IND AS-12) and excluding the impact of Deferred Tax Liabilities as defined in (IND AS-12 issued by Institute of Chartered Accountants of India.*

(2) *"Monetary assets" are defined as amount of 'Cash and Cash equivalents' as per the Restated Financial Information, (excluding Fixed deposits with banks not considered as cash and cash equivalent)*

(3) *"Operating Profit" has been calculated as profit before tax add finance cost and less other income.*

(4) *"Net worth" means the aggregate value of paid-up share capital and other equity created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, derived from the Restated Financial Information, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.*

Statement of Average Consolidated Operating Profit

Particulars	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2021
Profit Before Tax	2,816.36	1,844.44	867.13
Less other income	37.82	1.68	28.46
Add:- Finance Cost	857.24	715.09	733.25
Operating Profit	**3,635.78**	**2,557.85**	**1,571.92**
Average Operating Profit	**2,588.52**		

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, the Promoters, members of the Promoter Group, the Selling Shareholder and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters, Directors or Selling Shareholder have been identified as a wilful defaulter or a fraudulent borrower (as defined in the SEBI ICDR Regulations);

(iv) None of our individual Promoters, to the extent applicable, and Directors have been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) Further, none of our Company, Promoter or Directors have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Frauds Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

(vi) There are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Red Herring Prospectus;

(vii) Our Company, along with the registrar to our Company, has entered into tripartite agreements dated November 09, 2018 and June 22, 2022 with NSDL and CDSL, respectively, for dematerialization of the Equity Shares;

(viii) The Equity Shares of our Company held by our Promoters and the Selling Shareholder are in dematerialised form;

(ix) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares existing as on the date of filing of this Red Herring Prospectus; and

(x) Our Company shall not make an Allotment if the number or prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations.

(xi) Further, our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

(xii) The Selling Shareholder confirm that the Equity Shares offered by them as part of the Offer for Sale have been held by them in compliance with Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMS, KEYNOTE FINANCIAL SERVICES LIMITED AND BAJAJ CAPITAL LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMS IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED MARCH 03, 2023 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act. All legal requirements pertaining to this Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.novaagri.in, or the respective websites of our Promoters, Promoter Group or any affiliate of our Company would be doing so at his or her own risk.

Neither the delivery of this Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholder since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The BRLMs accepts no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholder, and our Company.

All information shall be made available by our Company, and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoters, their respective directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, and their respective directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer from the Selling Shareholder

The Selling Shareholder accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.novaagri.in , or the respective websites of our Promoters, Promoter Group or any affiliate of our Company would be doing so at his or her own risk. The Selling Shareholder, their directors, affiliates, associates, and officers accept no responsibility for any statements made in this Red Herring Prospectus, other than those specifically made or confirmed by it in relation to its portion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholder that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. The Selling Shareholder accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Disclaimer in respect of Jurisdiction

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Telangana only.

Bidders eligible under Indian law to participate in the Offer

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their respective constitution to hold and invest in equity shares, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or maximum number of Equity Shares that can be held by them under applicable law.

Certain persons outside India are restricted from participating in the Offer. For details, see "Restrictions on Foreign Ownership of Indian Securities" on page 422.

Selling and transfer restrictions

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to this Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**").

Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum shall be deemed to:

- Represent and warrant to our Company, the Selling Shareholder and the members of the Syndicate that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares was originated.

- Represent and warrant to our Company, the Selling Shareholder and the members of the Syndicate that it did not purchase the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S).

- Represent and warrant to our Company, the Selling Shareholder and the members of the Syndicate that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to resell or otherwise transfer any of the Equity Shares, it agrees that it will not offer, sell or otherwise transfer the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration under the U.S. Securities Act.

- Represent and warrant to our Company, the Selling Shareholder and the members of the Syndicate that it will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares, other than in accordance with applicable laws.

- Represent and warrant to our Company, the Selling Shareholder and the members of the Syndicate that if it acquired any of the Equity Shares as fiduciary or agent for one or more investor accounts, it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Company, the Selling Shareholder and the members of the Syndicate that if it acquired any of the Equity Shares for one or more managed accounts, that it was authorized in writing by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Agree to indemnify and hold the Company, the Selling Shareholder and the members of the Syndicate harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Acknowledge that our Company, the Selling Shareholder, the members of the Syndicate and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Further, each Bidder will be required to agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off- shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of the Draft Red Herring Prospectus was submitted to BSE. The disclaimer clause as intimated by BSE to our Company is as under:
"*BSE Limited ("the Exchange") has given vide its letter dated June 01, 2023, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -*

a) *warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*

b) *warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or*

c) *take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company and should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever".*

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus was submitted to the NSE. The disclaimer clause as intimated by BSE to our Company is as under:

"As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/2243 dated May 31, 2023, permission to the Issuer to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever."

Listing

The Equity Shares issued through this Red Herring Prospectus and the Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. BSE Limited will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of this Red Herring Prospectus, in accordance with applicable law and the Selling Shareholder will be liable to reimburse our Company for any such repayment of monies, on its behalf, with respect to Selling Shareholder Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholder and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of the Selling Shareholder with regard to interest on such refunds will be reimbursed by the Selling Shareholder. For the avoidance of doubt, subject to applicable law, the Selling Shareholder shall not be responsible to pay interest for any delay, except to the extent that such delay has been caused by any act or omission solely attributable to the Selling Shareholder.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within three Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. The Selling Shareholder confirms that he shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed. If our Company does not Allot the Equity Shares within three Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders as prescribed under the law.

Consents

Consents in writing of the Selling Shareholder, our Directors, our Company Secretary and Compliance Officer, Banker(s) to our Company, Statutory Auditors, Legal Counsel to the Offer as to Indian law, the BRLMs, the Registrar to the Offer, lenders of our Company (wherever applicable), Independent Chartered Engineer, Care Analytics and Advisory PrivateLimited, in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus; and consents in writing of the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s), Sponsor Bank and Monitoring Agency, to act in their respective capacities, will be obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of this Red Herring Prospectus with the RoC.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated December 26, 2023 from NSVR & Associates LLP, Chartered Accountants, to include their name as required under section 26(1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of (i) Restated Financial Information and their examination report dated December 26, 2023 relating to the Restated Financial Information; and (ii) their statement of special tax benefits dated December 26, 2023 included in this Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Red Herring Prospectus. The term “expert” and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consent dated December 09, 2023 from V. Vishwanath Murthy, Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Red Herring Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in his capacity as the Chartered Engineer in respect of information certified by him on providing their estimates for the objects of this issue, as included in this Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not undertaken any public or rights issue during the last five years preceding the date of this Red Herring Prospectus.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years

Other than as disclosed in “*Capital Structure*” on page 82, our Company has not made any capital issues during the three years preceding the date of this Red Herring Prospectus.

Further, as on the date of this Red Herring Prospectus, our Company does not have any listed Group Companies, Subsidiaries or Associates.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

No sum has been paid or has been payable as commission or brokerage by our Company for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years preceding the date of this Red Herring

Prospectus:

Performance vis-à-vis objects – Public/ rights issue of our Company

Our Company has not undertaken any public issue or rights issue in the five years preceding the date of this Red Herring Prospectus.

Performance vis-à-vis objects – Public/rights issue of the listed subsidiaries/listed Promoter of our Company

As on date of this Red Herring Prospectus, the securities of our Promoters are not listed on any stock exchange and our Promoters have not made any public issue or rights issue during the five years immediately preceding the date of this Red Herring Prospectus. Further, as on the date of this Red Herring Prospectus, our Company does not have any listed subsidiary.

Price information of past issues handled by the BRLMS

A. Keynote Financial Services Limited

a. Price information of past issues handled by Keynote Financial Services Limited during the current Financial Year and the two financial years preceding the current Financial Year

Sr. No.	Issue name	Issue Size (₹ lakhs)	Issue price (in ₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark - 180th calendar days from listing
1.	Credo Brands Marketing Limited	54,977.89	280	December 27, 2023	282.00	NA	NA	NA

Source: www.bseindia.com
**BSE as the Designated stock exchange*
Note:
1. Opening price information as disclosed on the website of the Designated Stock Exchange.
2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
3. Change in closing price over the closing price as on the listing date, BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
5. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.
6. NA means Not Applicable, Period not completed.

b.Summary statement of price information of past issues handled by Keynote Financial Services Limited during the current Financial Year and the two financial years preceding the current Financial Year

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Lakhs)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25% - 50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2023-24*	1	54,977.89	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Upto December 31, 2023.*
Source: www.bseindia.com
Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the

days falls on a non-trading day, the closing price on the previous trading day has been considered.
NA means Not Applicable.

B.Bajaj Capital Limited

a. Price information of past public issues handled by Bajaj Capital Limited:

Sr. No.	Issue Name	Issue Size (₹ Lakhs)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Manoj Vaibhav Gems 'N' Jewellers Limited	27,020.00	215.00	October 03, 2023	215.00	21.74% [2.18%]	48.35% [+10.32%]	NA

Source: www.bseindia.com
**BSE as the Designated stock exchange*
Note:
1. Opening price information as disclosed on the website of the Designated Stock Exchange.
2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
3. Change in closing price over the closing price as on the listing date, BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
5. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.
6. NA means Not Applicable, Period not completed.

b. Summary statement of price information of past issues handled by Bajaj Capital Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ Lakhs)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25 %	Over 50%	Between 25%-50%	Less than 25 %	Over 50%	Between 25%-50%	Less than 25 %	Over 50%	Between 25%-50%	Less than 25 %
2023-2024*	1	27,020.00	-	-	-	-	-	1	-	-	-	-	-	-
2022-2023	Nil													
2021-2022	Nil													

**Upto December 31, 2023.*
Source: www.bseindia.com
Note: Data for number of IPOs trading at premium/discount taken at closing price of the designated stock exchange as disclosed by the respective issuer at the time of the issue has been considered on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.
NA means Not Applicable.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the websites of the BRLMs, as set forth in the table below:

Sr. No.	Name of Book Running Lead Managers	Website
1.	Keynote Financial Services Limited	www.keynoteindia.net
2.	Bajaj Capital Limited	www.bajajcapital.com

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

SEBI, by way of its circular dated March 16, 2021 as amended by its circular dated April 20, 2022 ("**March 2021 Circular**"), has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism inter-alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. As per the March 2021 Circular, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks/unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for nonallotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	. ₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares pursuant to the Offer, or such other period as may be prescribed under applicable law to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Banks for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company shall obtain authentication on the SCORES in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 and the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has not received any investor grievances in the last three years prior to the filing of this Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 7 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Neha Soni, as the Company Secretary and Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related grievances. For further details, see "*General Information*" on page 73.

Our Company has also constituted a Stakeholders' Relationship Committee, to review and redress shareholder and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, see "*Our Management*" on page 240. The Selling Shareholder have authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

The investors must ensure that their PAN is linked with their Aadhaar and they are in compliance with CBDT notification and press release dated February 13, 2020 and June 25, 2021, respectively.

Exemption from complying with any provisions of securities laws, if any, granted by SEBI

The Company has not sought for any exemptions from complying with any provisions of securities laws.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the SEBI Listing Regulations, the terms of this Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN, the abridged prospectus and other terms and conditions as may be incorporated in the Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

The Offer

The Offer comprises of Fresh Offer by the Company and an Offer for Sale by the Selling Shareholder.

All charges, fees and expenses associated with and incurred in connection with the Offer will be shared on pro-rata basis between the Company and the Selling Shareholder except listing fees which will be borne by the Company. The Selling Shareholder shall bear its portion of the expenses in proportion to the number of Equity Shares being offered and sold by Selling Shareholder, in the offer for sale.

All the payments shall be made first by the Company. Upon the successful completion of the Offer, the Selling Shareholder will reimburse the Company in proportion to its respective portion of the Equity Shares sold in the Offer from the proceeds of the Offer for Sale due and payable to the Selling Shareholder, for any expenses incurred by our Company on behalf of the Selling Shareholder.

Ranking of Equity Shares

The Equity Shares being offered and Allotted in the Offer will be subject to the provisions of the SEBI ICDR Regulations, the SCRA, the SCRR, SEBI Listing Regulations, the Companies Act, the Memorandum of Association and the Articles of Association and will rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of dividends and other corporate benefits, if any, declared by our Company. For more information, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 423.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our equity shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, the Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale in this Offer will be payable to the Allottees, for the entire year, in accordance with applicable law. For more information, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 259 and 423, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹ 2/- and the Offer Price is ₹ [●] per Equity Share. At any given point of time there will be only one denomination for the Equity Shares. The Floor Price of the Equity Shares is ₹ [●] and the Cap Price of the Equity Shares is ₹ [●], being the Price Band. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs and shall be published at least two Working Days prior to the Bid/Offer Opening Date, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper, and the Hyderabad edition of Surya, a Telugu daily newspapers (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located, and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid cum Application Forms available at the website of the Stock Exchanges

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, the equity Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares subject to applicable laws including any rules and regulations prescribed by the RBI; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" on page 423.

Market Lot and Trading Lot and Option to receive Equity Shares in Dematerialized Form

In terms of Section 29 of the Companies Act, and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, our Company has entered into the following agreements:

- Tripartite agreement dated November 09, 2018, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated June 22, 2022, amongst our Company, CDSL and Registrar to the Offer.

Since trading of our Equity Shares shall only be in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. For the method of Basis of Allotment, see "*Offer Procedure*" on page 404.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-tenants with benefits of survivorship.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, read with Companies (Share Capital and Debentures Rules, 2014, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest. A nominee entitled to the Equity Shares by reason of the death of the original holder(s, will, in accordance with Section 72 of the Companies Act, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s in the event of the holder's death during minority. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act, will, on the production of such evidence as may be required by the Board, elect either:

➢ to register himself or herself as holder of Equity Shares; or
➢ to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividend, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Bid/Offer Period

BID/OFFER OPENS ON*	Monday, January 22, 2024
BID/OFFER CLOSES ON**	Wednesday, January 24, 2024^
FINALIZATION OF BASIS OF ALLOTMENT WITHTHE DESIGNATED STOCK EXCHANGE	Thursday, January 25, 2024
INITIATION OF REFUNDS (IF ANY, FOR ANCHOR INVESTORS)/UNBLOCKING OF FUNDS FROM ASBA ACCOUNT	Monday, January 29, 2024
CREDIT OF EQUITY SHARES TODEMAT ACCOUNTSOF ALLOTTEES	Monday, January 29, 2024
COMMENCEMENT OF TRADING OFTHE EQUITY SHARES ON THE STOCK EXCHANGES	Tuesday, January 30, 2024

**Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. Anchor Investors shall Bid on the Anchor Investor Bidding Date which shall be one working day prior to the Bid/offer Opening date.*
***Our Company and the Selling Shareholder may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. ^UPI mandate end time and date shall be at 5.00 PM on [●]*

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of nonallotted/ partially allotted Bids, exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, which for the avoidance of doubt, shall be deemed to be incorporated in the agreements to be entered into between our Company with the relevant intermediaries, to the extent applicable.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholder or the members of the Syndicate or the BRLMs. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges as may be prescribed by SEBI, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company and the Selling Shareholder in consultation with the BRLMs, due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges in accordance with applicable law. The Selling Shareholder confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed by SEBI.

SEBI is in the process of streamlining and reducing the post issue timeline for initial public offerings and has through its circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, reduced the time period for listing of shares in public issue from existing 6 days to 3 days. The revised timeline of T+3 days has been made mandatory on or after December 1, 2023. Please note that we may need to make appropriate changes in this Red Herring Prospectus depending upon the prevailing conditions at the time of the opening of the Offer. Any circulars or notifications from the SEBI after the date of this Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within three Working Days from the Bid/Offer Closing Date, identifying nonadherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated for the entire duration of delay exceeding two Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking, in the manner specified in the UPI Circulars, to the extent applicable, which for the avoidance of doubt, shall be deemed to be incorporated herein. The Book Running Lead Managers shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the listing timelines. Further, the offer procedure is subject to change basis any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) ("**IST**")
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

- until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining such information from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis, as per the format prescribed in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs, or not blocked under the UPI Mechanism in the relevant ASBA Account would be rejected.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) shall send the bid information to the Registrar to the Offer for further processing.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted on the Stock Exchange platform only during Working Days, during the Bid/ Offer Period. Further, as per letter no. list/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company and the Selling Shareholder in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly, but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price. Provided that, the Cap Price of the Price Band shall be at least 105% of the Floor Price.

In case of revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after revision of Price Band subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholder may, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges by issuing a press release and by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and will also intimated to the Designated Intermediaries and the Sponsor Bank. In case of revision of Price Band, the Bid Lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Offer; or (ii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, in accordance with applicable laws, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being issued or offered under this Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond four days after our Company becomes liable to pay the amount, our Company and Directors who are officers in default shall pay interest at the rate of fifteen percent per annum.

In the event of under-subscription in the Offer, the Equity Shares will be Allotted in the following order:

(i) such number of Equity Shares will first be Allotted by the Company such that 90% of the Fresh Offer portion is subscribed;

(ii) next, all the Equity Shares held by the Selling Shareholder and offered for sale in the Offer for Sale will be Allotted; and
(iii) once Equity Shares have been Allotted as per (i) and (ii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Offer portion;

No liability to make any payment of interest or expenses shall accrue to the Selling Shareholder unless the delayin making any of the payments/refund hereunder or the delay in obtaining listing or trading approvals or any other approvals in relation to the Offer is caused solely by, and is directly attributable to, an act or omission of the Selling Shareholder and to the extent of its portion of the Offered Shares.

Further, in terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Bidders to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on Transfer of Shares and Transmission of Equity Shares

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoters; minimum contribution and the Anchor Investor lock-in in the Offer as detailed in "*Capital Structure*" on page 82, and except as provided in the Articles of Association as detailed in "*Description of Equity Shares and Terms of the Articles of Association*" on page 423, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting.

New Financial Instruments

Our Company is not issuing any new financial instruments through this offer.

Withdrawal of the Offer

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank(s), in case of RIIs using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders and shall notify the Escrow Collection Bank to release the Bid Amounts to the Anchor Investors, within one Working Day from the date of receipt of such notification.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Selling Shareholder, in consultation with the Book Running Lead Managers, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI and the Stock Exchanges.

OFFER STRUCTURE

The Offer of up to [●] Equity Shares for cash at a price of ₹ 2/- per Equity Share (including a share premium of ₹ [●] Equity Share), aggregating up to ₹ [●], comprising a Fresh Offer of up to [●] Equity Shares aggregating up to ₹ 11,200.00 lakhs and an Offer for Sale of up to 77,58,620 Offered Shares aggregating up to ₹ [●] offered by the Selling Shareholder.

The Offer and the Net Offer will constitute [●]% and [●]%, respectively of the post-Offer paid-up Equity Share capital of our Company.

The Offer is being made through Book Building Process.

Particulars	QIBs*	Non-Institutional Bidders	Retail Individual Investors
Number of Equity Shares available for Allotment/ allocation**	Not more than [●] Equity Shares	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Net Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	Not more than 50 % of the Net Offer size shall be allocated to QIB Bidders. However, 5% % of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance QIB Portion. The unsubscribed portion in the Mutual Fund portion will be available for allocation in the QIB Portion (excluding the Anchor Investor Portion).	Not less than 15% of the Net Issue or the Net Issue less Allocation to QIB Bidders and RIBs. Provided that the unsubscribed portion in either of the sub-categories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders.	Not less than 35 % of the Net Offer, or the Net Offer less allocation to QIB Bidders and Non- Institutional Bidders shall be available for allocation.
Basis of Allotment/ allocation if respective category is oversubscribed **#	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and	The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following:- i) one-third shall be reserved for Bidders with Bids exceeding ₹2.00 lakhs and up to ₹10.00 lakhs; and	Proportionate, subject to minimum bid lot. The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, "*Offer Procedure*" on page 404

	(b) Up to [●] Equity Sharesshall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a)above. Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price	ii) two thirds shall be reserved for Bidders with Bids exceeding ₹10.00 lakhs provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders. The allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non-Institutional Portion, and the remaining Equity Shares, if an shall be allotted on a proportionate basis. For details, see "*Offer Procedure*" on page 404	
Mode of Bidding	Only through the ASBA process (except for Anchor Investors)	Only through the ASBA process including the UPI Mechanism for an application size of upto ₹ 5.00 lakhs	Only through the ASBA process including the UPI mechanism.
Minimum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares, that the Bid Amount exceeds ₹ 2.00 lakhs	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 2.00 lakhs	[●] Equity Shares and in multiples of [●] Equity Shares
Maximum Bid	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares not exceeding the size of the Net Offer (excluding QIB portion), subject to applicable limits	Such number of Equity Shares and in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2.00 lakhs
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Mode of allotment	Compulsorily in dematerialised form		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply***	Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, Eligible FPIs (other than category III foreign portfolio investors), VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices which are re-categorised as category II FPIs and registered with SEBI	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

	industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250.00 lakhs, pension funds with minimum corpus of ₹250.00 lakhs, National Investment Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids**** **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism (for RIIs and NIIs within the prescribed limits), that is specified in the ASBA Form at the time of submission of the ASBA Form.		

** Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor*

Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹1000.00 lakhs, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹1000.00 lakhs but up to ₹25,000.00 lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹500.00 lakhs per Anchor Investor, and (iii) in case of allocation above ₹25,000.00 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹25,000.00 lakhs, and an additional 10 Anchor Investors for every additional ₹25,000.00 lakhs or part thereof will be permitted, subject to minimum allotment of ₹500.00 lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹1000.00 lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company in consultation with the BRLMs. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(1) of the SEBI ICDR Regulations.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. For further details, please see *"Terms of the Offer" on page 394.*

****In case of joint Bids, the Bid-cum-Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the First Bidder would be required in the Bid-cum- Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such first Bidder and may be dispatched to his or her address as per the Demographic Details received from Depositories.*

*****Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form, provided that any difference between the price at which Equity Shares are allocated to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor pay-in date as mentioned in the CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price* *paid by the Anchor Investors shall not be refunded to them. For further information on terms of payment applicable to Anchor Investors, see "Offer Procedure – Bids by Anchor Investors" on page 413.*

 # The Bids by FPIs with certain structures as described under "Offer Procedure - Bids by FPIs" on page 411 and having same PAN may be collated and identified as a single bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by UPI Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv)payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note ("**CAN**") and Allotment in the Offer; and (xiv) disposal of application*
(vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, had introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019. Pursuant to its circular SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, the SEBI has increased the UPI limit from ₹0.20 million to ₹0.50 million for all the individual investors applying in public issues.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds was discontinued and only the UPI Mechanism for such Bids with a timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, had decided to continue with the UPI Phase II till further notice. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022. The final reduced timeline of T+3 days for the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**") and modalities of the implementation of UPI Phase III was notified by SEBI vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 and made effective on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023. Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory T+3 listing basis, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, applications made using the ASBA facility in initial public offerings shall be processed only after application monies are blocked in the bank accounts of investors (all categories). These circulars are effective for initial public offers opening on/or after May 1, 2021, and the provisions of these circulars, as amended, are deemed to form part of this Red Herring Prospectus.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding two Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% p.a of the bid amount for the entire duration of delay exceeding two Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Further, our Company, the Selling Shareholder and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Our Company, the Selling shareholder and the Syndicate are not liable for any adverse occurences consequent to the implementation of the UPI Mechanism for application in this Offer. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits *or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.*

Book Building Procedure

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Net Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholder in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. Further, in the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Net Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. The Equity Shares available for allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with an application size of more than ₹ 2.00 lakhs and up to ₹ 10.00 lakhs , and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for Bidders with application size of more than ₹ 10.00 lakhs, provided that the unsubscribed portion in either of the aforementioned sub-categories may be allocated to Bidders in the other sub-category of Non-Institutional Bidders.

Under-subscription, if any, in any category except in the QIB Portion, would be allowed to be met with spillover from any other category or combination of categories, at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange subject to applicable laws. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories. In case of an undersubscription in the Offer, the Equity Shares proposed for sale by the Selling Shareholder shall be in proportion to the Offered Shares by such Selling Shareholder.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be allotted to all successful Bidders only in dematerialized form.

The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for Retail Individual Investors Bidding through the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of Unified Payments Interface

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I:
This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II:
This phase has become applicable from July 1, 2019. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 had decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III:
This phase was on a voluntary basis for all issues opening on or after September 1, 2023 and has become applicable on a mandatory basis for all issues opening on or after December 1, 2023 vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("**T+3 Notification**"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Offer shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI. Accordingly, the Offer will be undertaken pursuant to the processes and procedures under UPI Phase III on mandatory T+3 listing basis, subject to any circulars, clarification or notification issued by the SEBI pursuant to the T+3 Notification.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI Mechanism. The Company has appointed Axis Bank Limited as the Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders. Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 (the "**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one working day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post-Offer BRLM will be required to compensate the concerned investor.

The processing fees for applications made by UPI Bidders may be released to the SCSBs only after such banks provide a written confirmation, in compliance with the SEBI RTA Master Circular in a format as prescribed by SEBI, from time to time, and such payment of processing fees to the SCSBs shall be made in compliance with circulars prescribed by SEBI and applicable law. The Offer will be made under UPI Phase III of the UPI Circular.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 0.50 million shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

a. a syndicate member;
b. a stock broker recognised with a registered stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
c. a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity); d. a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity)

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs.

Pursuant to the UPI Streamlining Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLMs will be required to compensate the concerned investor.

The Offer will be made under UPI Phase III of the UPI Circular and the same will be advertised in all editions of Financial Express, an English national daily newspaper, (ii) all editions of Jansatta, a Hindi national daily newspaper and (iii) the Hyderabad edition of Surya, a Telugu newspaper (Telugu being the regional language of Hyderabad, where our Registered Office is located) on or prior to the Bid/ Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites. All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the RIIs using the UPI Mechanism.

Further, in terms of the UPI Circulars, the payment of processing fees to the SCSBs shall be undertaken pursuant to an application made by the SCSBs to the BRLMs, and such application shall be made only after (i) unblocking of application amounts for each application received by the SCSB has been fully completed, and (ii) applicable compensation relating to investor complaints has been paid by the SCSB.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centers and at our Registered and Corporate Office. The Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

All ASBA Bidders must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts or the UPI ID (in case of UPI Bidders), as applicable in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders (not using the UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected. The ASBA Bidders shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder pursuant to SEBI circular number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

All ASBA Bidders are required to provide either, (i) bank account details and authorizations to block funds in the ASBA Form; or (ii) the UPI ID (in case of UPI Bidders), as applicable, in the relevant space provided in the ASBA Form and the ASBA Forms that did not contain such details will be rejected. Applications made by the UPI Bidders using third party bank account or using third party linked bank account UPI ID are liable to be rejected.

The UPI Bidders must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Forms that do not contain the UPI ID are liable to be rejected. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs.

Since the offer is made under Phase III ASBA Bidders may submit the ASBA form in the manner below:

a. RIBs and NIIs (other than the UPI Bidders) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

b. UPI Bidders, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

c. QIBs and NIIs (not using the UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

d. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Banks, as applicable at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For Anchor Investors, the Anchor Investor Application is available with the Book Running Lead Managers.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions	Blue
Anchor Investors	White

** Excluding electronic Bid cum Application Forms Notes:*

(1) Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. The Equity Shares are being offered and sold only outside the United States in offshore transactions as defined in and in reliance on Regulation S.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including

UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by UPI bidders using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such UPI bidders for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the Book Running Lead Managers in the format and within the timelines as specified under the SEBI UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Bank(s) on a continuous basis.

Pursuant to NSE circular dated July 22, 2022 with reference no. 23/2022 and BSE circular dated July 22, 2022 with reference no. 20220722-30, has mandated that Trading Members, Syndicate Members, RTA and Depository Participants shall submit Syndicate ASBA bids above ₹500,000 and NII & QIB bids above ₹200,000, through SCSBs only.

For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date ("Cut-Off Time"). Accordingly, UPI Bidders Bidding using through the UPI mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Electronic registration of Bids

The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges.

1. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

2. On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.

3. Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further Processing.

Participation by Promoters, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoters, Promoter Group, BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the BRLMs" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoters and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders' agreement or voting agreement entered into with any of the Promoters or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoters or Promoter Group of our Company.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in Equity Shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI bidders through the UPI Mechanism to block their Non-Resident External Accounts ("NRE Account", or Foreign Currency Non- Resident Accounts ("FCNR Account", and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI bidders through the UPI Mechanism to block their Non-Resident Ordinary ("NRO" accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA NDI Rules. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules and a limit of 5% of the total paid-up capital of the Company on a fully diluted basis shall be applicable on investments by Eligible NRIs. In accordance with the FEMA NDI Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the members of the Indian company in a general meeting.

Eligible NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circulars). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circulars) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour).

For details of restrictions on investment by NRIs, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 422.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder/applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

(a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
(b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
(c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
(d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi-investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager;
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "**SEBI AIF Regulations**") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended ("**SEBI FVCI Regulations**") prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 2500.00 lakhs (subject to applicable laws) and pension funds with a minimum corpus of ₹ 2500.00 lakhs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Selling Shareholder in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and Selling Shareholder in consultation with the BRLMs, may deem fit.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 2,500.00 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason therefor.

Bids by Anchor Investors

In accordance with the SEBI ICDR Regulations, in addition to details and conditions mentioned in this section the key terms for participation by Anchor Investors are provided below. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the Book Running Lead Managers.

Except for Mutual Funds, AIFs or FPIs (other than individuals, corporate bodies and family offices) sponsored by entities which are associates of the Book Running Lead Managers or insurance companies promoted by entities which are associates of the Book Running Lead Managers, no Book Running Lead Manager or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an "associate of the Book Running Lead Manager" if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other, or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other, or (iii) there is a common director, excluding nominee director, among the Anchor Investors and the Book Running Lead Managers.

The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹1000.00 lakhs. A Bid cannot be submitted for over 60% of the QIB Category. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹1000.00 lakhs.

One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and will be completed on the same day.

Our Company, in consultation with the BRLMs may finalise allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

- maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹1000.00 lakhs;
- minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹1000.00 lakhs but up to ₹25,000.00 lakhs, subject to a minimum Allotment of ₹500.00 lakhs per Anchor Investor; and
- in case of allocation above ₹25,000.00 lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹25,000.00 lakhs, and an additional 10 Anchor Investors for every additional ₹25,000.00 lakhs, subject to minimum Allotment of ₹500.00 lakhs per Anchor Investor.

Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, will be made available in the public domain by the BRLMs before the Bid/Offer Opening Date, through intimation to the Stock Exchanges.

Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Offer Price will be payable by the Anchor Investors on the Anchor Investor pay-in date specified in the CAN. If the Offer Price is lower than the Anchor Investor Offer Price, Allotment to successful Anchor Investors will be at the higher price.

50% of the Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% shall be locked in for a period of 30 days from the date of Allotment.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Category will not be considered multiple Bids.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in this Red Herring Prospectus, when filed.

In accordance with RBI regulations, OCBs cannot participate in the Offer. Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company will, after filing this Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper, and the Hyderabad edition of Surya, a Telugu daily newspapers (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

Allotment Advertisement

Our Company, the Book Running Lead Managers and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: alla editions of Financial Express, an English national daily newspaper; all editions of Jansatta, a Hindi national daily newspaper; the Hyderabad edition of Surya, a Telugu national daily newspaper (Telugu also being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of thiss Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than UPI bidders using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. UPI Bidders using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;

4. UPI bidders using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;

5. UPI bidders using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;

6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;

8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the

Designated Intermediary at the Bidding Centre within the prescribed time;

9. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

12. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;

13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

14. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

21. UPI bidders using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner; Bidders (except UPI Bidders Bidding using the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA Account under the ASBA process.

22. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;

23. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilize the MIM structure and such bids have been made with different beneficiary account numbers, Client IDs and DP IDs.

24. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted

to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in ;

25. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

26. UPI Bidders using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;

27. UPI bidders using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

28. UPI bidders using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;

29. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices, which are recategorised as category II FPI and registered with SEBI, for a Bid Amount of less than ₹ 2.00 lakhs would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 2.00 lakhs would be considered under the Non-Institutional Category for allocation in the Offer; and

30. The ASBA Bidders shall ensure that bids above ₹ 5.00 lakhs, are uploaded only by the SCSBs;

31. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.

32. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid for a Bid Amount exceeding ₹ 2.00 lakhs (for Bids by Retail Individual Bidders) and ₹ 5.00 lakhs for Bids by UPI Bidders;

3. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

4. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;

5. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;

6. Do not submit the Bid for an amount more than funds available in your ASBA account.

7. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;

8. Anchor Investors should not Bid through the ASBA process;

9. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centers. If you are UPI Bidder and are using UPI Mechanism, do not submit the ASBA Form directly with SCSBs;

10. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA

Forms or to our Company;

11. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

12. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

13. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;

14. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

15. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;

16. Do not Bid for a Bid Amount exceeding ₹ 2.00 lakhs (for Bids by Retail Individual Investors);

17. In case of ASBA Bidders (other than 3-in-1 Bids), Syndicate Members shall ensure that they do not upload any bids above ₹ 5.00 lakhs.

18. Do not submit the General Index Register (GIR) number instead of the PAN;

19. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

20. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of UPI bidder using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;

21. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise or withdraw their Bids until the Bid/Offer Closing Date;

22. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;

23. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;

24. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

25. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

26. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a UPI bidder using the UPI Mechanism, do not submit Bids through an SCSB and/or mobile application and/or UPI handle that is not listed on the website of SEBI;

27. Do not submit a Bid using UPI ID, if you are not a UPI bidder;

28. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account (in case of Bids submitted by UPI bidder using the UPI Mechanism);

29. If you are a UPI bidder and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

30. Do not Bid if you are an OCB; and

31. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied

with.

In case of any pre-Offer or post Offer related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see "*General Information*" on page 73.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Net Offer to public may be made for the purpose of making allotment in minimum lots. The allotment of Equity Shares to applicants other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

Payment into Escrow Account

Our Company and the Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the Allotment Advice will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "NOVA AGRITECH LIMITED -ANCHOR R A/C"
(ii) In case of non-resident Anchor Investors: "NOVA AGRITECH LIMITED -ANCHOR NR A/C"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholder, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated November 09, 2018 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated June 22, 2022 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

(iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;

(iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(vii) that if our Company and the Selling Shareholder, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company and/or any of the Selling Shareholder subsequently decides to proceed with the Offer thereafter;

(viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and

(ix) that, except as disclosed in "*Capital Structure*" on page 82, no further issue of Equity Shares shall be made until the Equity Shares issued or offered through this Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under- subscription etc.

Undertakings by Selling Shareholder

The Selling Shareholder undertakes the following in respect his portion as a Selling Shareholder and his portion of the Offered Shares:

(i) that his portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;

(ii) that he is the legal and beneficial owner of, and has clear and marketable title to, his portion of the Offered Shares;

(iii) that he shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of his portion of the Offered Shares;

(iv) that he shall not have recourse to the proceeds of the Offer for Sale of his portion of the Offered Shares which shall be held in escrow in his favour, until final listing and trading approvals have been received from the Stock Exchanges; and

(v) that he will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to his portion ofthe Offered Shares.

(vi) he shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect

Utilisation of Offer Proceeds

Our Board certifies that:

- all monies received out of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;

- details of all monies utilized out of the Fresh Offer shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Offer, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 10.00 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 10.00 lakhs or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 50.00 lakhs or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The responsibility of granting approval for foreign investment under the FDI Policy and FEMA has been entrusted to the concerned ministries / departments.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India ("**DPIIT**") issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File Number 5(2)/2020-FDI Policy dated the October 15, 2020 ("**FDI Policy**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. For details, see "*Key Regulations and Policies*" on page 211.

In terms of Press Note 3 of 2020, dated April 17, 2020, issued by the DPIIT, the FDI Policy has been recently amended to state that all investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

As per the FDI policy, FDI in companies engaged in manufacturing sector is permitted up to 100% of the paid- up share capital of such company under the automatic route.

For details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on page 411.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulation.

SECTION VIII

DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

	Particulars	
1.	The regulations contained in Table 'F' of the First Schedule of the Companies Act, 2013 so far as they are applicable to Public Company limited by shares, shall apply to this Company save in so far as they are expressly or impliedly excluded by the following Articles.	TABLE 'F'
	The regulations for the management of the Company and for Company to be observance by the members thereto and their governed by Articles representatives, shall, subject to any exercise of the statutory powers of the Company with reference to the deletion or alteration of or addition to its regulations by resolution as prescribed or permitted by the Companies Act, 2013,be such as are contained in these Articles.	Company to be governed by Article
	Interpretation Clause	
2.	In these Articles:	Interpretation Clause
	(a) "Act" means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force and the term shall be deemed to refer to the applicable section thereof which is relatable to the relevant Article in which the said term appears in these Articles and any previous company law, so far as may be applicable. (b) "Annual General Meeting" shall mean a General Meeting of the holders of equity Shares held annually in accordance with the applicable provisions of the Act. (c)"Articles" means these articles of association of the Company or as altered from time to time. (d) "Auditors" means and includes those appointed as such for the time being by the Company in terms of provisions of the Companies Act, 2013 (e)"Board of Directors" or "Board", means the collective body of the directors of the Company nominated and constituted from time to time, in accordance with applicable Law and the provisions of these Articles. (e) "Board Meeting" shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles. (f) "Beneficial Owner" shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act 1996, as amended. (g) "Capital" or "Share Capital" shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company. (h) "Depositories Act" shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof. (i) "Depository" shall mean a depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act. (j)"Encumbrance" shall mean (k) encumbrance, including without limitation, any security interest, claim, mortgage, pledge, charge, hypothecation, lien, lease, assignment, deed of trust, title retention, deposit by way of security, beneficial ownership (including usufruct and similar entitlements), or any other similar interest held by a third Person, (ii) security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without	Definitions

	limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law, (iii) right of pre-emption, right of first offer, or refusal or transfer restriction in favour of any Person, or (iv) any adverse claim as to title, possession or use. (l) “Rules” means the applicable rules for the time being in force as prescribed under relevant sections of the Act. (m) “Seal” means the common seal of the Company. (n) “SEBI” mean the Securities and Exchange Board of India. (o) “SEBI Listing Regulations” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. (p) “Securities” means Securities as defines under the Act. (q))“The Company” or “this Company" means NOVA AGRITECH LIMITED (r)“Transfer” shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities (including convertible securities) or voting interests or any interest therein, and the word “Transferred” shall be construed accordingly. Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or the Rules, as the case may be.	
	Public Company	
3.	The company is a Public Company within the meaning of section 2(71) of the Companies Act, 2013 limited by shares.	Section 2(71)

	Share Capital	
4.	(i) The Authorised Share Capital of the Company shall be as specified in Clause V of Memorandum of Association of the Company with the power to reclassify, subdivide, consolidate, increase or reduce such capital from time to time in accordance with the Articles and as per the applicable laws for the time being in force in this regard and also with the power to divide the Shares in the capital for the time being into Equity Share Capital and Preference Share Capital and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act, these Articles and other applicable laws. (ii) Subject to the section 55 of the Companies Act 2013 and the applicable Rules made thereunder, the Company / Board shall have power to issue / allot shares, whether on preferential basis or otherwise, from time to time and the shares shall be under the control of the Directors who may allot or otherwise dispose off the same to such persons, on such terms and conditions and at such times as the Directors think fit. (iii) Subject to the provisions of the Act and these Articles, the Board may issue and allot shares in the capital of the Company on full payment or part payment for any property or assets of any kind whatsoever sold or transferred, goods or machinery supplied or for services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than for cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares, as the case may be. (iv) The Company may issue the following kinds of shares in accordance with these Articles, the Act, the Rules and other applicable laws: a)Equity share capital: b)Preference share capital	Share Capital and Kinds of Share Capital
5.	(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,— a) one certificate for all his shares without payment of any charges; or b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first. (ii) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, as amended from time to time, and the rules framed thereunder, if any. (iii) Every certificate shall specify the shares to which it relates and the amount paid-up thereon and shall be signed by two directors or by a director and the company secretary, wherever the company has appointed a company secretary. Provided that in case the company has a common seal it shall be affixed in the presence of the persons required to sign the certificate. (iv) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. (v) A certificate, issued under the common seal of the Company, specifying the	Issuance of Certificate

	shares held by any Person shall be prima facie evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of Depository shall be the prima facie evidence of the interest of the beneficial owner.	
6.	(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate, as may be fixed by the Board. (ii) The provisions of Articles (6) and (7) shall *mutatis mutandis* apply to debentures of the company.	Lost of Share Certificate
7.	Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
8.	(i) The Company may exercise the powers of paying commissions conferred by the Act, to any person in connection with the subscription to its securities, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Act and the Rules. (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in the Act and the Rules made under sub-section (6) of Section 40 of the Act.. (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.	Commission
9.	(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing, of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class, as prescribed by the Act. (ii) To every such separate meeting, the provisions of these Articles relating to general meetings shall mutatis mutandis apply but so that the necessary quorum shall be at least two persons holding at least one third of the issued shares of the class in question. (iii) The Company shall issue, when so required, receipts for all Securities deposited with it whether for registration, sub-division, exchange or for other purposes and shall not charge any fees for registration of transfers, for sub-division and consolidation of certificates and for sub-division of letters of allotment, renounceable letters of right, and split, consolidation, renewal and transfer receipts into denominations of the market unit of trading.	Rights Attached to Shares
10.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari-passu therewith.	Rights Attached to the shares

11.	Subject to the provisions of the Act, the Board shall have the power to issue or re-issue preference shares of one or more classes which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act.	
12.	(i) The Board or the Company, as the case may be, may, in accordance with the Act and the Rules, issue further shares to – (a) persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or (b) employees under any scheme of employees' stock option; or (c)any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.	Issuance of shares
13.	Where at any time, the Company proposes to increase its subscribed Capital by the issue of further shares, such shares shall be offered— (i) to Persons who, at the date of the offer, are holders of Equity Shares of the Company, in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares (ii) to employees under a scheme of employees' stock option (iii) to any Persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to the compliance with the applicable provisions of the Act and any other conditions as may be prescribed under Law. (iv) A further issue of securities may be made in any manner whatsoever as the board may determine including by way of preferential allotment or private placement subject to and in accordance with Companies Act and rules made thereunder with pricing method prescribed to listed entities under SEBI (Issue of Capital Disclosures and Requirements) Regulations, as amended from time to time, if applicable. (v) The Company may issue bonus shares by way of capitalization profits or out of securities premium or otherwise in accordance with the Act and the Rules and other applicable provisions for the time being in force	Issuance of shares
14.	The Company shall have power to issue sweat equity shares to its employees or directors for cash or against consideration (other than cash) for providing know-how or making available rights in the nature of intellectual property rights or value additions by whatever name called, subject to the provisions of Section 54 of the Act and any other related provisions as may be required for the time being in force.	Issuance of shares
15.	The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee stock option scheme, Employee stock purchase scheme or any other scheme, if authorized by the members in general meeting subject to the provisions of the Act, the Rules, applicable guidelines made there under and other applicable laws for the time being in force.	Issuance of shares
	Issuance of Securities	
16.	Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder and other applicable laws for the time being in force.	Issuance of Securities
	Debentures	

17.	Any debentures, debenture-stock or other securities may be issued at a discount (subject to the compliance with the provision of Section 53 of the Companies Act, 2013), premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination.	Debentures
18.	Subject to applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of securities) Rules, 2014 as amended from time to time.	Commission in accordance with Rules
19.	The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.	
	Lien	
21.	The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made— (a) unless a sum in respect of which the lien exists is presently payable; or (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.	Sale of Shares subject to Lien
22.	(i) To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof. (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer. (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.	Transfer Of Shares
23.	(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. (ii)The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. (iii) fully paid Shares shall be free from all lien and that in the case of partly paid Shares, the Company's lien, if any, shall be restricted to monies called or payable at a fixed time in respect of such shares	Proceeds from Transfer/Sale
24.	The provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures of the Company.	Mutatis mutandis apply to any other securities including debentures of the Company.

	Calls On Shares	
25.	(i) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call. (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares. (iii) The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call in respect of one or more members as the Board may deem appropriate in any circumstances. (iv) A call may be revoked or postponed at the discretion of the Board.	Call on Shares
26.	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by installments.	Resolution for call on Shares
27.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	Liability of Joint-Holders
28.	(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine. (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.	Failure in case of non-payment of call
29.	(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. (ii) In case of non-payment of such sum, all the relevant provisions of these articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.	Liability on shares
30.	The Board— (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board. Nothing contained in this clause shall confer on the member any right to participate in profits or dividends or any voting rights in respect of the monies so paid by him until the same would, but for such payment become presently payable by him.	Advance on Shares
31.	The provisions of these Articles relating to calls shall mutatis mutandis apply to any other securities including Debentures of the Company.	Mutatis Mutandis
31A	(i) Every holder of securities of a company may, at any time, nominate, in the prescribed manner, any person to whom his securities shall vest in the event of his death. (ii) Where the securities of a company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, any person to whom all the rights in the securities shall vest in the event of death of all the	

	joint holders. (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the securities of a company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the securities of the company, the nominee shall, on the death of the holder of securities or, as the case may be, on the death of the joint holders, become entitled to all the rights in the securities, of the holder or, as the case may be, of all the joint holders, in relation to such securities, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. (iv) Where the nominee is a minor, it shall be lawful for the holder of the securities, making the nomination to appoint, in the prescribed manner, any person to become entitled to the securities of the company, in the event of the death of the nominee during his minority. (v) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.	Nomination Clause
	Transfer of shares	
32.	(i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.	Transfer Of Shares
33.	The Board may, subject to the right of appeal conferred by the Section 58 of the Act, declines to register— (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the company has a lien. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other Document.	Board Discretion to Transfer Shares
34.	The Board may decline to recognize any instrument of transfer unless— (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares. Provided that where it is proved to the satisfaction of the Board that an instrument of transfer signed by the transferor and transferee has been lost or the instrument of transfer has not been delivered within the prescribed period, the Company may register the transfer on such terms as to indemnify as the Board may think fit.	Instrument of Transfer
35.	In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.	Instrument Of Transfer
36.	On giving of previous notice of at least seven days or such lesser period in accordance with section 91 and rules made there under, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.	Notice for transfer of Shares
37.	Subject to the provisions of Section 59 of Companies Act, 2013, these Articles and any other applicable provisions of the Act for the time being in force, the	

	Board may decline to register any transfer of Shares on such grounds as it think fit in the benefit of the company (notwithstanding that the proposed transferee be already a Member), but in such case it shall, within two (2) months from the date the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer giving reasons for such refusal. Provided that registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.	Refusal to Register Transfer
38.	The Board may delegate the power of transfer of Securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s). Provided that the delegated authority shall report on transfer of Securities to the Board in each meeting.	Delagation Power
39.	The provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	Mutatis mutandis provision
	Transmission Of Shares	
40.	(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares. (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.	Transmission of Securities
41.	(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either— (a) to be registered himself as holder of the share; or (b) to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member. (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.	Transmission of Securities
42.	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.	Indemnity Clause
43.	(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects. (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share. (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.	Registration of Transmission
44.	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings	Rights of member pursuant to Registration of Tramission

	of the company: Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.	
45.	The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other Securities including debentures of the Company.	Mutatis mutandis apply to any other Securities including debentures of the Company.
46.	In case of transfer and transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.	Depositories act
	Forfeiture of shares	
47.	If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.	Forfeiture Of Shares
48.	The notice aforesaid shall— (i) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	Notice in case of failure to pay Call Money
49.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	Forfeiture in case of non-compliance
50.	(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	Disposal of Shares pursuant to Forfeiture
51.	(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares. (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.	Ceasation Of Member pursuant to Forfeiture
52.	(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; (ii) The company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of; (iii)The transferee shall thereupon be registered as the holder of the share; and (iv)The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.	
53.	Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	

54.	The Board may, subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	Surrender of Shares
55.	The provisions of these articles as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	Forfeiture Clause
56.	The provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	Mutatis Mutandis Provision
	Alteration of capital	
57.	The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in there solution.	Resolution for Increase of Share Capital
58.	Subject to the provisions of section 61, the company may, by ordinary resolution, — (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; (iii) sub-divide its existing shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so however, that in the sub-division on the proportion between the amount paid and the amount, if any, unpaid, on each reduced share shall be the same as it was in the case of the shares from which the reduced share is derived; (iv) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.	Consolidation, Sub-divison and Reduction and Cancellation of shares
59.	Where shares are converted into stock, — (i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. (iii) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.	Conversation of Shares into Stock
60.	The company may, by a special resolution, as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act and the Rules, — (i) its share capital; and/or (ii) any capital redemption reserve account; and/or (iii) any securities premium account; and/or (iv) any other reserve in the nature of share capital. and in particular may pay off any paid-up Share Capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum of Association by reducing the amount of its Share Capital and of its shares accordingly.	Reduction of Share Capital

	Dematerialisation of Securities	
61.	(i) Definitions For the purpose of this Article: (a) '**Beneficial Owner'** means a person or persons whose name is recorded as such with a depository; (b) '**SEBI**' means the Securities and Exchange Board of India; **(c) "Depository"** shall mean a depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act. (ii) Subject to the provisions of the Act and Rules made thereunder the Company may offer its Members facility to hold securities issued by it in dematerialized form. (iii)Notwithstanding anything contained in the Articles, the Company may in accordance with the provisions of the Depositories Act, 1996, be entitled to dematerialise its securities, debentures and other marketable securities in accordance with the applicable law and/or regulations promulgated from time to time. (iv) Every person subscribing to securities offered by the Company may have the option to receive security certificates or to hold the securities with a Depository. The Beneficial Owner of the securities may at any time opt out of holding the securities with a Depository, in the manner provided by the Depositories Act, 1996; and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificates of Securities. (v) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the Beneficial Owners. (vi)Notwithstanding anything to the contrary contained in the Act or these articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner. (vii) Save as otherwise provided in (iv) above, the depository as the registered owner of the securities shall not have any rights or any other rights in respect of the securities held by it. (viii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member/ shareholder of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository. (ix) Notwithstanding anything contained in the Act or the Articles to the contrary, where securities are held in Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs or any other drive. (x) The Register and Index of Beneficial Owners maintained by a Depository under section 11 of the Depositories Act, 1996 shall be deemed to be the corresponding Register and Index of Members and Security holders for the purpose of the Articles. The Company shall cause to be kept a register of members and index of members indicating separately for each class of equity and preference shares held by each member residing in or outside India, register of debentures and register of any other security holders either in in physical form or in electronic form. (xii) The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. (xiii) Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of the physical papers.	Dematerialisation provision

	(xiv) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act. (xv) The Company shall intimate such Depository the details of allotment of share to enable the Depository to enter in its records the name of such person as the beneficial owner of that share. (xvi) The provisions of these Articles shall mutatis mutandis apply to securities other than shares and any reference to member herein shall apply to the holder of the concerned security. (xvii) Persons appearing as beneficial owners as per the register maintained by the Depository shall be entitled to covered thereby and the Depository shall be the registered owner of such shares only for the purpose of effecting transfer of ownership of such shares on behalf of the beneficial owner. (xviii) The members shall bear all charges of the depository participant. (xix) If a member having dematerialised his holdings of shares opts for rematerialisation of his holding of shares or a part thereof, share certificates will be issued to him on a written request received for that purpose through the depository participant. (xx) The dematerialized shares can be transferred / transmitted as per rules of the Depository (xxi) The records of members holding as maintained by the Depository and depository participants shall be the basis for all purpose of holdings of the members, who have opted for the dematerialization. (xxii) There will be no distinctive numbers for the dematerialised shares.	
	Capitalization of profits	
62.	(i) The company in general meeting may, upon the recommendation of the Board, resolve— (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards— (a) paying up any amounts for the time being unpaid on any shares held by such members respectively; (b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid; (c) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause(B); (d) A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares; (e)The Board shall give effect to the resolution passed by the company in pursuance of this article.	Capitalization of profits

63.	(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall— (a) make all appropriations and applications of the amounts resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and (b) generally do all acts and things required to give effect thereto. (ii) The Board shall have power— (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and (b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares; (iii) Any agreement made under such authority shall be effective and binding on such members. The Company shall not use revaluation reserves for issue of bonus Shares.	Capitalization of profits
	Buy-back of shares	
64.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 of the Act read with the Rules made thereunder from time to time, and as may be prescribed by the SEBI and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.	Buy-Back provision
	General meetings	
65.	(i) In accordance with the provisions of the Act, the Company shall in each year hold Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. All general meetings other than annual general meeting shall be called extraordinary general meeting. (ii) No General Meeting shall be held unless at least 21 clear days prior written notice, or shorter written notice in accordance with the Act, of that meeting has been given to each Member as per the provisions of the Act; provided that any General Meeting, may be called after giving shorter notice than the notices required above, if consent thereto is accorded, in the case of any other meeting, by Members of the Company majority in number and representing / holding not less than 95% of the paid-up Share Capital which gives the right to vote to such Members. In General Meeting, only such agenda will be considered as is specified in the notice to the Members with respect to such meetings. (iii) Notwithstanding anything contained in this Act or these Articles, the a Company— (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and (b) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a General Meeting. (c) If a resolution is assented to by the requisite majority of the Shareholders by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting convened in that behalf.	AGM

66.	(i) The Board may, whenever it thinks fit, call an extraordinary general meeting. (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.	Extra-Ordinary General Meeting
	Proceedings at general meetings	
67.	No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.	Quorum
68.	(i) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103. (ii) The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company. (iii) If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting. (iv) If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, choose one of their members to be Chairperson of the meeting. (v) On any business at any general meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairperson shall have a second or casting vote.	Provision relating to Chairperson of the Meeting
	Adjournment of meeting	
69.	(i) The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same day in the next week at same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called. (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	Adjournment of Meeting
	Voting rights	
70.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.	Voting Clause
71.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	Voting by Electronic means
72.	(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Voting by Joint-Holders

73.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy. If any member be a minor, the vote in respect of his share or shares shall be by his guardian or any one of his guardians.	Voting by Lunatic, unsound mind, minor, Legal guardian
74.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall duly satisfy the Board of his right to such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.	Transmission Clause
75.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	Voting by means of Poll
76.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid or in regard to which the company has exercised any right of lien.	Voting subject to shares fully Paid-up
77.	(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	
	Proxy	
78.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxy Clause
79.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	Instrument of Proxy
80.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.	Vote by Proxy
81.	Passing Resolutions By Postal Ballot (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot. (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time and applicable Law.	Postal Ballot Clause

	Board of Directors	
82.	Unless otherwise determined by the Company in general meeting, the number of directors shall not be less than 3 (three) and shall not be more than 15 (Fifteen). The Company shall also comply with the provisions of the Act, and the rules made there under and the provisions of the SEBI Listing Regulations with respect to constitution of the Board. The First Directors of the Company are: a. Sambasiva Rao Yeluri. b. Kalyana Chakravarthy Bodduluri.	Number of Directors
83.	The same individual may, at the same time, be appointed as the Chairperson of the Company as well as the Managing Director or Chief Executive Officer of the Company.	Chairperson, CEO & Managing Director
84.	(i) Subject to the provisions of the Act, the Company may pay any remuneration, as determined by the Board of Directors / General Meeting to all or any of its Directors for the services rendered by them / him in day to day management of the affairs of the company or any other type of services, whether professional in nature or not, for any of the purposes of the company, either by a fixed sum on monthly or annual basis and / or perquisites and / or a percentage of the profits or otherwise as may be determined by the Board or the members in General Meeting in accordance with the Act. (ii) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. (iii)The remuneration payable to the directors, including any managing director or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act and rules made there under and provisions of the SEBI Listing Regulations. (iv) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— (a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or (b) in connection with the business of the company.	Payment of Remuneration to Directors
85.	Every Director shall be paid a sitting fee of such sum and subject to the ceiling as may be prescribed by the Central Government from time to time for each meeting of the Board of Directors or of any Committee thereof attended by such director. The Board may, from time to time, decide quantum of sitting fees payable to a director for attendance at the Board Meeting or of any Committee thereof within the overall maximum limits prescribed apart from travelling and other expenses at discretion of Board.	Sitting fees Clause
86.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	
87.	(i) Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles. (ii) Such person, subject to applicable laws, rules or regulations, shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.	Additional Director appointment

88.	(i) The Board may appoint an alternate director to act for a director (hereinafter in this Article called "the Original Director") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act. (ii) An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. (iii) If the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original director, and not to the alternate director.	Alternate Director Appointment
89.	(i) If the office of any director appointed by the Company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board of Directors at a meeting of the Board which shall be subsequently approved by members in the immediate next general meeting. (ii) The director so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.	Causal Vacancy
90.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.	Exercise of power pursuant to section 88
91.	The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under the SEBI Listing Regulations. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.	Independent Directors Appointment
92.	(a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects. (b) The Company shall in respect of each of its Directors and key managerial personnel keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.	Registers
	Independent Director	
93.	The Board of Directors may appoint such number of Independent Directors as may be required to be appointed under Act, and under SEBI Listing regulations as amended from time to time.	Independent Director Appointment Clause
94.	(i) Independent directors shall possess such qualification as required under the act and under SEBI Listing regulations as amended from time to time. (ii) Independent Director shall be appointed for such period as prescribed under relevant provisions Act, Schedules thereof under SEBI Listing regulations as amended from time to time.	Qualification of Independent Director
	Powers of Board	
95.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to	Powers of Board

	time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.	
	Proceedings of the Board	
96.	(i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit. (ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board. (iii) The quorum for a Board meeting shall be as provided in the Act and as provided in SEBI Listing regulations and directors participating through electronic mode in a meeting shall be counted for the purposes of quorum. (iv) The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio-visual means or any other mode as may be permitted by the Act and Rules. (v) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency.	Proceedings at the meeting
97.	(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.	Voting and Decision making
98.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.	Quorum to be maintained
99.	(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their members to be Chairperson of the meeting. (iii) Any Director so appointed to the office of Chairperson shall not be deemed to have vacated the said office of Chairperson, by reason only that he retires or vacates at any Annual General Meeting of the Company and is re-elected at the same meeting.	Chairperson at the meeting
100.	(i) The Board of the Company shall in accordance with act, rules or any other Law and the provisions of the SEBI Listing Regulations, as amended from time to time, form such committees as may be required in the manner specified therein, if the same are applicable to the Company. (ii) The participation of directors in a meeting of the committee may be either in person or through video conferencing or audio visual means or any other mode as may be permitted by the Act and Rules and the SEBI Listing regulations.	Formation of \various Board Committees
101.	(i) A committee may elect a Chairperson of its meetings. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.	Election of Chairperson of the meeting
102.	(i) A committee may meet and adjourn as it thinks fit. (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson of the committee shall have a second or casting vote. (iii) All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them	Proceedings at the meeting

	were disqualified or that his or their appointment had terminated, be as valid as if every such director or such person had been duly pointed and was qualified to be a director.	
103.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by a majority of the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.	Notice
104.	The Company shall prepare and maintain minutes of Meeting of the Board, Committees and shareholder as per the provisions of the Act and other applicable provisions, as amended from time to time.	Minutes clause
	Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer	
105.	Subject to the provisions of the Act,— (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company Secretary or chief financial officer so appointed may be removed by means of a resolution of the Board (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer. In case no chief executive officer is appointed by the Company or the office of chief executive officer become vacant, the Managing Director or any of the whole time Directors (as the Board may determine), as the case may be deemed to be chief executive officer of the Company. (iii)A provision of the Act or these regulations requiring or authorizing a thing to be done by or to a Director and chief executive officer, manager, Company Secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, chief executive officer, Manager, Company Secretary or chief financial officer.	Appointment Clause
	Managing Director/ Whole- Time Director/ Executive Director	
106.	Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full-time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairperson of the Board as the Managing Director / whole time director or executive director of the Company.	Appointment and Remuneration
107.	Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall, subject to the provisions of any contract between such director and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the. Company	Appointment and Resignation Clause
107A	Except Managing Director of the company, all other directors excluding Independent Directors are liable to retire by rotation.	Retirement By Rotation
108.	Subject to the provisions of section 179 and 180 of the Companies Act, 2013, the Managing Director of the Company, if any, shall be empowered to carry on the day to day business affairs of the Company. The Managing Director shall have the general control, management and superintendence of the business of the Company with power to appoint and to dismiss employees and to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform	Powers of Managing Director

	all other acts, deeds and things which in the ordinary course of business may be considered necessary/proper or in the interest of the Company.	
	Powers to Borrow	
109.	(i) The Board of Directors may from time to time but with consent of the Company in general meeting as may be required under section 180 of the Companies Act, 2013 read with rules made thereunder, by a resolution passed at a Meeting of the Board raise any money or any monies or sums of money for the purpose of the Company; provided that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company‘s bankers in the ordinary course of business) shall not, without the sanction of the Company at a General Meeting, exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set-apart for any specific purpose and in particular but subject to the provisions of Section 180 of the Act and the rules made thereunder. The Board may, from time to time, at its discretion raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company, at such times and in such manner and upon such terms and conditions as they deem fit by the issue of debt instruments, debentures, or perpetual annuities, debenture stock, promissory notes, or by opening current accounts, or by receiving deposits and advances with or without security, or by issue of bonds and in security of any such money so borrowed, raised or received, to mortgage, pledge or charge, the whole or any part of the undertaking property, rights, assets, or revenue of the Company, present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities in accordance with the acts, rules and regulations as applicable to the Company. (ii) Provided that the Directors may by resolution at a meeting of the Board delegate the power to borrow money otherwise than on debentures to a Committee of Directors or the Managing Director or Whole-Time Director or Manager subject to the limits upto which the money may be so borrowed as may be specified in the said resolution. (iii) To the extent permitted under the applicable Law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and the same shall be in the interest of the Company. (iv) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into equity shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into equity shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.	Borrowing power Clause
	Registers	
110.	(i) The Company shall keep and maintain at its registered office or at any other place in India as may be permitted by the Act and rules, all statutory registers including, register of charges, register of members, register of debenture holders, register of any other security holders, the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the	Registers

	Rules. (ii) In accordance to the provisions of Section 94 of the Act, the registers required to be kept and maintained by a company under section 88 and copies of the annual return filed under section 92 may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a General Meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance. Provided further that the period for which the registers, returns and records are required to be kept shall be such as may be prescribed under the Act. (iii). The Register and index of beneficial owner maintained by a Depository under Section 11 of the Depositories Act shall also be deemed to be the Register and index of members/debenture holders/other security holders for the purpose of the Act and any amendment or re-enactment thereof. (iv). The Company may exercise the powers conferred on it by Section 88 of the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register. (v) The registers and copies of annual return shall be open for inspection during business hours on all working days, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed by the Rules.	
	The Seal	
111.	(i) The Company may have common seal and the Board shall provide for the safe custody of the seal. (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the manager, if any, or of the secretary or such other person as the Board may appoint for the purpose; and such director or manager or the secretary or other person aforesaid may sign every instrument to which the seal of the company is so affixed in their presence.	Common Seal of the Company
	Dividends and Reserve	
112.	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.	Dividend Declaration
113.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times, as it may think fit.	Dividend Declaration
114.	(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit. (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	Dividend Declaration
115.	(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares. (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share. (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period	Dividend Clause

	in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.	
116.	(i) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company. (ii) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
117.	(i) Any dividend, interest or other monies payable in cash in respect of shares maybe paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct. (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.	Mode of Payment of Dividend
118.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	
119.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	Notice
120.	No dividend shall bear interest against the company.	Interest On Dividend
	A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the Shares held by him in the Company. However, the Shareholder cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on Share(s).	
	Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'. Any money transferred to the 'Unpaid Dividend Account' of a company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under Section 125 of the Act. [There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law].	
	All Shares in respect of which the Dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.	
	The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company.	
	Accounts	
121.	"The Board shall cause proper books of account to be maintained under Section 128 and other applicable provisions of the Act.	Accounts

122.	(i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors. (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorized by the Board or by the company in general meeting. (iii) Directors are entitled to examine the books, accounts and records of the Company in accordance with the provisions of the Act.	Inspection of Books of Accounts
	Winding up	
123.	Subject to the applicable provisions of the Act and the Rules made thereunder -— (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not. (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.	Winding-up
	Constructive Notice	
124.	The Article of Association is a public document and the person performing business or investing in the company is considered to be fully aware of the rules and regulations of the company.	Constructive Notice
	Indemnity	
125.	(i) Subject to the provisions of the Act, every director managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such director, manager, company secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such director, manager, company secretary or officer or in any way in the discharge of his duties in such capacity including expenses. (ii) Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court. (iii) The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.	Indemnification

The erstwhile Articles of Association, containing Article 1 - 97 was replaced by new set of Articles of Association containing Article 1 to 125 vide a Special Resolution by the Shareholders of the Company in the Extra-ordinary General Meeting held on 11th day of February 2023

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts, which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be, deemed material, will be attached to the copy of this Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the below mentioned documents and contracts, and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office at Sy. No 251/A/1, Singannaguda Vilage , Mulugu Mandal, Siddipet, Medak, Telangana -502279 between 10 a.m. and 5 p.m. and will also be available at https://www.novaagri.in/material-contracts-documents/ on all Working Days from date of this Red Herring Prospectus until the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company, or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated February 28, 2023 amongst our Company, the Selling Shareholder and the BRLMs.

2. Registrar Agreement dated February 28, 2023 amongst our Company, the Selling Shareholder and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated January 12, 2024 amongst our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Syndicate Members and the Banker to the Offer.

4. Share Escrow Agreement dated January 12, 2024 amongst our Company, the Selling Shareholder and the Share Escrow Agent.

5. Syndicate Agreement dated January 12, 2024 amongst our Company, the Selling Shareholder, the BRLMs and the Syndicate Members and the Registrar to the Offer.

6. Underwriting Agreement dated [●], 2024 amongst our Company, the Selling Shareholder and the Underwriters.

7. Monitoring agency agreement dated December 28, 2023 amongst our Company and the Monitoring Agency.

B. Material Documents

1. Certified copies of the MoA and AoA of our Company, as amended from time to time.

2. Certificate of incorporation dated May 9, 2007 and consequent to change in name and fresh certificate of incorporation dated September 24, 2018 conversion into a public company.

3. Resolution of the Board and Shareholders dated February 27, 2023 and March 01, 2023, respectively, in relation to the Offer and other related matters.

4. Board resolutions dated February 27, 2023 and December 26, 2023 respectively for approving total estimated cost to be utilized from the Net Proceeds.

5. Resolutions of our Board dated March 03, 2023 and January 12, 2024 approving the Draft Red Herring Prospectus and this Red Herring Prospectus for filing with the SEBI and Stock Exchanges.

6. Copies of the annual reports of our Company for the Financial Years 2023, 2022 and 2021.

7. The examination report of the Statutory Auditor dated December 26, 2023, on our Restated Financial Information, included in this Red Herring Prospectus along with the Restated Financial Information.

8. Copy of the Audited financial statements for the six months period ended September 30, 2023.

9. The report on Statement of Tax Benefits dated December 26, 2023 issued by the Statutory Auditors.

10. Board resolutions dated November 13, 2021 and September 02, 2023, respectively and shareholder's resolutions dated November 30, 2021 and September 30, 2023 respectively for appointment of the Executive Directors including the terms of appointment.

11. Consent letter dated February 27, 2023 provided by the Selling Shareholder consenting to participate in the Offer for Sale.

12. Written consent of the Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the BRLMs, the Syndicate Members, Legal Counsel to our Company, lenders to our Company, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Bank(s), Refund Bank(s), Sponsor Bank, Bankers to our Company and the Monitoring Agency as referred to in their specific capacities.

13. Consent from CARE Analytics and Advisory Private Limited, dated January 02, 2024, in relation to the industry report titled "Report on Crop Nutrition and Crop Protection Industry"

14. Certificate on KPIs issued by our Statutory Auditors namely NVSR & Associates, LLP dated December 26, 2023

15. Consent letter dated December 26, 2023 of the Statutory Auditor to include their name as an expert in relation to their examination reports dated December 26, 2023 on the Restated Financial Information and the report on Statement of Tax Benefits dated December 26 , 2023 included in this Red Herring Prospectus.

16. Consent and certificate dated December 09, 2023 from V. Vishwanath Murthy, Chartered Engineer, to include his name as an "expert" as defined under Section 2(38) and other applicable provisions of the Companies Act, 2013

17. Industry Research Report titled "Report on Crop Nutrition and Crop Protection Industry" issued by CARE Analytics and Advisory Private Limited dated January 02, 2024.

18. Due diligence certificate dated March 03, 2023 addressed to SEBI from the BRLMs.

19. In- principle approvals dated June 01, 2023 and May 31, 2023 issued by BSE and NSE, respectively.

20. Tripartite agreement dated November 9, 2018 between our Company, NSDL and the Registrar to the Company.

21. Tripartite agreement dated June 22, 2022 between our Company, CDSL and the Registrar to the Company.

22. SEBI final observation letter bearing reference number SEBI/HO/CFD/RAC/DIL-1/EB/SM/OW/2023/25968/1 and dated June 26, 2023.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I, Adabala Seshagiri Rao hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Name: **Adabala Seshagiri Rao**
Chairperson and Independent Director

Place: Hyderabad, Telangana, India
Date: January 12, 2024

DECLARATION

I, Malathi S hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Name: **Malathi S**
Whole-Time Director

Place: Hyderabad, Telangana, India
Date: January 12, 2024

DECLARATION

I, Kiran Kumar Atukuri hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Name: **Kiran Kumar Atukuri**
Managing Director

Place: Hyderabad, Telangana, India
Date: January 12, 2024

DECLARATION

I, Nadella Basanth Kumar hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Name: **Nadella Basanth Kumar**
Whole-Time Director

Place: Hyderabad, Telangana, India
Date: January 12, 2024

DECLARATION

I, Sreekanth Yenigalla hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Name: **Sreekanth Yenigalla**
Whole-Time Director

Place: Hyderabad, Telangana, India
Date: January 12, 2024

DECLARATION

I, Ramesh Babu Nemani hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Name: **Ramesh Babu Nemani**
Independent Director

Place: Hyderabad, Telangana, India
Date: January 12, 2024

DECLARATION

I, Kandula Swapna hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Name: **Kandula Swapna**
Independent Director

Place: Hyderabad, Telangana, India
Date: January 12, 2024

DECLARATION

I, Adapa Kiran Kumar hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Name: **Adapa Kiran Kumar**
Independent Director

Place: Hyderabad, Telangana, India
Date: January 12, 2024

DECLARATION

I, Gunupudi Kamoji Srinivas hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, and the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Name: **Gunupudi Kamoji Srinivas**
Chief Financial Officer

Place: Hyderabad, Telangana, India
Date: January 12, 2024

DECLARATION

I, Nutalapati Venkatasubbarao acting as a Selling Shareholder, hereby certify and confirm that all statements, disclosures and undertakings made or confirmed by me in this Red Herring Prospectus in relation to myself, as a Selling Shareholder and my respective portion of the Offered Shares, are true and correct. I assume no responsibility, as a Selling Shareholder, for any other statements, including statements, disclosures, and undertakings, including any of the statements made or confirmed by or relating to the Company or any other Selling Shareholder or any other person(s) in this Red Herring Prospectus.

.

SIGNED BY THE SELLING SHAREHOLDER TO THE OFFER

____

Nutalapati Venkatasubbarao
Place: Hyderabad, Telangana, India
Date: January 12, 2024