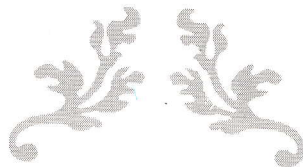




AGRI SCIENCES PVT. LTD

CIN : U01403TG2010PTC068405 GSTIN No. : 36AADCN9236F2ZC



# 13<sup>TH</sup> ANNUAL REPORT

2022-23

## *NOVA AGRI SCIENCES PRIVATE LIMITED*



Sy.No. 251/A, Singannaguda (V), Mulugu (M), Siddipet (Dist.) - 502 279, Telangana

+91-8454-253446

+91-9121789789



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CIN : U01403TG2010PTC068405 GSTIN No. : 36AADCN9236F2ZC

## Corporate Information

### Board of Directors:

|                                        |                      |                                         |
|----------------------------------------|----------------------|-----------------------------------------|
| Kiran Kumar Atukuri<br>(DIN: 08143781) | Director             |                                         |
| Sambasivarao Yeluri<br>(DIN: 02311336) | Director             | Ceased to be Director w.e.f. 14.11.2022 |
| Pullela Ajay Babu<br>(DIN: 07227687)   | Director             | Cessation 31.12.2022                    |
| Ramesh Babu Nemani<br>(DIN: 08089820)  | Independent Director | Appointed w.e.f. 24.08.2022             |
| Rajesh Cherukuri<br>(DIN: 09840611)    | Whole Time Director  | Appointed w.e.f. 02.01.2023             |

**Corporate Identity Number:** U01403TG2010PTC068405

### Registered Office:

Sy.No.251/A/1., Singannaguda Village  
Mulugu Mandal Siddipet  
Medak TG 502279 IN

E-Mail: nova.agritech@gmail.com

### Statutory Auditors:

M/s. NSVR and Associates LLP, Chartered Accountants,  
FRN: 008801S/S200060

Address: House No. 1-89/1/42, 2<sup>nd</sup> Floor,  
Plot No. 41 & 43, Sri Ram Nagar Colony,  
Kavuri Hills, Guttala Begumpet, Madhapur  
Hyderabad-500081, Telangana.

Ph: 040 – 23391164,

E-mail: info@nsvr.in



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## NOVA AGRI SCIENCES PRIVATE LIMITED

CIN: U01403TG2010PTC068405,

Email ID: [nova.agritech@gmail.com](mailto:nova.agritech@gmail.com), Ph. No. 09177985789

**Regd. Office:** Sy.No.251/A/1., Singannaguda Village Mulugu Mandal Siddipet  
Medak 502279, Telangana

### NOTICE

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting of the members of 'NOVA AGRI SCIENCES PRIVATE LIMITED' ("THE COMPANY") will be held on Saturday, the 30<sup>th</sup> day of September 2023 at 03.00 P.M. at its registered office situated at Sy.No.251/A/1, Singannaguda Village Mulugu Mandal Siddipet, Medak TG 502279 IN, for transacting the following business:

### ORDINARY BUSINESS:

1. Adoption of Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023 and the reports of the Auditors and Board of Directors thereon.

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

"**RESOLVED THAT** pursuant to the provisions of section 129 and all other applicable provisions of the Companies Act, 2013 and Rules made there under the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2023, together with the Report of the Board of Directors and the Auditors thereon, be and are hereby considered, approved and adopted."

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



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2. To Appoint a director in place of Mr. Kiran Kumar Atukuri (DIN: 08143781) who retires by rotation, and being eligible offers himself for re-appointment:

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

**"RESOLVED THAT** Mr. Kiran Kumar Atukuri (DIN: 08143781), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby appointed as Director of the Company, liable to be retire by rotation."

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

3. Re-Appointment of Statutory Auditors of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force), **M/s N S V R & Associates LLP, Chartered Accountants (FRN: 008801S/S200060)**, Hyderabad be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of 5 (five) years commencing from the conclusion of this 13<sup>th</sup> Annual General Meeting of the Company till the conclusion of the 18<sup>th</sup> Annual General Meeting to be held in the year 2028, for conducting audit for the Financial 2023-2024 to 2027-2028, and the Board of Directors are further authorized to finalize the terms and conditions of re-appointment, including remuneration of the statutory auditor.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company are authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."





**SPECIAL BUSINESS:**

**4. Ratification of Remuneration of Cost Auditors:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactments thereof and pursuant to the recommendation of the Audit Committee, the remuneration payable to **M/s M P R & Associates**, Cost Accountants (Firm Reg. No. 000413) appointed by the Board of Directors as the Cost Auditor of the company to conduct the audit of the cost records maintained by the company for financial year commencing on 01 April 2023 and ending on 31 March 2024, amounting to Rs.30,000/- (Thirty Thousand Rupees Only) exclusive of GST as may be applicable and out of pocket expenses if any, be and is hereby ratified.”

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

**5. Approval of Material Related Party Transactions for the Year 2023-24:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 188 and other provisions, if any of the Companies Act, 2013 (the Act) read with Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 based on the recommendation of the Board of Directors, consent of the Members of the Company be and is hereby accorded to enter into and/or carry out and/or continue contract(s)/ arrangement(s)/ transaction(s) with ‘Related Parties’ within the definition as per Section 2(76) of the Act and ruled made thereunder such that the maximum value of transaction(s) does not exceed as specified and detailed in the table forming part of the Explanatory Statement, annexed hereto in the ordinary course of business and at arm’s length basis, and on such terms and conditions as mutually agreed between such related party and the Company.”







AGRI SCIENCES PVT. LTD

CIN : U01403TG2010PTC068405 GSTIN No. : 36AADCN9236F2ZC

**“RESOLVED FURTHER THAT** all actions taken by the Board (which term shall deem to include any Committee of the Board) or any person so authorised by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects.”

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

Date: 30.08.2023

Place: Singannaguda

By Order of the Board  
For NOVA AGRI SCIENCES PRIVATE LIMITED



Kiran Kumar Atukuri  
Director

DIN: 08143781

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CIN : U01403TG2010PTC068405 GSTIN No. : 36AADCN9236F2ZC

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE 13<sup>TH</sup> ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON HIS / HER BEHALF ONLY ON A POLL. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY, INORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.
2. As required under SS-2 issued by the ICSI, a route map, including a prominent landmark, showing directions to reach the AGM venue is annexed to the Annual Report.
3. Pursuant to Section 113 of the Companies Act, 2013 and Rules framed there under, the corporate members intending to send their authorized representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution and Power of Attorney, if any, authorizing their representative(s) to attend and vote, on their behalf, at the AGM.
4. The Ministry of Corporate Affairs (MCA), Government of India has introduced a 'Green initiative in Corporate Governance' by allowing paperless compliances by the Companies for service of documents to their Members through electronic mode, which will be in compliance with Section 20 of the Companies Act, 2013 and Rules framed there under.
5. Members are requested to bring and produce the Attendance Slip duly signed as per the specimen signature recorded with the Company for admission to the AGM venue.



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## EXPLANATORY STATEMENT

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

### **ITEM NO. 4:**

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

The Board of Directors of the Company at its meeting held on 30 August 2023, considered and approved the appointment of M/s M, P R & Associates, Cost Accountants (Firm Reg. No. 000413) as the cost auditor for the financial year 2023-24 at a remuneration of Rs. 30,000/- per annum plus applicable taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditor for the year 2023-24.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set forth at Item No. 4 of the Notice for approval by the Members.

### **ITEM NO. 5:**

Pursuant to Regulation 23(4) of SEBI (LODR) Regulations, 2015, all material Related Party Transactions of Material Subsidiaries require the approval of the shareholders. However, the said approval of shareholders for material Related Party Transactions is not required for the transactions entered into between a holding company and its wholly-owned subsidiary, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval, in terms of Regulation 23(5) of SEBI (LODR) Regulations, 2015.



The company being material subsidiary of Nova Agritech Limited and in view of the changes in the threshold for determining the related party transactions that require prior shareholder approval, and considering the fact that the list of related parties will change dynamically with no action on the part of the Company, and to facilitate seamless contracting and rendering/availing of products and services between the Company and related parties, the Company seeks the shareholders' approval for the said transactions by way of Ordinary Resolution, to approve entering into contracts/arrangements within the thresholds and conditions mentioned below.

**The particulars of Material Related Party Transactions are as follows:**

[Amounts are in INR Lakhs]

| Related Party Transactions u/s Section 188(1) of the Companies Act, 2013        | <i>Nova Agritech Limited</i> | <i>Nova Agri Seeds India Private Limited</i> |
|---------------------------------------------------------------------------------|------------------------------|----------------------------------------------|
| <b>Nature of Relationship</b>                                                   | Holding Company              | Associate Company                            |
| <b>Name of interest Director(s)/KMP</b>                                         | Kiran Kumar Atukuri          | Kiran Kumar Atukuri                          |
| Sale, purchase or supply of any goods or materials                              | 2000                         | 100                                          |
| Availing or rendering of any services, directly or through appointment of agent | 100                          | 100                                          |
| Selling or otherwise disposing of or buying property of any kind                | 500                          | 500                                          |
| Leasing of property any kind                                                    | 10                           | 10                                           |
| Giving Loans                                                                    | 500                          | 500                                          |

**Material terms of the aforesaid transactions:**

- 1) These transactions are based on sales / purchase orders issued from time to time, and prices are negotiated and agreed mutually based on product specification.



2) Going forward, your Company expects significant growth in business volumes with certain related parties, as a result of which transactions with those related parties may become material related party transactions. Right now, these transactions are not material in nature, carried on with due approval of the Audit Committee.

3) All such transactions are carried on and shall be continued at arm's length basis, and in the ordinary course of business.

The Board recommends the resolution set forth in item no. 5 of the notice for approval of the members by passing an Ordinary Resolution. **All related parties of the Company shall abstain from voting on the said resolution, pursuant to Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Mr. Kiran Kumar Atukuri is interested in the resolution set out in Item No. 5 of the Notice, with regard to this resolution.

No Director, except the one mentioned hereinabove, and Key Managerial Personnel or their relative is, directly or indirectly, concerned or interested, financially or otherwise, in the resolution as set out in Item No. 5 of the Notice.

Date: 30.08.2023

Place: Singannaguda

By Order of the Board  
For NOVA AGRI SCIENCES PRIVATE LIMITED



Kiran Kumar Atukuri

Director

DIN: 08143781



AGRI SCIENCES PVT. LTD

CIN : U01403TG2010PTC068405 GSTIN No. : 36AADCN9236F2ZC

## NOVA AGRI SCIENCES PRIVATE LIMITED

CIN: U01403TG2010PTC068405,

Email ID: nova.agritech@gmail.com, Ph. No. 09177985789

**Regd. Office:** Sy.No.251/A/1., Singannaguda Village Mulugu Mandal Siddipet  
Medak 502279, Telangana

### Form No. MGT-11 PROXY FORM

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

Name of the member(s) :

Registered Address :

E-mail Id :

Folio No./ Client ID :

DP ID:

I/ We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint:

1) Name \_\_\_\_\_

Address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Signature \_\_\_\_\_

or failing him/her;

2) Name \_\_\_\_\_

Address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Signature \_\_\_\_\_

or failing him/her;

3) Name \_\_\_\_\_

Address: \_\_\_\_\_

Email ID: \_\_\_\_\_

Signature \_\_\_\_\_

as my/ our Proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 13<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, the 30<sup>th</sup> day of September 2023 at 03.00 P.M. at its registered office situated at Sy.No.251/A/1., Singannaguda Village Mulugu Mandal Siddipet Medak TG 502279 IN India and at any adjournment thereof in respect of the following resolutions:

| Resolution No. | Ordinary and Special Business:                                                                                                                                                    |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1              | Adoption of Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March, 2023 and the reports of the Auditors and Board of Directors thereon. |
| 2              | To Appoint a director in place of Mr. Kiran Kumar Atukuri (DIN: 08143781) who retires by rotation, and being eligible offers himself for re-appointment                           |
| 3              | Re-Appointment of Statutory Auditors of the Company                                                                                                                               |
| 4              | Ratification of Remuneration of Cost Auditors                                                                                                                                     |
| 5              | Approval of Material Related Party Transactions for the Year 2023-24                                                                                                              |

Affix Revenue Stamp

Signed this \_\_\_\_\_ day of September, 2023

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy holder: \_\_\_\_\_

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## NOVA AGRI SCIENCES PRIVATE LIMITED

CIN: U01403TG2010PTC068405,

Email ID: [nova.agritech@gmail.com](mailto:nova.agritech@gmail.com), Ph. No. 09177985789

**Regd. Office:** Sy.No.251/A/1., Singannaguda Village Mulugu Mandal Siddipet

Medak 502279, Telangana, Phone No: \_\_\_\_\_

### ATTENDANCE SLIP

|        |  |
|--------|--|
| DP.ID* |  |
|--------|--|

|                     |  |
|---------------------|--|
| Master Folio<br>No. |  |
|---------------------|--|

|            |  |
|------------|--|
| Client ID* |  |
|------------|--|

|                       |  |
|-----------------------|--|
| No. of Shares<br>held |  |
|-----------------------|--|

I hereby record my presence at the 13<sup>th</sup> Annual General Meeting of the Company on Saturday, the 30<sup>th</sup> day of September 2023 at 03.00 P.M. at its registered office situated at Sy.No.251/A/1., Singannaguda Village Mulugu Mandal Siddipet Medak TG 502279 IN.

|                                                               |  |
|---------------------------------------------------------------|--|
| MEMBER'S/PROXY'S NAME IN<br>BLOCK LETTER                      |  |
| MEMBER'S/PROXY'S/AUTHORIZE<br>D REPRESENTATIVE'S<br>SIGNATURE |  |

### NOTES:

1. Please complete the DP ID- Client ID No. and name of the Member/Proxy, sign this attendance slip and hand it over, duly signed, at the entrance of the meeting hall.
  2. Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the notice of Annual General Meeting for reference at the meeting.
- \* Applicable for shareholders holding shares in electronic form.

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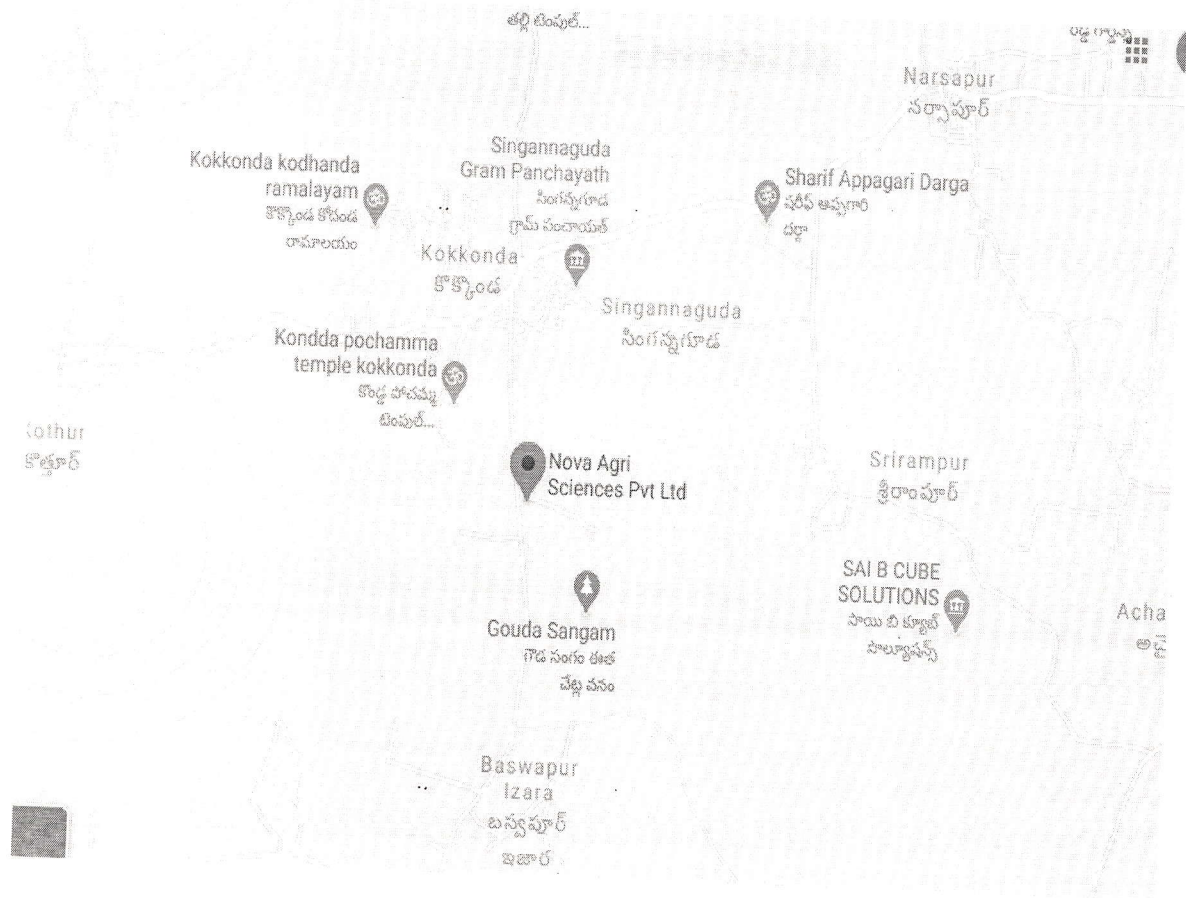




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## ROUTE MAP FOR THE 13<sup>th</sup> ANNUAL GENERAL MEETING



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**Regd. Office:** Sy.No.251/A/1., Singannaguda Village Mulugu Mandal Siddipet  
 Medak 502279, Telangana

### DIRECTORS' REPORT

Your Directors have pleasure in presenting the **13<sup>th</sup> ANNUAL REPORT** on the business and operations of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2023 ("the financial year under review")

### FINANCIAL PERFORMANCE:

(Values in Rs. In Lakhs)

| Particulars              | Year Ended<br>March 31, 2023 | Year Ended<br>March 31, 2022 |
|--------------------------|------------------------------|------------------------------|
| Income from Operations   | 10869.30                     | 10562.70                     |
| Other income             | 0                            | 0.29                         |
| <b>Total income</b>      | <b>10869.30</b>              | <b>10562.99</b>              |
| Total Expenditure        | 9261.96                      | 9352.60                      |
| <b>Profit Before Tax</b> | <b>1607.34</b>               | <b>1210.39</b>               |
| Less: Tax expenses       | 409.29                       | 306.72                       |
| <b>Net Profit/Loss</b>   | <b>1198.05</b>               | <b>903.67</b>                |

### SUMMARY OF OPERATIONS & STATE OF COMPANY'S AFFAIRS:

During the financial year under review your company recorded a profit for the FY 2022-23 Rs. **1198.05** /- **Lakhs** as against a profit of Rs.903.67 /- **Lakhs** for the FY 2021-22. The affairs of the Company are conducted in accordance with the accepted nature of business practices and within the purview of the applicable legislations.

### SUBSIDIARY(IES)

### SUBSIDIARY COMPANIES/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company does not have any Subsidiary Company, Joint Ventures. However, your Company is a Subsidiary Company of Nova Agritech Limited (99.99% shareholding). During the year under review no Company has become its Subsidiary, Joint Venture or Associate of Company.

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### **SHARE CAPITAL:**

The paid- up Equity Share Capital as at March 31, 2023 stood at Rs. 1,80,00,000/-. During the year under review, there is no change in the capital structure of the company.

### **CHANGE IN THE NATURE OF BUSINESS**

During the financial under review, there is no change in the nature of the business.

### **DIVIDEND:**

For the financial year under review/ during the financial year under review, the board of directors do not recommend any dividend for the year under review.

### **TRANSFERS TO RESERVES:**

For the financial year under review, the company has not transferred any amount to Reserves.

### **MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

During the year under review, there were following changes in the Board of Directors of the Company –

- Mr. Ramesh Babu Nemani (DIN: 08089820) was appointed as Independent Director w.e.f. 24/08/2022. His directorship was regularized in the AGM held on 30/09/2022.
- Mr. Sambasiva Rao Yeluri (DIN: 02311336) resigned from the post of Director w.e.f. 14/11/2022.
- Mr. Pullela Ajay Babu (DIN: 07227687) resigned from the post of Director w.e.f. 31/12/2022.
- Mr. Rajesh Chekuri (DIN: 08089820) was appointed as an Whole Time Director of the Company with effect from 02.01.2023.

### **NO. OF BOARD MEETINGS HELD DURING THE YEAR:**

The Board of Directors duly met 9 (Nine) times and in respect of which meetings, proper notices were given and the proceedings were properly recorded.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory Auditors and the reviews performed by Management and the Board, the Board is of the opinion that the

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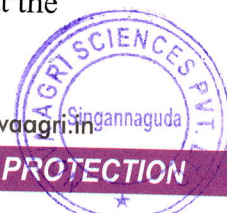
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Company's internal financial controls were adequate and effective during the financial year 2022-23.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts for the year ended March 31, 2023, the applicable accounting standards have been followed and there are no material departures;
- ii. accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at FY ended March 31, 2023 and of the profit and loss of the Company for that period on that date;
- iii. proper and sufficient care have been taken for the maintenance of accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing & detecting fraud and/or other irregularities;
- iv. the annual accounts have been prepared on a going concern basis;
- v. internal financial controls have been laid down by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

**STATUTORY AUDITORS:**

Pursuant to Section 139, 141 & 142, and other applicable provisions, if any, of the Companies Act, 2013, M/s. NSVR & ASSOCIATES, Chartered Accountants (Firm Registration No. 008801S/S200060) were appointed by the Shareholders of the Company as Statutory Auditors of the Company to hold office from the conclusion of the 8<sup>th</sup> Annual General Meeting of the Company to the conclusion of the 13<sup>th</sup> Annual General Meeting. Hence the term of present Statutory Auditors expires at the conclusion of this Annual General Meeting.

The Directors proposed to reappoint M/s N S V R & Associates, Chartered Accountants (Firm Registration No: 008801S/S20060) as Statutory Auditors in this 13<sup>th</sup> AGM of the Company to hold office from the conclusion of the 13<sup>th</sup> Annual General Meeting of the Company to the conclusion of the 18<sup>th</sup> Annual General Meeting to be held in 2023, on a remuneration as may be agreed upon by the Board of Directors and the Auditors, subject to the approval of shareholders

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### **REPLIES TO THE STATUTORY AUDITOR'S REMARKS**

The Auditors Report for the financial year ended 31<sup>st</sup> March, 2023 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013.

### **FRAUDS REPORTED BY THE AUDITORS**

For the financial year under review, there are no frauds reported by auditors under sub-section (12) of section

### **COST RECORDS/ COST AUDIT**

For the financial year 2022-23, your Company was required to maintain cost records, as specified by the central government under sub-section (1) of section 148 of the Act, is in respect of the activities carried on by the Company and conduct Cost Audit of the same.

During the Year, Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of your Company upon recommendation of Audit Committee appointed MPR & Associates, Cost Accountants, (Firm Registration No. 000413) as Cost Auditors in its meeting held on 30 August 2023 to conduct audit the cost records of the Company for the financial year 2023-2024 at an annual remuneration of ₹ 30,000/-.

Appropriate resolutions is being moved at the ensuing 13th AGM for ratification of the aforesaid remuneration for the year 2023-24, which the Board of Directors recommends for your approval.

### **SECRETARIAL AUDITORS:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed P. S. Rao & Associates, Practicing Company Secretaries in its meeting dated 30 August 2023, to undertake the secretarial audit of the Company for the FY 2023-24.

### **PUBLIC DEPOSITS**

During the Financial Year 2022-23, your Company has not accepted/ not required to renew any deposit that falls within the meaning of Section 73 and 74 of the Companies Act, 2013.







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### **PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS UNDER SECTION 186:**

During the year under review, the Company has not given any fresh loan/ provided guarantee/ made any investments as specified under the provisions of section 186 of the Companies Act, 2013. For the details of existing loans and short-term loans and advances please refer notes to audited financial statements for the FY 2022-23.

### **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred during/ after the balance sheet date till the date of this directors' report.

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

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

### **RISK MANAGEMENT FRAMEWORK:**

The Company has a robust internal business management framework to identify, evaluate business risks and opportunities which seeks to minimize adverse impact on the business objectives and enhance the Company's business prospects.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

During the year under review, there were transactions entered with Related Parties under the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder. Please refer Notes to Financial Statements.

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

#### **Conservation of energy:**

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

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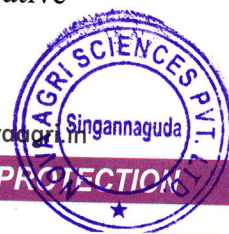
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|                                                                               |                                                                                                                                                               |
|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The steps taken or impact on conservation of energy                           | The operations of the company are not energy intensive, adequate measures have, however, been taken, to conserve and reduce wastage and optimize consumption. |
| The steps taken by the company for utilizing alternate sour sources of energy |                                                                                                                                                               |
| The Capital investment on energy conservation equipment's                     |                                                                                                                                                               |

**Technology Absorption:** Nil

**Foreign Exchange Earnings & Outgo:**

| Particulars               | (Amount in Rs.) |         |
|---------------------------|-----------------|---------|
|                           | 2022-23         | 2021-22 |
| Foreign Exchange earnings | 0               | 0       |
| Foreign Exchange outgo    | 0               | 0       |

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Pursuant to Section 135 and Schedule VII of the Companies Act, 2013, the Company do fall under the class of companies as provided in the Act for the FY 2022-23.

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

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

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### **PARTICULARS OF EMPLOYEES**

There is no Employee drawing remuneration aggregating to the limits prescribed under the provisions of Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The management has established and maintaining adequate internal financial controls to ensure orderly and efficient conduct of its business including adherence to company's policies to safeguard its assets, prevent and detect frauds and errors, check the accuracy and completeness of accounting records and prepare financial information.

### **RISK MANAGEMENT POLICY**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

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

The following is a summary of sexual harassment complaints received and disposed off during each Calendar year:

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

### **ANNUAL RETURN**

In terms of Section 92(1) of the Act, read with Rule 11 of The Companies (Management and Administration) Rules, Annual Return for the FY 2022-23 comprising the requisite details in Form MGT-7 and shall be filed by the company with MCA within prescribed time.

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### **DECLARATION BY THE INDEPENDENT DIRECTORS**

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

### **Opinion of the Board:**

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

These Directors meet the criteria of independence, and were selected and appointed, based on well-defined selection criteria.

### **OTHER DISCLOSURES**

During the financial year under review:

- Your company being a private limited company not required to appoint independent directors. However, in view of the wholly-owned subsidiary & material subsidiary of a Public Limited Company, Mr. Ramesh Babu Nemani, Independent Director of Holding Company is appointed as Independent Director on the Board of the Company to strengthen Corporate Governance.
- Your company is not required to constitute board committees under section 177 and 178 of the Companies Act, 2013.
- Your company has not revised financial statement.
- No application made or proceedings pending against the company under the Insolvency and Bankruptcy Code, 2016.
- No valuation of the company has been done either for the purpose of One Time Settlement (OTS) or for the purpose of taking loan from bank/FIs.



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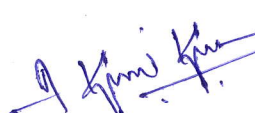
**APPRECIATION:**

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

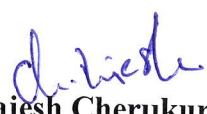
By Order of the Board  
For NOVA AGRI SCIENCES PRIVATE LIMITED

Date: 30/08/2023

Place: Singannaguda

  
Kiran Kumar Atukuri  
Director  
DIN: 08143781



  
Rajesh Cherukuri  
Whole-Time-Director  
DIN: 09840611

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## Nova Agri Sciences Private Limited

### ANNEXURE - A

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

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

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

##### a) CSR POLICY

##### **CSR Vision Statement:**

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

##### **Objective CSR Vision:**

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

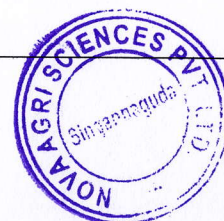
##### **Resources:**

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

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

#### 2. The Composition of the CSR Committee

| S. No. | Name of the Director | Designation /Nature of Directorship                  | No. of meetings held during the year | No. of meetings attended during the year |
|--------|----------------------|------------------------------------------------------|--------------------------------------|------------------------------------------|
| 1.     | Kiran Kumar Atukuri  | Chairman of CSR Committee<br>Director                | 2                                    | 2                                        |
| 2.     | Ramesh Babu Nemani   | Member of CSR Committee<br>Non-Executive Independent | 2                                    | 2                                        |





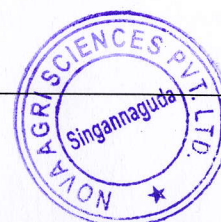
|    |                  |                                                |   |   |
|----|------------------|------------------------------------------------|---|---|
|    |                  | Director                                       |   |   |
| 3. | Rajesh Cherukuri | Member of CSR Committee<br>Whole-Time Director | 2 | 2 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.: <https://novaagri.in/>
4. Provide the executive summary along with the Web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable**
5. (a) Average net profit of the company as per section 135(5): **Rs. 5,98,41,000/-**  
(b) Two percent of average net profit of the company as per section 135(5): **Rs. 11,96,820/-**  
(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years: **Nil**  
(d) Amount required to be set off for the financial year, if any: **Nil**  
(e) Total CSR obligation for the financial year [(b)+(c)-(d)].: **Rs. 11,96,820/-**
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Rs. 11,96,820/-**

Details of Ongoing Projects: **Nil**

Details of Other than Ongoing-Projects: **Rs. 11,96,820/-**

| 1      | 2                                       | 3                                                               | 4                     | 5                       |           | 6                                     | 7                                         | 8                                                    |              |
|--------|-----------------------------------------|-----------------------------------------------------------------|-----------------------|-------------------------|-----------|---------------------------------------|-------------------------------------------|------------------------------------------------------|--------------|
| S. No. | Name of the Project                     | Item from the list of activities in the Schedule VII of the Act | Local Area (Yes / no) | Location of the Project |           | Amount spent for the project (in Rs.) | Mode of Implementation – Direct (Yes/ no) | Mode of Implementation – through Implementing Agency |              |
|        |                                         |                                                                 |                       | State                   | District  |                                       |                                           | Name                                                 | CSR Regn No. |
| 1.     | Distribution of Food Grains to Families | <b>Item No. (i)</b><br>Eradicating hunger,                      | Yes                   | Telangana               | Hyderabad | 11,96,820                             | Yes                                       | -                                                    | -            |



|  |                    |                                                                                                 |  |  |  |                  |  |  |  |
|--|--------------------|-------------------------------------------------------------------------------------------------|--|--|--|------------------|--|--|--|
|  | Organised Eye Camp | poverty and malnutrition, promoting health care including preventive health care and sanitation |  |  |  |                  |  |  |  |
|  | <b>Total</b>       |                                                                                                 |  |  |  | <b>11,96,820</b> |  |  |  |

(b) Amount spent in Administrative Overheads - Nil

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

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] – **Rs. 11,96,820/-**

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

| Total Amount Spent for the Financial Year. (In Rs.) | Amount Unspent (in Rs.)                                                |                  |                                                                                                      |        |                  |
|-----------------------------------------------------|------------------------------------------------------------------------|------------------|------------------------------------------------------------------------------------------------------|--------|------------------|
|                                                     | Total Amount transferred to Unspent CSR Account as per section 135(6). |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |        |                  |
|                                                     | Amount                                                                 | Date of transfer | Name of the Fund                                                                                     | Amount | Date of Transfer |
| <b>Rs. 11,96,820/-</b>                              | Nil                                                                    | Nil              | Nil                                                                                                  | Nil    | Nil              |

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

| S. No. | Particular                                                                                                  | Amount (in Rs.)        |
|--------|-------------------------------------------------------------------------------------------------------------|------------------------|
| (1)    | (2)                                                                                                         | (3)                    |
| (i)    | Two percent of average net profit of the company as per sub-section (5) of section 135                      | <b>Rs. 11,96,820/-</b> |
| (ii)   | Total amount spent for the Financial Year                                                                   | <b>Rs. 11,96,820/-</b> |
| (iii)  | Excess amount spent for the Financial Year [(ii)-(i)]                                                       | —                      |
| (iv)   | Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any | —                      |
| (v)    | Amount available for set off in succeeding Financial Years [(iii)-(iv)]                                     | —                      |





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

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

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Nil.**

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

Place: Singannaguda

Date: 30 August 2023



By the order of the Board  
Nova Agri Sciences Private Limited

Kiran Kumar Atukuri  
Director & Chairman of CSR Committee  
DIN: 08143781



## INDEPENDENT AUDITOR'S REPORT

**To the members of Nova Agri Sciences Private Limited**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Nova Agri Sciences Private Limited ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2023, and the statement of profit and loss (including Other Comprehensive Income), and the statement of cash flows and the statement of changes in equity and for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("IND AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its profit, total comprehensive income, its cash flows and the changes in equity for the period ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Our opinion is not modified in respect of this matter.





### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as the Key audit matters to be communicated in our report.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>1. Trade Receivables And Trade Payables :</b></p> <p>Net Trade Receivables amounting to Rs.4,746.31 lakhs<br/>Trade Payables amounting to Rs.1, 019.42 lakhs.</p> <p>Both Trade receivables &amp; Trade Payables are recognized at their anticipated realized value, which is the Original invoice amount less estimated value of allowance.</p> <p>Both Trade receivables &amp; Trade Payables are considered as key audit matters in the audit due to size of trade receivables &amp; trade payables balance and the high level of management judgment used in determining the provision.</p> | <p>To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors, amongst others, include the following:</p> <ul style="list-style-type: none"> <li>• We obtained balance confirmations from both vendors and customers on sample basis;</li> <li>• We analyzed the aging of trade receivables &amp; payables; and</li> <li>• We obtained a list of long outstanding receivables, Payables and assessed the recoverability of these through inquiry with management and by obtaining sufficient corroborative evidence to support the conclusions.</li> </ul> |



|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>2. Valuation of inventory :</b></p> <p>The Net carrying value of the inventory is Rs.1294.97 Lakhs as on 31.03.2023 which is 18.92% of the total assets of the company.</p> <p>Valuation of Inventories is considered as key audit matter in the audit due to size of the Inventory and valuation of Inventory includes management judgment. According to financial statements and accounting principles inventories are measured at lower of cost or net realizable value. The company has specific procedure to identify the risk of obsolescence and measure the inventories at cost or net realizable value.</p> | <p>To obtain sufficient and appropriate audit evidence, our principal audit procedures and procedures performed by component auditors, amongst others, include the following:</p> <ul style="list-style-type: none"> <li>• We have obtained written confirmations of inventories held by the stores in-charge of different locations.</li> <li>• We have tested the effectiveness of controls present for inwards and issues for consumption. We have selected samples of current six months purchases present in closing stock and have verified there Goods Receipt Notes and subsequent payments made by the company.</li> </ul> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

We have employed analytical procedures such reconciliation of quantities of opening stock, purchases, consumption and closing stock; comparison of current year gross profit ratio with the corresponding period; comparison of significant ratios relating to inventories with the similar ratios for other company in the same industry.





**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the yearly report, for example, Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information as stated above is expected to be made available to us after the date of this auditor's report.

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

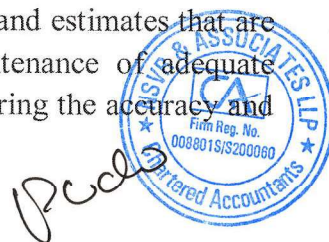
In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit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

When we read the other information as stated above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with Governance.

**Responsibilities of management and those charged with governance for the financial statement**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and



completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the





company has adequate internal financial controls system in place and the operating effectiveness of such controls.

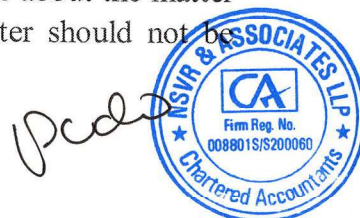
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be



communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure-B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, The Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid the financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the period is in accordance with the provisions of the section 197 of the Act.





- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements.
  - ii. The Company has made provision, as required under the applicable laws or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
  - iii. There are no amounts pending that are required to be transferred to Investor Education and Protection Fund.
  - iv. (a) The management has represented to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.  
(b) The management has represented to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whetherto the best of their recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(c) Based on the audit procedures performed by us, which has considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) and contain any material misstatement.
  - v. The company hasn't declared any Dividend for the current period.



- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

**For NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm Registration No: 008801S/S200060



**Venkata Ratnam**

Partner

M.no : 230675

UDIN: 23230675BGWGPE8626

Place : Hyderabad

Date: 30-08-2023



**Annexure - A to the Independent Auditors' Report**

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

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

We have audited the internal financial controls over financial reporting of Nova Agri Sciences Private Limited ("the Company") as of 31<sup>st</sup> March, 2023 in conjunction with our audit of the Financial Statements of the Company for the period ended on that date.

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

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

**Auditors' Responsibility**

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

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



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

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

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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





**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2023 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

**For NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm Registration No: 008801S/S200060

*P. Venkata Ratnam P*



**Venkata Ratnam P**

Partner

Membership No: 230675

UDIN: 23230675BGWGPE8626

Place: Hyderabad

Date: 30-08-2023

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Nova Agri Sciences Private Limited of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that

i. In respect of the Company's Property, Plant and Equipment:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment including leased assets.
- (b) The Company has maintained proper records showing full particulars of intangible assets.
- (c) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (d) According to the information and explanations given to us, the company owns immovable Properties at the balance sheet date, hence the title deeds of such immovable properties are held in the name of the company.
- (e) The Company has not revalued any of its Property, Plant and Equipment including right of use assets during the year.
- (f) No proceedings have been initiated during the year or are pending against the Company as on 31<sup>st</sup> March, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) As explained to us, the physical verification of inventories, excluding stocks lying with third parties, have been conducted at reasonable intervals by the Management during the year. In case of inventories lying with third parties, certificates of stocks holding have been received.

b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.

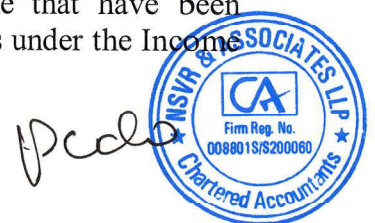
d) The company has been sanctioned working capital limits in excess of five crore





rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. There is no material discrepancy found between quarterly returns or statements filed by the company with such banks or financial institutions and books of account of the Company.

- iii. According to the information and explanation given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (c), (d), (e) and (f) of the order are not applicable to the Company.
- iv. The company has not advanced any loans, guarantees to directors of the company. Hence this clause is not applicable to the company.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. According to the information and explanation given to us, the company has made and maintained the cost records for its manufactured goods (and/or services provided by it) as prescribed by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. In respect of statutory dues:
  - (a) In our opinion, the Company has few delays in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable.
  - (b) There are no disputed dues pending as on 31<sup>st</sup> March, 2023.
- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).



ix. Based on our Audit procedure and on the information and Explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, bank or debenture holders.

x. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

No whistle blower complaints received by the Company during the year (and upto the date of this report).

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. As per the provisions of section 138 of Companies Act, 2013 "Internal Audit" is not applicable to the company.

xv. In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the period covered by our audit and the immediately preceding financial year.





- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- xx. Transfer to fund specified under Schedule VII of Companies Act, 2013 is not applicable to the company.
- xxi. There is no Qualification or adverse remarks by the respective auditors in the CARO reports of the group companies.

**For NSVR & ASSOCIATES LLP**

Chartered Accountants

Firm Registration No: 008801S/ S200060



**P Venkata Ratnam**

Partner

M.No: 230675

UDIN: 23230675BGWGPE8626

Place: Hyderabad

Date: 30-08-2023

**PART-I FORM OF BALANCE SHEET**  
**NOVA AGRI SCIENCE PRIVATE LIMITED**  
SY.No.251/A/1,SINGANNAGUDA VILLAGE MULUGU MANDAL SIDDIPET,MEDAK TG 502279 IN  
CIN: U01403TG2010PTC068405  
**STANDALONE BALANCE SHEET as at 31 March 2023**

(All amounts are in INR lakh except share data or unless otherwise specified)

| Particulars                          | Note No | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------------|---------|---------------------|---------------------|
| <b>Assets</b>                        |         |                     |                     |
| <b>Non-current Assets</b>            |         |                     |                     |
| (a)Property, Plant and Equipment     | 3       | 261.62              | 192.36              |
| (b) Intangible assets                | 3       | 11.68               | 2.92                |
| (c)Capital Work In Progress          | 3       | -                   | -                   |
| (d) Right-of use assets              | 4       | 61.43               | -                   |
| (d)Financial Assets                  |         |                     |                     |
| (i)Loans and Advances                | 5       | -                   | 0.20                |
| (e)Deferred Tax Assets (Net)         | 6       | 150.88              | 117.87              |
| <b>Total Non-current Assets</b>      |         | <b>485.61</b>       | <b>313.35</b>       |
| <b>Current Assets</b>                |         |                     |                     |
| (a)Inventories                       | 7       | 1,294.97            | 870.33              |
| (b)Financial Assets                  |         |                     |                     |
| (i)Trade Receivables                 | 8       | 4,746.31            | 3,942.98            |
| (ii)Cash and Cash Equivalents        | 9       | 77.68               | 31.51               |
| (iii) Othr financial assets          | 10      | 1.79                | 15.50               |
| (c)Other Current Assets              | 11      | 236.42              | 8.77                |
| <b>Total Current Assets</b>          |         | <b>6,357.15</b>     | <b>4,869.08</b>     |
| <b>Total Assets</b>                  |         | <b>6,842.76</b>     | <b>5,182.43</b>     |
| <b>Equity and Liabilities</b>        |         |                     |                     |
| <b>Equity</b>                        |         |                     |                     |
| (a)Equity Share Capital              | 12      | 180.00              | 180.00              |
| (b)Other Equity                      | 13      | 2,368.03            | 1,167.66            |
| <b>Total Equity</b>                  |         | <b>2,548.03</b>     | <b>1,347.66</b>     |
| <b>Liabilities</b>                   |         |                     |                     |
| <b>Non-current Liabilities</b>       |         |                     |                     |
| (a)Financial Liabilities             |         |                     |                     |
| (i)Non-Current borrowings            | 14      | 438.42              | 668.74              |
| (ii) Other Non-Current liabilities   | 15      | 6.81                | 7.11                |
| (iii) Lease liabilities              | 16      | 62.04               | -                   |
| (b)Provisions                        | 17      | 14.50               | 8.55                |
| (c)Deferred Tax Liabilities (Net)    |         |                     |                     |
| <b>Total Non-current Liabilities</b> |         | <b>521.76</b>       | <b>684.40</b>       |
| <b>Current liabilities</b>           |         |                     |                     |
| (a)Financial Liabilities             |         |                     |                     |
| (i)Current borrowings                | 18      | 2,072.47            | 1,041.52            |
| (ii) Lease Liabilities               | 19      | 1.55                | -                   |
| (iii)Trade payables - total dues of: |         |                     |                     |
| MSME                                 | 20      | 602.04              | 1,146.36            |
| Other than MSME                      | 20      | 417.38              | 275.01              |
| (b)Other current liabilities         | 21      | 177.80              | 129.78              |
| (c)Provisions                        | 22      | 55.14               | 41.75               |
| (d)Current Tax Liability (Net)       | 23      | 446.59              | 515.96              |
| <b>Total Current Liabilities</b>     |         | <b>3,772.97</b>     | <b>3,150.38</b>     |
| <b>Total Liabilities</b>             |         | <b>6,842.76</b>     | <b>5,182.43</b>     |

The accompanying notes are an integral part of the restated financial information.

**For NSVR & ASSOCIATES LLP.,**

Chartered Accountants

Firm Regd No. 008801S/S200060

**VENKATA RAO RAM P**

Partner

Membership No. 230675

UDIN : 23230675BGWGPE8626



On behalf of Board of Directors  
**For NOVA AGRI SCIENCE PRIVATE LIMITED**

**KIRAN KUMAR A**  
(Managing Director)  
(DIN: 08143781)

**RAJESH BABU N**  
(Independent Director)  
(DIN: 08089820)

**RAJESH C**  
(Wholetime Director)  
(DIN: 09840611)

**Gunupudi Kamoji Srinivas**  
(Chief financial officer)

Place : Hyderabad

Date : 30-08-2023



## PART-II FORM OF STATEMENT OF PROFIT AND LOSS ACCOUNT

## NOVA AGRI SCIENCE PRIVATE LIMITED

SY.No.251/A/1, SINGANNAGUDA VILLAGE MULUGU MANDAL SIDDIPET, MEDAK TG 502279 IN

CIN: U01403TG2010PTC068405

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31 MARCH 2023

(All amounts are in INR lakh except share data or unless otherwise specified)

| Particulars                                                                         | Note No | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-------------------------------------------------------------------------------------|---------|-------------------------------------|-------------------------------------|
| Revenue from contract with customers                                                | 24      | 10,869.30                           | 10,562.70                           |
| Other income                                                                        | 25      | 0.00                                | 0.29                                |
| <b>Total Income</b>                                                                 |         | <b>10,869.30</b>                    | <b>10,562.99</b>                    |
| <b>Expenses</b>                                                                     |         |                                     |                                     |
| Cost of material consumed                                                           | 26      | 7,389.50                            | 8,138.13                            |
| Changes in inventories of finished goods                                            | 27      | -141.84                             | 261.30                              |
| Employee benefit expenses                                                           | 28      | 1,082.34                            | 471.99                              |
| Finance costs                                                                       | 29      | 189.91                              | 97.83                               |
| Depreciation and amortisation expenses                                              | 30      | 61.16                               | 37.48                               |
| Other expenses                                                                      | 31      | 680.89                              | 345.87                              |
| <b>Total expenses</b>                                                               |         | <b>9,261.96</b>                     | <b>9,352.60</b>                     |
| <b>Profit/(loss) before exceptional items and tax from continuing operations</b>    |         | <b>1,607.34</b>                     | <b>1,210.39</b>                     |
| <b>Exceptional Items</b>                                                            |         | -                                   | -                                   |
| <b>Profit/(loss) before tax from continuing operations</b>                          |         | <b>1,607.34</b>                     | <b>1,210.39</b>                     |
| <b>Tax expense:</b>                                                                 |         |                                     |                                     |
| Current tax                                                                         |         | 442.30                              | 316.83                              |
| Earlier years                                                                       |         |                                     |                                     |
| Deferred tax                                                                        |         | -33.01                              | -10.11                              |
| <b>Profit/(Loss) for the year from continuing operations</b>                        |         | <b>1,198.05</b>                     | <b>903.66</b>                       |
| <b>Profit/(loss) from discontinued operations (after tax)</b>                       |         |                                     |                                     |
| <b>Other Comprehensive Income</b>                                                   |         |                                     |                                     |
| (i) Items that will not be reclassified to profit or loss                           |         |                                     |                                     |
| Re-measurement gains/ (losses) on defined benefit plans                             |         | -2.33                               | -                                   |
| Tax impact on above items                                                           |         | 0.59                                | -                                   |
| (i) Items that will be reclassified to profit or loss                               |         |                                     |                                     |
| <b>Other comprehensive income for the year, net of tax</b>                          |         | <b>-1.74</b>                        | <b>-</b>                            |
| <b>Total Comprehensive Income for the year, net of tax</b>                          |         | <b>1,199.79</b>                     | <b>903.66</b>                       |
| <b>Restated earnings per share</b><br>(Nominal value per equity share of ₹ 10 each) |         |                                     |                                     |
| <b>Earnings per equity share</b>                                                    |         |                                     |                                     |
| (1) Basic Earnings per equity share                                                 |         | 66.56                               | 50.20                               |
| (2) Diluted Earnings per equity share                                               |         | 66.56                               | 50.20                               |

The accompanying notes are an integral part of the restated financial information.

For NSVR &amp; ASSOCIATES LLP.,

Chartered Accountants

Firm Regd No. 008801S/S200060

VENKATA RAJANAND

Partner

Membership No. 230675

UDIN : 23230675BGWGPE8626

Place : Hyderabad

Date : 30-08-2023



On behalf of Board of Directors

For NOVA AGRI SCIENCE PRIVATE LIMITED

KIRAN KUMAR A  
(Managing Director)  
(DIN: 08143781)

RAJESH BABU N  
(Independent Director)  
(DIN: 08089820)

RAJESH C  
(Wholetime Director)  
(DIN: 09840611)

Gunupudi Kamoji Srinivas  
(Chief financial officer)

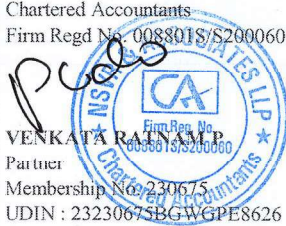


**PART III FORM OF STATEMENT OF CASH FLOWS**  
**NOVA AGRI SCIENCE PRIVATE LIMITED**  
SY.No.251/A/1,SINGANNAGUDA VILLAGE MULUGU MANDAL SIDDIPET,MEDAK TG 502279 IN  
CIN: U01403TG2010PTC068405  
**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023**

(All amounts are in INR lakh except share data or unless otherwise specified)

| Particulars                                                                                         | As at<br>31 March 2023     | As at<br>31 March 2022     |
|-----------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| <b>Cash Flows from Operating Activities</b>                                                         |                            |                            |
| Net profit before tax as per restated statement of profit and loss                                  | 1,607.34                   | 1,210.39                   |
| <b>Adjustments for :</b>                                                                            |                            |                            |
| Depreciation and amortization expenses                                                              | 61.16                      | 37.48                      |
| Provision for expenses and expected credit loss                                                     | 137.02                     | 34.43                      |
| Finance costs                                                                                       | 189.91                     | 97.83                      |
| (profit)/loss on sale of Assets                                                                     | -                          | -                          |
| <b>Operating profit before working capital changes</b>                                              | <b>1,995.43</b>            | <b>1,380.13</b>            |
| (increase)/decrease in operating assets:                                                            |                            |                            |
| Trade receivables                                                                                   | (940.34)                   | (1,505.68)                 |
| Other financial assets                                                                              | 13.71                      | 2.18                       |
| Inventories                                                                                         | (424.64)                   | 629.06                     |
| Other current assets                                                                                | (227.65)                   | 27.63                      |
| Trade payables                                                                                      | (401.95)                   | (1,279.48)                 |
| Other financial liabilities                                                                         | 63.59                      | -                          |
| Other current liabilities                                                                           | 50.34                      | 73.25                      |
| Non-current provision                                                                               | 5.95                       | 8.55                       |
| Current provision                                                                                   | 13.39                      | 5.62                       |
| <b>Cash generated from operations</b>                                                               | <b>147.83</b>              | <b>(658.75)</b>            |
| Income tax paid                                                                                     | (511.67)                   | (5.74)                     |
| <b>Net cash flows generated (used in)/from operating activities (A)</b>                             | <b>(363.84)</b>            | <b>(664.49)</b>            |
| <b>Cash flows from Investing Activities</b>                                                         |                            |                            |
| Purchase of property, plant and equipment including CWIP and capital advances and capital creditors | (200.61)                   | (57.86)                    |
| Sale proceeds from sale of Fixed Assets                                                             | -                          | -                          |
| Decrease/(Increase) in Capital Work-in Progress                                                     | -                          | -                          |
| Decrease/(Increase) in Other Non current Loans & Advances                                           | 0.20                       | 0.30                       |
| <b>Net cash flows (used in)/from investing activities (B)</b>                                       | <b>(200.41)</b>            | <b>(57.56)</b>             |
| <b>Cash flows from Financing Activities</b>                                                         |                            |                            |
| Proceeds from/ (Repayment of) Non current borrowings                                                | (230.32)                   | 380.65                     |
| Proceeds from/ (Repayment of) Other Non current Borrowings                                          | (0.30)                     | (120.21)                   |
| Finance costs                                                                                       | (189.91)                   | (97.83)                    |
| Proceeds /(Repayments of ) current borrowings                                                       | 1,020.03                   | 570.83                     |
| Increase / Decrease in current maturities                                                           | 10.93                      | 4.60                       |
| <b>Net cash flows (used in)/from financing activities (C)</b>                                       | <b>610.42</b>              | <b>738.04</b>              |
| <b>Net Increase/(Decrease) in cash and cash equivalents</b>                                         | <b>46.17</b>               | <b>16.00</b>               |
| Cash and cash equivalents at the beginning of the year                                              | 31.51                      | 15.51                      |
| <b>Cash and cash equivalents at the end of the year (A+B+C)</b>                                     | <b>77.68</b>               | <b>31.51</b>               |
| <b>Components of Cash and Cash Equivalents at the end of the year</b>                               |                            |                            |
|                                                                                                     | <b>As at 31 March 2023</b> | <b>As at 31 March 2022</b> |
| (a) Cash on hand                                                                                    | 50.55                      | 30.56                      |
| (b) Current account balance with bank                                                               | 27.13                      | 0.95                       |
| (c) Current Borrowings                                                                              | -                          | -                          |
| <b>Cash and Cash equivalent components</b>                                                          | <b>77.68</b>               | <b>30.56</b>               |
| <b>Cash and Cash Equivalents include the following for Cash flow purpose</b>                        |                            |                            |
|                                                                                                     | <b>As at 31 March 2023</b> | <b>As at 31 March 2022</b> |
| <b>Cash and Cash Equivalents/ Bank Balances</b>                                                     | <b>77.68</b>               | <b>31.51</b>               |
| Less: Unclaim dividend                                                                              |                            |                            |
| <b>Cash and Cash Equivalents/ Bank Balances</b>                                                     | <b>77.68</b>               | <b>31.51</b>               |

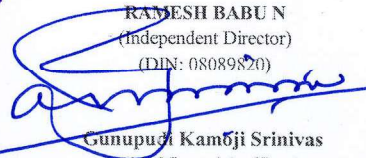
The accompanying notes are an integral part of the restated financial information.

For NSVR & ASSOCIATES LLP.,  
Chartered Accountants  
Firm Regd No: 008801S/S200060  
  
**VENKATA RATNAM P**  
Partner  
Membership No: 230675  
UDIN : 23230675BGWGPE8626



On behalf of Board of Directors  
For NOVA AGRI SCIENCE PRIVATE LIMITED

  
**KIRAN KUMAR A**  
(Managing Director)  
(DIN: 08143781)

  
**RAMESH BABU N**  
(Independent Director)  
(DIN: 08089820)

  
**RAJESH C**  
(Wholetime Director)  
(DIN: 09840611)

  
**Gunupudi Kamaji Srinivas**  
(Chief financial officer)

Place : Hyderabad  
Date : 30-08-2023



**PART-IV FORM OF STATEMENT OF CHANGES IN EQUITY**

**NOVA AGRI SCIENCE PRIVATE LIMITED**

**PLOT NO.57, HANUMAN NAGAR, CHINATOKATTA, NEW BOWENPALLY, SECUNDERABAD - 500011**

**CIN: U01403TG2010PTC068405**

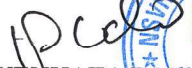
**Statement of Changes in Equity for the year ended 31 March 2023**

| Particulars                              | Equity share capital |        | Other equity         |                            |          |
|------------------------------------------|----------------------|--------|----------------------|----------------------------|----------|
|                                          | No of Shares         | Amount | Reserves and Surplus |                            |          |
|                                          |                      |        | Retained earnings    | Other Comprehensive income | Total    |
| <b>As on 01-04-2021</b>                  | 18,00,000            | 180.00 | 263.99               |                            | 263.99   |
| Adjustment                               |                      |        |                      |                            |          |
| <b>Adjusted balance as in 01-04-2021</b> | 18,00,000            | 180.00 | 263.99               | -                          | 263.99   |
| Profit or loss for the year              |                      |        | 903.66               |                            | 903.66   |
| Other comprehensive income               |                      |        |                      |                            |          |
| Total comprehensive income               |                      |        | 903.66               |                            | 903.66   |
| <b>As on 31-03-2022</b>                  | 18,00,000            | 180.00 | 1,167.66             |                            | 1,167.66 |
| Adjustment                               |                      |        |                      |                            |          |
| <b>Adjusted balance as in 01-04-2022</b> | 18,00,000            | 180.00 | 1,167.66             |                            | 1,167.66 |
| Profit or loss for the year              |                      |        | 1,198.05             |                            | 1,198.05 |
| Other comprehensive income               |                      |        |                      | 2.33                       | 2.33     |
| Total comprehensive income               |                      |        | 1,198.05             |                            | 1,200.37 |
| <b>As on 31-03-2023</b>                  | 18,00,000            | 180.00 | 2,365.70             | 2.33                       | 2,368.03 |

**For NSVR & ASSOCIATES LLP.,**

Chartered Accountants

Firm Regd No. 008801S/S200060

  
**VENKATA RATNAM**  
Partner

Membership No. 230675

UDIN : 23230675BGWGPE8626

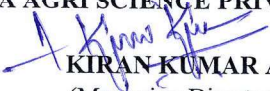
Place : Hyderabad

Date : 30-08-2023



On behalf of Board of Directors

**For NOVA AGRI SCIENCE PRIVATE LIMITED**

  
**KIRAN KUMAR A**

(Managing Director)

(DIN: 08143781)

  
**RAMESH BABU N**

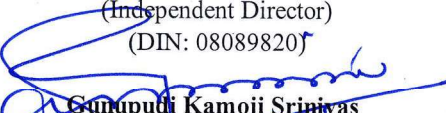
(Independent Director)

(DIN: 08089820)

  
**RAJESH C**

(Wholetime Director)

(DIN: 09840611)

  
**Gunupudi Kamoji Srinivas**

(Chief financial officer)

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### DESCRIPTION OF THE COMPANY AND SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 Company Information

Nova Agri Science Private Limited company was incorporated on 12<sup>th</sup> May 2010 with CIN U01403TG2010PTC068405 having office situated at Sy.No.251/a/1,singannaguda village mulugu mandal siddipet,medak ,Telangana -502279.The company domiciled and incorporated in India in the state of Telangana.

Nova Agri Science Private Limited, the company is engaged in the business of Manufacturing and Marketing of wide range of plant nutrition and plant protection products agricultural, horticultural and home gardens.

#### 1.2 Basis of Preparation of financial Statements

##### a) Statement of Compliance

The financial statements Nova Agri Science Private Limited have been prepared and presented in accordance with and in compliance to all material aspects, with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the "Act") read along with the Companies (Indian Accounting Standards) Rules 2015, and presentation requirements of Division II of Schedule III to the Companies Act, 2013, and as amended from time to time together with the comparative period data as at and for the year ended 31 March 2022.

These financial statements have been prepared by the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual reporting date, 31 March 2023. These financial statements for the year ended 31 March 2023 were approved by the Company's Board of Directors on 2<sup>nd</sup> September 2023.

##### b) Basis of measurement

The standalone financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- a) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);





- b) 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
- c) Long-term borrowings are measured at amortized cost using the effective interest rate method and
- d) 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.

## 2. Summary of significant accounting policies

### 2.1 Current and noncurrent classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

All the assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1, presentation of financial statements.

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

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

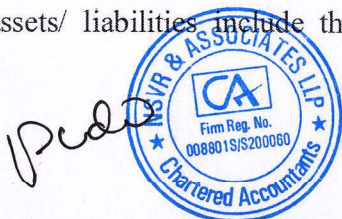
All other assets are classified as non-current.

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

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

The Company classifies all other liabilities as noncurrent.

Current assets/ liabilities include the current portion of noncurrent assets/ liabilities respectively.



Deferred tax assets and liabilities are always disclosed as non-current.

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

## 2.2 Functional and presentation currency

These financial statements are presented in Indian rupees, which is also the functional currency of the Company. All the financial information presented in Indian rupees has been rounded to the nearest lakhs.

## 2.3 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Ind AS financial statements on a recurring basis,





the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for sale in discontinued operations.

External valuers are involved, wherever considered necessary. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

#### **2.4 Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date, the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the initial transaction.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income ("OCI") or profit or loss are also recognised in OCI or profit or loss, respectively).

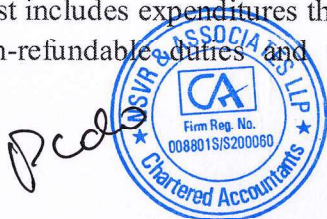
#### **2.5 Property plant and equipment:**

The cost of an item of property, plant and equipment are recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is carried at historical cost less any accumulated impairment losses.

Items of property, plant and equipment (including capital-work-in progress) are stated at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset i.e., freight, non-refundable 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.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### ***Subsequent expenditure***

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

### ***Depreciation***

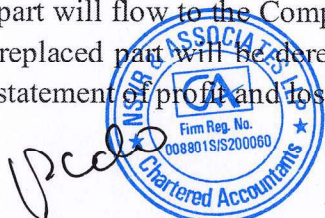
Depreciation on items of PPE is provided on written down value basis, computed on the basis of useful lives as mentioned in Schedule II to the Companies Act, 2013. Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / up to the date on which asset is ready for use / disposed-off.

The 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              |

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

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part will be derecognized. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.





Items of stores and spares that meet the definition of Property, plant and equipment are capitalized at cost, otherwise, such items are classified as inventories.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other assets. The cost of property, plant and equipment not ready to use before such date are disclosed under capital work-in-progress.

## 2.6 Intangible assets

### ***Research and development expenses:***

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Otherwise, it is recognised in profit or loss as incurred.

Subsequent to initial recognition, development expenditure, capitalized if any, is measured at cost less accumulated amortisation and any 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.

## 2.7 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.

### **a. Financial assets**

#### ***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 Company commits to purchase or sell the asset.

#### ***Subsequent measurement***

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss





(FVTPL);

- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost, if both of the following conditions are met: (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

#### *Debt instrument at FVTOCI*

A 'debt instrument' is classified as FVTOCI, if both of the following criteria are met: (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and (ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in OCI. However, the Company recognizes interest income, impairment losses and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### *Equity Instruments*

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### ***Derecognition***

A financial 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 Company's balance sheet) when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company 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 Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company 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 Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

### ***Impairment of Financial Assets***

The company assesses at each balance sheet date whether a financial asset or a group of financial assets is impaired.

In accordance with Ind AS 109, the company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date);
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

The company follows simplified approach for recognition of impairment loss allowance on trade receivables and under the simplified approach, the company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL at each reporting date right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated

For other assets, the company uses 12-month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

### **b. Financial liabilities**





### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value i.e., loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

### ***Subsequent measurement***

The measurement of financial liabilities depends on their classification.

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading, unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit and loss.

However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

#### **Loans and borrowings**

Borrowings is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### ***De-recognition***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of





a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### **Reclassification of financial assets and liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no re-classification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a re-classification is made only if there is a change in the business model for managing those assets. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the re-classification prospectively from the re-classification date, which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### **Offsetting of financial instruments**

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

### **2.8 Investment in Subsidiaries, Associates and Joint Ventures**

The company has accounted for its investments in equity shares of Subsidiaries, associates and joint venture at cost less impairment loss (if any).

### **2.9 Cash & Cash Equivalents**

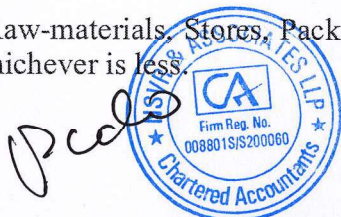
Cash and bank balances comprise of cash balance in hand, in current accounts with banks, and other short-term deposits. For this purpose, "short-term" means investments having maturity of three months or less from the date of investment, and which are subject to an insignificant risk of change in value. Bank overdrafts that are repayable on demand and form an integral part of our cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

### **2.10 Inventory**

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.

## 2.11 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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.

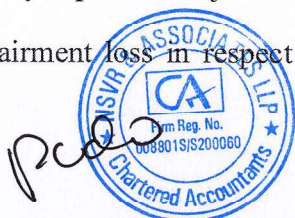
For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflow of other assets or groups of assets (the "cash-generating unit").

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country in which the entity operates, or for the market in which the asset is used.

An impairment loss is recognized in the statement of profit and loss if the estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

### *Reversal of Impairment of Assets*

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment





losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **2.12 Employee benefits**

### *Short term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### *Defined contribution plans*

The Company's contributions to defined contribution plans are charged to the statement of profit and loss as and when the services are received from the employees.

### *Defined benefit plans*

The liability in respect of defined benefit plans and other post-employment benefits is calculated using the projected unit credit method consistent with the advice of qualified actuaries. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related defined benefit obligation. In countries where there is no deep market in such bonds, the market interest rates on government bonds are used. The current service cost of the defined benefit plan, 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 the statement of profit and loss.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for defined benefit obligation and plan assets are recognized in OCI in the period in which they arise. When the benefits under a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss. The Company recognizes gains or losses on the settlement of a defined benefit plan obligation when the settlement occurs.

### *Termination benefits*

Termination benefits are recognized as an expense in the statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed





plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense in the statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

#### *Other long-term employee benefits*

The Company's net obligation in respect of other long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognised in the statement of profit and loss in the period in which they arise.

#### *Compensated absences*

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as at the reporting date carried out by a qualified actuary.

## **2.13 Provisions, contingent liabilities and contingent assets**

### ***Provisions***

A provision is recognized in the statement of profit and loss if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

### ***Contingent liabilities and contingent assets***

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognized in the period in which the change occurs.





## 2.14 Revenue recognition:

Ind AS 115 recognizes revenue on transfer of the control of goods or services, either over a period of time or at a point in time, at an amount that the entity expects to be entitled in exchange for those goods or services. In order to align with Ind AS 115, the Accounting policy on revenue recognition was reviewed and revised.

The Company primarily earns revenue from manufacture, distribute and market a wide range of product categories consisting of Manufacturing and Marketing of wide range of plant nutrition and plant protection products agricultural, horticultural and home gardens.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expect to receive in exchange for those services.

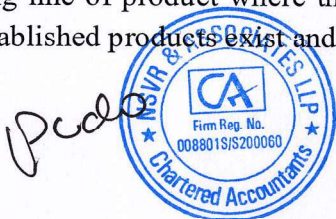
Revenue from providing services is recognised in the accounting period in which such services are rendered. At contract inception, the Company assesses its promise to transfer services to a customer to identify separate performance obligations. The Company applies judgment to determine whether each service promised to a customer is capable of being distinct, and are distinct in the context of the contract, if not, the promised services are combined and accounted as a single performance obligation. The company allocates the arrangement consideration to separately identifiable performance obligation based on their relative stand-alone selling price or residual method.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the company exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

Revenues in excess/short of invoicing are classified as assets/liabilities, as the case may be.

### **Refund liability:**

The Company accounts for sales returns accrual by recording refund liability concurrent with the recognition of revenue at the time of a product sale. This liability is based on the Company's estimate of expected sales returns. The Company deals in various products and operates in various markets. Accordingly, the estimate of sales returns is determined primarily by the Company's historical experience in the markets in which the Company operates. With respect to established products, the Company considers its historical experience of actual sales returns, levels of inventory in the distribution channel, estimated shelf life, any revision in the shelf life of the product, product discontinuances, price changes of competitive products, and the introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. With respect to new products introduced by the Company, such products have historically been either extensions of an existing line of product where the Company has historical experience or in therapeutic categories where established products exist and are sold either by the Company or the Company's competitors. At





the time of recognising the refund liability the Company also recognises an asset, (i.e., the right to the returned goods) which is included in inventories for the products expected to be returned. The Company initially measures this asset at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. Along with re-measuring the refund liability at the end of each reporting period, the Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

## **2.1 Dividend and Interest Income**

Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

Interest Income mainly comprises of interest on Margin money deposit with banks relating to bank guarantee and term deposits.

Interest income or expense is recognised using the effective interest method (EIR).

Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

## **2.15 Borrowing Costs**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

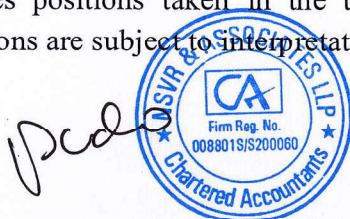
## **2.18 Tax Expenses**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

### *Current tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.





### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities and assets are recognized for all taxable temporary differences and deductible temporary differences.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

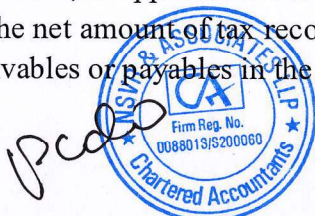
Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified year, i.e., the year for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

### *Goods and Service Tax (GST) paid on acquisition of assets or on incurring expenses*

When the tax incurred on purchase of assets or services is not recoverable from the taxation authority, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable. Otherwise, expenses and assets are recognized net of the amount of taxes paid. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.





## 2.19 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### *The Company as a lessee*

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### *Right-of-use assets*

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section of Impairment of non-financial assets.

### *Lease liabilities*

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Variable lease payments that do not depend on an index or a rate are 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 Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of





interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is 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. The Company's lease liabilities are included in Borrowings.

#### *Short-term leases and leases of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

## **2.20 Earnings Per Share**

### ***Basic earnings per share***

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

### ***Diluted earnings per share***

Diluted earnings per share is computed by dividing the profit (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

## **2.21 Segment reporting**

The Company is engaged in the in "Manufacturing and Marketing of wide range of plant nutrition and plant protection products agricultural, horticultural and home gardens" and the same constitutes a single reportable business segment as per Ind AS 108.



## 2.22 Share capital

Incremental costs directly attributable to the issue of equity shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with Ind AS 12.

## 2.23 Significant accounting judgements, estimates, and assumption

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, the areas involving critical estimates or Judgment are:

### *Determining the lease term of contracts with renewal and termination options*

The Company determines the lease term as the noncancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

### *Property, plant and equipment*

The depreciation of property, plant and equipment is derived on determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time of acquisition of asset and is reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.





### *Impairment of financial and non-financial assets*

Significant management judgement is required to determine the amounts of impairment loss on the financial and nonfinancial assets. The calculations of impairment loss are sensitive to underlying assumptions.

### *Tax provisions and contingencies*

Significant management judgement is required to determine the amounts of tax provisions and contingencies. Deferred tax assets are recognised for unused tax losses and MAT credit entitlements to the extent it is probable that taxable profit will be available against which these losses and credit entitlements can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### *Defined benefit plans*

The cost of the defined benefit plan and the present value of the obligation are determined using actuarial valuation. An actuarial valuation involves various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

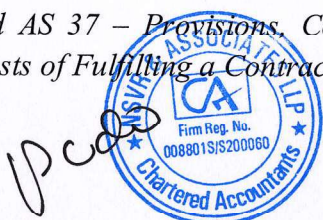
The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

### *Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using internal valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

## **2.24 New standards adopted by the company**

*Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Costs of Fulfilling a Contract*



The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

This amendment is essentially clarification and had there is no significant impact on the standalone financial statements.

*Amendments to Ind AS 16- Property, Plant and Equipment: Proceeds before Intended Use*

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the standalone financial statements.

*Amendments to Ind AS 103, Business Combinations: Reference to the Conceptual Framework*

This amendment added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

In accordance with the transitional provisions, the company applies the amendments prospectively, i.e., to business combinations occurring after the beginning of the annual reporting period in which it first applies the amendments (the date of initial application).

These amendments had no impact on the consolidated financial statements of the company as there were no transactions within the scope of these amendments that arose during the period.





## 2.25 New standards adopted by the company

### *Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Costs of Fulfilling a Contract*

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These amendments had no impact on the standalone financial statements of the company as there were no transactions within the scope of these amendments that arose during the period.



## 2.26 New Accounting pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

### *Ind AS 1 – Presentation of Financial Statements*

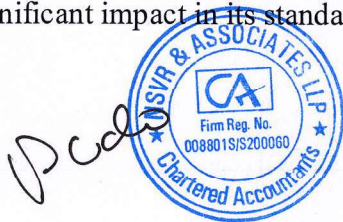
The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The group does not expect this amendment to have any significant impact in its standalone financial statements.

### *Ind AS 12 – Income Taxes*

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The company does not expect this amendment to have any significant impact in its standalone financial statements.

### *Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors*

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The company does not expect this amendment to have any significant impact in its standalone financial statements.





**Note 3 Property Plant and Equipment**

| S.no | Particulars             | Gross Block   |               |           |               | Depreciation  |              |           |               | Net Block           |                     |
|------|-------------------------|---------------|---------------|-----------|---------------|---------------|--------------|-----------|---------------|---------------------|---------------------|
|      |                         | Opening       | Additions     | Deletions | Closing       | Opening       | Additions    | Deletions | Closing       | As on 31 March 2023 | As on 31 March 2022 |
| 1    | Plant & Machinery       | 179.31        | 27.42         | -         | 206.73        | 110.77        | 27.13        | -         | 137.89        | 68.84               | 68.54               |
| 2    | Land                    | 70.75         | -             | -         | 70.75         | -             | -            | -         | -             | 70.75               | 70.75               |
| 3    | Furnitures & Fixtures   | 1.93          | -             | -         | 1.93          | 1.14          | 0.20         | -         | 1.35          | 0.58                | 0.79                |
| 4    | Vehicles                | 37.35         | 96.81         | -         | 134.16        | -             | 20.18        | -         | 20.18         | 113.99              | 37.35               |
| 4    | Electrical Equipment    | 3.55          | -             | -         | 3.55          | 1.70          | 0.48         | -         | 2.18          | 1.38                | 1.86                |
| 5    | Office Equipment        | 5.45          | -             | -         | 5.45          | 3.88          | 0.71         | -         | 4.59          | 0.86                | 1.57                |
| 6    | Computers & peripherals | 23.34         | 1.04          | -         | 24.36         | 11.83         | 7.32         | -         | 19.15         | 5.22                | 11.50               |
| 7    | Intangible Assets       | 7.17          | 11.24         | -         | 18.40         | 4.25          | 2.47         | -         | 6.72          | 11.68               | 2.92                |
|      | <b>Total</b>            | <b>328.85</b> | <b>136.51</b> | <b>-</b>  | <b>465.35</b> | <b>133.57</b> | <b>58.49</b> | <b>-</b>  | <b>192.05</b> | <b>273.30</b>       | <b>195.28</b>       |



**NOVA AGRI SCIENCE PRIVATE LIMITED**  
**Standalone Notes Forming Integral Part of the Balance Sheet as at 31 March 2023**

**Note 4 : Right of use of assets**

| Particulars                       | Lease hold Building | Total |
|-----------------------------------|---------------------|-------|
| <b>Gross carrying Value</b>       |                     |       |
| Balance as at April 1, 2022       | -                   | -     |
| Additions for the year            | 64.10               | 64.10 |
| Disposals for the year            | -                   | -     |
| Balance as at March 31, 2023      | 64.10               | 64.10 |
| <b>Accumulated Depreciation :</b> |                     |       |
| Balance as at April 1, 2022       | -                   | -     |
| Depreciation for the year         | 2.67                | 2.67  |
| Balance as at March 31, 2023      | 2.67                | 2.67  |
| <b>Net carrying amount :</b>      |                     |       |
| As on March 31, 2023              | 61.43               | 61.43 |

**Note 5 : Loans and Advance**

| Particulars       | As at 31 March 2023 | As at 31 March 2022 |
|-------------------|---------------------|---------------------|
| Security Deposits | -                   | 0.20                |
| <b>Total</b>      | -                   | <b>0.20</b>         |

**Note 6 Deffered Tax Asset**

| Particulars        | As at 31 March 2023 | As at 31 March 2022 |
|--------------------|---------------------|---------------------|
| Deffered Tax Asset | 150.88              | 117.87              |
| <b>Total</b>       | <b>150.88</b>       | <b>117.87</b>       |

**Note 7 Inventories**

| Particulars      | As at 31 March 2023 | As at 31 March 2022 |
|------------------|---------------------|---------------------|
| Raw material     | 518.02              | 475.51              |
| Work in Progress | -                   | -                   |
| Finished Goods   | 456.52              | 314.68              |
| Packing Material | 320.43              | 80.14               |
|                  | -                   | -                   |
| <b>Total</b>     | <b>1,294.97</b>     | <b>870.33</b>       |





Note 8 Trade Receivables

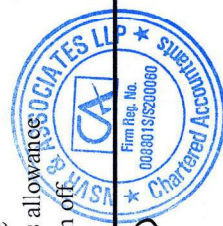
| Particulars                            | As at 31 March 2023 | As at 31 March 2022 |
|----------------------------------------|---------------------|---------------------|
| Sundry debtors                         | 5,197.84            | 4,260.59            |
| (-) Allowance for doubtful receivables | -451.53             | -317.61             |
|                                        | <b>4,746.31</b>     | <b>3,942.98</b>     |

| Particulars                                   | As at 31 March 2023 |                 |               |              |                   |
|-----------------------------------------------|---------------------|-----------------|---------------|--------------|-------------------|
|                                               | < 6 months          | 6 months-1 year | 1-2 years     | 2-3 years    | more than 3 years |
| Undisputed Trade Receivables -considered Good | 2,807.57            | 1,745.76        | 392.39        | 54.78        | 197.35            |
| Disputed Trade Receivables -considered Good   |                     |                 |               |              |                   |
| Loss allowance on debtors                     |                     |                 |               |              |                   |
| <b>Total</b>                                  | <b>2,807.57</b>     | <b>1,745.76</b> | <b>392.39</b> | <b>54.78</b> | <b>197.35</b>     |
|                                               |                     |                 |               |              | <b>-451.53</b>    |

| Particulars                                   | As at 31 March 2022 |                 |               |              |                   |
|-----------------------------------------------|---------------------|-----------------|---------------|--------------|-------------------|
|                                               | < 6 months          | 6 months-1 year | 1-2 years     | 2-3 years    | more than 3 years |
| Undisputed Trade Receivables -considered Good | 2,399.86            | 1,481.75        | 125.95        | 40.02        | -                 |
| Disputed Trade Receivables -considered Good   |                     |                 |               |              |                   |
| Loss allowance on debtors                     |                     |                 |               |              |                   |
| <b>Total</b>                                  | <b>2,399.86</b>     | <b>1,481.75</b> | <b>125.95</b> | <b>40.02</b> | <b>213.02</b>     |
|                                               |                     |                 |               |              | <b>3,729.96</b>   |

Loss Allowance on debtors

| Particulars                 | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------|---------------------|---------------------|
| Opening Balance             | 317.61              | 283.19              |
| Current year loss allowance | 137.02              | 34.43               |
| Bad debts written off       | 3.10                |                     |
| Closing balance             | <b>451.53</b>       | <b>317.61</b>       |



*P. C. D.*

**Note 9 Cash and Cash Equivalents**

| Particulars                        | As at 31 March 2023 | As at 31 March 2022 |
|------------------------------------|---------------------|---------------------|
| Cash in Hand<br>Cash               | 50.55               | 30.56               |
| Balance at Bank<br>Current account | 27.13               | 0.95                |
|                                    | 77.68               | 31.51               |

**Note 10 Other financial statements**

| Particulars                 | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------|---------------------|---------------------|
| Security and other deposits | 1.79                | 0.50                |
| Others                      | -                   | 15.00               |
| <b>Total</b>                | <b>1.79</b>         | <b>15.50</b>        |

**Note 11 Other Current Assets**

| Particulars                      | As at 31 March 2023 | As at 31 March 2022 |
|----------------------------------|---------------------|---------------------|
| Balance with revenue Authorities | 40.48               | 8.77                |
| Advances                         | 24.54               |                     |
| Advances from material suppliers | 171.40              |                     |
| <b>Total</b>                     | <b>236.42</b>       | <b>8.77</b>         |





Note 12 : Equity Share capital

| S. No | Particulars                                                                                        | As at 31 March 2023 |                           | As at 31 March 2022 |                           |
|-------|----------------------------------------------------------------------------------------------------|---------------------|---------------------------|---------------------|---------------------------|
| 1     | <b>AUTHORIZED CAPITAL</b><br>50,00,000 Equity Shares of Rs. 10/- each.                             | 50,00,000           | 500.00                    | 50,00,000           | 500.00                    |
|       |                                                                                                    | 50,00,000           | 500.00                    | 50,00,000           | 500.00                    |
| 2     | <b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP CAPITAL</b><br>18,00,000 Equity Shares of Rs. 10/- each, | 18,00,000           | 180.00                    | 18,00,000           | 180.00                    |
|       | <b>Total in</b>                                                                                    | <b>18,00,000</b>    | <b>180.00</b>             | <b>18,00,000</b>    | <b>180.00</b>             |
| 3     | <b>Reconciliation of Number of Shares</b>                                                          | As at 31 March 2023 |                           | As at 31 March 2022 |                           |
|       | <b>Equity Shares:</b>                                                                              | No of shares        | Amount                    | No of shares        | Amount                    |
|       | Balance as at the beginning of the year                                                            | 18,00,000           | 180.00                    | 18,00,000           | 180.00                    |
|       | Add: Shares issued during the Year                                                                 |                     |                           | -                   | -                         |
|       | Balance as at the end of the year                                                                  | <b>18,00,000</b>    | <b>180.00</b>             | <b>18,00,000</b>    | <b>180.00</b>             |
| 4     | <b>Details of Shareholders Holding more than 5% of shares in the company</b>                       | As at 31 March 2023 |                           | As at 31 March 2022 |                           |
|       | <b>Name of the Share Holder</b>                                                                    | No of shares        | % of holding in the class | No of shares        | % of holding in the class |
|       | Nova Agri Tech Limited                                                                             | 18,00,000           | 100.00%                   | 18,00,000           | 100%                      |
|       | <b>Total</b>                                                                                       | <b>18,00,000</b>    | <b>100%</b>               | <b>18,00,000</b>    | <b>100%</b>               |

a. Rights Attached to Equity Shares:

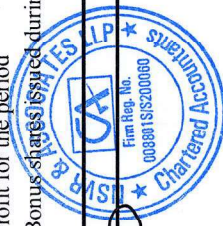
The company has only one class of Equity shares having a par value of Rs. 10/- each . The shareholders have equal rights per share in terms of dividend, voting & Assets of the company.

b. In the period of last five years immediately preceding to March 31st 2022

Nil

Note : 13 Other equity

| Particulars                                | As at 31 March 2023 | As at 31 March 2022 |
|--------------------------------------------|---------------------|---------------------|
| <b>Surplus (Profit &amp; Loss Account)</b> | <b>2,368.03</b>     | <b>1,167.66</b>     |
| Balance brought forward from previous year | 1,167.66            | 263.99              |
| Add: Profit for the period                 | 1,200.37            | 903.66              |
| Less: Bonus shares issued during the year  | -                   | -                   |
| <b>Total</b>                               | <b>2,368.03</b>     | <b>1,167.66</b>     |



**NOVA AGRI SCIENCE PRIVATE LIMITED**  
Standalone Notes Forming Integral Part of the Balance Sheet as at 31 March 2023

**Note 14 Long term Borrowings**

| Particulars                        | As at 31 March 2023 | As at 31 March 2022 |
|------------------------------------|---------------------|---------------------|
| <b>Secured Loans</b>               |                     |                     |
| Term Loan From Corp Bank           | -                   | -                   |
| CELC Term Loan                     | -                   | -                   |
| ICICI loan                         | 60.46               | 21.67               |
| GELC Loan                          | 50.21               | 38.89               |
| UBI GELC Loan                      | 78.82               | 71.36               |
| <b>Unsecured Loans</b>             |                     |                     |
| From Directors and Related Parties | 248.93              | 536.82              |
| <b>Total</b>                       | <b>438.42</b>       | <b>668.74</b>       |

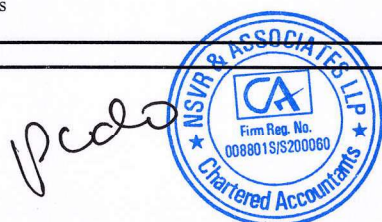
| Bank                                           | Amount        | ROI        | Repayment Schedule                                          | Security                                                                                                                                          | Amount Outstanding |
|------------------------------------------------|---------------|------------|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Corporation Bank                               | Rs.250 lakhs  | 13.10% p.a | Repayable in 84 monthly equal installments of Rs. 306845/-  | Exclusive first charge on the entire fixed assets of the company by way of Hypothecation of moveable assets/ machineries proposed to be purchased | -                  |
| Union Bank of India                            | Rs 105 lakhs  | 7.50% p.a  | Repayable in 36 monthly equal installments of Rs 3 26 616   | EM of factory land and buildings/sheds                                                                                                            | 78.37              |
| ICICI Bank                                     | Rs . 35 lakhs | 7.50 p . A | Repayable in 60 equal installments of Rs 70293              | Exclusive first charge on the entire fixed assets of the company by way of Hypothecation of moveable assets/ machineries proposed to be purchased | 23.71              |
| Union bank of India                            | Rs 53 lakhs   | 10% p.a    | Repayable in 33 equal installments of Rs 3,23,250           | EM of factory land and buildings/sheds                                                                                                            | 52.80              |
| ICICI BANK Fortuner loan ₹. 49 Lakhs 7.60% p.a |               |            | Repayable in 85 monthly equal instalments of ₹.75400 each   | Secured by hypothecation of Factory building                                                                                                      | 45.19              |
| Vehicle loan ₹.60 lakhs                        |               |            | Repayable in 84 monthly equal installments of Rs.23137 each | Secured by hypothecation                                                                                                                          | 14.96              |
| UBI bank tractor loan ₹ 8 lakhs 11.15% pa      |               |            | Repayable in 37 instalments                                 | Secured by hypothecation of Factory building                                                                                                      | 7.73               |
| UBI Bank Volva loan ₹. 50 lakhs 8.35% pa       |               |            | Repayable in 84 monthly equal instalments of ₹. 78806 each  | Secured by hypothecation of Factory building                                                                                                      | 47.47              |

**Note 15 Other Long term**

| Particulars       | As at 31 March 2023 | As at 31 March 2022 |
|-------------------|---------------------|---------------------|
| Security Deposits | 6.81                | 7.11                |
| <b>Total</b>      | <b>6.81</b>         | <b>7.11</b>         |

**Note 16 Lease Liabilities**

| Particulars       | As at 31 March 2023 | As at 31 March 2022 |
|-------------------|---------------------|---------------------|
| Lease liabilities | 62.04               | -                   |
| <b>Total</b>      | <b>62.04</b>        | <b>-</b>            |





Note 18 Short term borrowings

| Particulars           | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------|---------------------|---------------------|
| <b>Secured Loan</b>   |                     |                     |
| From Corporation Bank | 1,991.73            | 971.70              |
| Current maturities    | 80.74               | 69.81               |
| <b>Total</b>          | <b>2,072.47</b>     | <b>1,041.52</b>     |

| Name of bank     | Amount sanctioned | Date of sanction | Security                                                                                       | DP limit   |
|------------------|-------------------|------------------|------------------------------------------------------------------------------------------------|------------|
| Corporation bank | 2000 Lakhs        | 14th Nov 2022    | Secured by Hypothecation of Stock, Trade receivables & all other current assets of the company | 2000 Lakhs |

Note 17 Provision

| Particulars            | As at 31 March 2023 | As at 31 March 2022 |
|------------------------|---------------------|---------------------|
| Provision for Gratuity | 14.50               | 8.55                |
| <b>Total</b>           | <b>14.50</b>        | <b>8.55</b>         |



Note : 20 Trade Payables

| Particulars                | As at 31 March 2023 | As at 31 March 2022 |
|----------------------------|---------------------|---------------------|
| Payable to MSME            | 602.04              | 1,146.36            |
| Payable to other than MSME | 417.38              | 275.01              |
| <b>Total</b>               | <b>1,019.42</b>     | <b>1,421.36</b>     |

| Particulars                | As at 31 March 2023 |             |           |          |
|----------------------------|---------------------|-------------|-----------|----------|
|                            | <1 year             | 1-2 years   | 2-3 years | >3 years |
| Payable to MSME            | 602.04              | -           | -         | -        |
| Payable to other than MSME | 413.31              | 4.07        | -         | -        |
| <b>Total</b>               | <b>1,015.34</b>     | <b>4.07</b> | <b>-</b>  | <b>-</b> |

| Particulars                | As at 31 March 2022 |             |           |          |
|----------------------------|---------------------|-------------|-----------|----------|
|                            | <1 year             | 1-2 years   | 2-3 years | >3 years |
| Payable to MSME            | 1,141.01            | 5.35        | -         | -        |
| Payable to other than MSME | 273.17              | 1.84        | -         | -        |
| <b>Total</b>               | <b>1,414.17</b>     | <b>7.19</b> | <b>-</b>  | <b>-</b> |

Dues to micro small and medium :

| Particulars                                                                                                                                                                                                                                                                                                                                                                    | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| The amounts remain unpaid to micro and small supplies at the end of the year :-                                                                                                                                                                                                                                                                                                |                                  |                                  |
| - Principal                                                                                                                                                                                                                                                                                                                                                                    | 602.04                           | 1,146.36                         |
| - 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 are actually paid to the small enterprise for the purpose of disallowance of interest as a deductible expenditure under section 23 of the MSMED Act | -                                | -                                |





**Note 19 : Current Lease Liabilities**

| Particulars                             | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------------------|---------------------|---------------------|
| Current maturities of Lease Liabilities | 1.55                | -                   |
| <b>Total</b>                            | <b>1.55</b>         | <b>-</b>            |

**Note 21 Other Current Liabilities**

| Particulars             | As at 31 March 2023 | As at 31 March 2022 |
|-------------------------|---------------------|---------------------|
| Statutory Dues Payables | 18.39               | 33.43               |
| Payable to Employees    | 107.90              | 38.83               |
| Expenses payable        | 51.51               | 57.53               |
| <b>Total</b>            | <b>177.80</b>       | <b>129.78</b>       |

**Note 22 Short term provisions**

| Particulars                 | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------|---------------------|---------------------|
| Provision for sales returns | 54.89               | 41.75               |
| Provision for Gratuity      | 0.25                |                     |
|                             | 55.14               | 41.75               |

**Note 23 Current Tax Liability**

| Particulars  | As at 31 March 2023 | As at 31 March 2022 |
|--------------|---------------------|---------------------|
| Current tax  | 42.06               | 515.96              |
| <b>Total</b> | <b>42.06</b>        | <b>515.96</b>       |



**Note No.24 Revenue from Operations**

| Particulars             | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-------------------------|-------------------------------------|-------------------------------------|
| Revenue from Operations | 10,869.30                           | 10,562.70                           |
| Other Operating Income  | -                                   | -                                   |
| <b>Total</b>            | <b>10,869.30</b>                    | <b>10,562.70</b>                    |

**Note No.25 Other income**

| Particulars         | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---------------------|-------------------------------------|-------------------------------------|
| Dividend from Chits | -                                   | -                                   |
| Discount received   | 0.00                                | 0.29                                |
| Sale Of Scrap       | -                                   | -                                   |
| Misc. Income        | -                                   | -                                   |
| <b>Total</b>        | <b>0.00</b>                         | <b>0.29</b>                         |

**Note No.26 Cost of material consumed**

| Particulars             | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-------------------------|-------------------------------------|-------------------------------------|
| <b>Raw material</b>     |                                     |                                     |
| Opening                 | 475.51                              | 532.53                              |
| Closing                 | 518.02                              | 475.51                              |
| Purchases (net)         | 7,672.30                            | 7,770.37                            |
| <b>Packing Material</b> |                                     |                                     |
| Opening                 | 80.14                               | 390.88                              |
| Closing                 | 320.43                              | 80.14                               |
| <b>Total</b>            | <b>7,389.50</b>                     | <b>8,138.13</b>                     |
| <b>Total</b>            | <b>7,389.50</b>                     | <b>8,138.13</b>                     |

**Note No.27 Changes in inventories of finished goods**

| Particulars                     | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Opening stock of finished goods | 314.68                              | 575.97                              |
| Closing stock of finished goods | 456.52                              | 314.68                              |
| <b>Total</b>                    | <b>-141.84</b>                      | <b>261.30</b>                       |





**Note No. 28 Employee benefits**

| Particulars                                    | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|------------------------------------------------|-------------------------------------|-------------------------------------|
| Salaries and Wages                             | 1,016.53                            | 418.67                              |
| Contribution to provident fund and other funds | 60.06                               | 35.13                               |
| Staff welfare expenses                         | 5.75                                | 18.20                               |
| <b>Total</b>                                   | <b>1,082.34</b>                     | <b>471.99</b>                       |

**Note No.29 Finance costs**

| Particulars                   | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Interest On CC                | 160.55                              | 56.84                               |
| Interest On term Loans        | 16.69                               | 36.34                               |
| Interest on lease liabilities | 3.49                                | -                                   |
| Other borrowing costs         | 9.18                                | 4.65                                |
| <b>Total</b>                  | <b>189.91</b>                       | <b>97.83</b>                        |

**Note No.30 Depreciation and amortisation expenses**

| Particulars                                  | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|----------------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation of property plant and equipment | 58.49                               | 37.48                               |
| Depreciation of right of use assets          | 2.67                                | -                                   |
|                                              |                                     | 37.48                               |
| <b>Total</b>                                 | <b>61.16</b>                        | <b>74.96</b>                        |



**Note No.31 Other expenses**

| Particulars                           | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Audit Fees                            | 6.06                                | 2.50                                |
| Transport Charges                     | 122.05                              | 124.28                              |
| Travelling Expenses (TA/DA)           | 135.16                              | 62.09                               |
| Rental Expense                        | 2.47                                | 2.00                                |
| Repairs & Maintenance                 | 34.62                               | 15.29                               |
| Insurance Expenses                    | 22.14                               | 11.51                               |
| Telephone Expenses & Internet Charges | 16.40                               | 15.16                               |
| Subscriptions & Renewals              | 6.54                                | 0.86                                |
| Electricity Charges                   | 26.37                               | 23.63                               |
| Research and Development              | 15.13                               | 1.00                                |
| Bank Charges                          | 17.13                               | 4.45                                |
| Office maintenance                    | 2.23                                | 2.45                                |
| Loss allowance on debtors             | 137.02                              | 34.43                               |
| Printing & Stationary Expenses        | 3.27                                | 10.11                               |
| Consultancy Charges                   | 13.22                               | 7.82                                |
| Sales Promotion Expenses              | 27.14                               | 14.62                               |
| Dealers Meeting Expenses              | 0.35                                | 0.69                                |
| Other Expenses                        | 15.17                               | 12.98                               |
| Loss on Foreign exchange              | 66.47                               |                                     |
| CSR Expenses                          | 11.96                               |                                     |
| <b>Total</b>                          | <b>680.89</b>                       | <b>345.87</b>                       |





### 32. Changes in liabilities arising from financing activities

For the year ended 31 March 2023

| Particulars                                           | Current Borrowings | Non-current Borrowings | Lease liabilities |
|-------------------------------------------------------|--------------------|------------------------|-------------------|
| As at 1 April 2022                                    | 971.70             | 738.55                 | -                 |
| Borrowings made during the year                       | 1,020.03           | -                      | -                 |
| Borrowings repaid during the year                     | -                  | 219.39                 | -                 |
| Effect of changes in foreign exchange rates           | -                  | -                      | -                 |
| Recognition of right of use liability during the year | -                  | -                      | 64.10             |
| Payment of lease liability                            | -                  | -                      | 0.51              |
| As at 31 March 2023                                   | 1,991.73           | 519.16                 | 63.59             |

For the year ended 31 March 2022

| Particulars                                           | Current Borrowings | Non-current Borrowings | Lease liabilities |
|-------------------------------------------------------|--------------------|------------------------|-------------------|
| As at 1 April 2021                                    | 400.87             | 353.30                 | -                 |
| Borrowings made during the year                       | 570.83             | 385.25                 | -                 |
| 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                            | -                  | -                      | -                 |
| As at 31 March 2022                                   | 971.70             | 738.55                 | -                 |

### 33. Auditors remuneration

| Particulars          | For the Year ended 31st March 2023 | For the Year ended 31st March 2022 |
|----------------------|------------------------------------|------------------------------------|
| Statutory Audit Fees | 6.06                               | 2.50                               |
| <b>Total</b>         | <b>6.06</b>                        | <b>2.50</b>                        |



### 34. Earnings per share

| Particulars                                                                                   | For the Year ended 31 <sup>st</sup> March 2023 | For the Year ended 31 <sup>st</sup> March 2022 |
|-----------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| <b>Earnings</b><br>Profit / (Loss) attributable to equity shareholders of the Company.        | 1,198.05                                       | 903.66                                         |
| <b>Shares</b><br>Weighted average number of equity shares outstanding during the year – Basic | <b>18.00</b>                                   | <b>18.00</b>                                   |
| Weighted average number of equity shares outstanding during the year – Diluted                | 18.00                                          | 18.00                                          |
| Earnings per Equity share of par value of Rs. 10–<br><b>Basic (Rs.)</b>                       | 66.56                                          | 50.20                                          |
| Earnings per Equity share of par value of Rs. 10–<br><b>Diluted (Rs.)</b>                     | 66.56                                          | 50.20                                          |

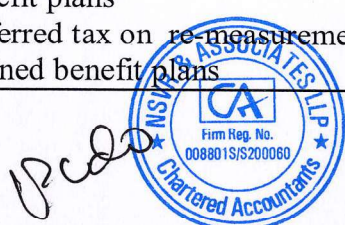
### 35. Income tax

#### a) Amount recognized in the statement of profit and loss

| Particulars                                        | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|----------------------------------------------------|----------------------------------|----------------------------------|
| Current Tax                                        | 442.30                           | 316.83                           |
| Deferred tax attributable to temporary differences | (33.01 )                         | (10.11 )                         |
| Adjustment for tax relating to earlier years       | -                                | -                                |
| <b>Tax Expense for the year</b>                    | <b>409.29</b>                    | <b>306.73</b>                    |

#### b) Amount recognized in other comprehensive income

| Particulars                                                    | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|----------------------------------------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Re-measurement gains/ (losses) on defined benefit plans        | (2.33 )                          | -                                | -                                |
| Deferred tax on re-measurement losses on defined benefit plans | 0.59                             | -                                | -                                |





c) Reconciliation of tax rate

| Particulars                                                                   | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-------------------------------------------------------------------------------|----------------------------------|----------------------------------|
| Accounting profit before income tax                                           | 1,607.34                         | 1,210.39                         |
| <b>Accounting profit before income tax</b>                                    | <b>404.57</b>                    | <b>304.66</b>                    |
| <b>At India's statutory income tax rate of 25.17% (31 March 2023: 25.17%)</b> |                                  |                                  |
| <b>Deductible expenses for tax purposes:</b>                                  |                                  |                                  |
| Depreciation allowable under Income tax Act                                   | 17.46                            | 11.56                            |
| Others                                                                        | 0.78                             | -                                |
| <b>At the effective income tax rate of 25.63% (31 March 2023: 25.17%)</b>     | <b>18.24</b>                     | <b>11.56</b>                     |
| <b>Non-deductible expenses for tax purposes:</b>                              |                                  |                                  |
| Depreciation debited to Profit & Loss                                         | 15.39                            | 9.43                             |
| CSR Expenses                                                                  | 3.01                             | -                                |
| Gratuity                                                                      | 2.14                             | 2.15                             |
| Others                                                                        | 35.42                            | 12.15                            |
| <b>At the effective income tax rate of 25.17% (31 March 2023: 25.17%)</b>     | <b>55.97</b>                     | <b>23.73</b>                     |
| <b>Income tax expense reported in the statement of profit and loss</b>        | <b>442.29</b>                    | <b>316.83</b>                    |
| <b>Effective tax rate</b>                                                     | <b>27.52%</b>                    | <b>26.18%</b>                    |

Deferred tax relates to the following  
Balance Sheet

| Particulars                                         | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------------------------------|---------------------|---------------------|
| <b>Deferred tax assets:</b>                         |                     |                     |
| WDV differences of assets as per books and tax laws | 19.70               | 25.27               |
| Gratuity Provision                                  | 3.71                | 2.15                |
| Provision for bad debts                             | 127.47              | 90.45               |
| <b>Net deferred tax (assets)/liabilities</b>        | <b>150.88</b>       | <b>117.87</b>       |



e) Reflected in the balance sheet as follows:

| Particulars                                   | As at 31 March<br>2023 | As at 31 March 2022 |
|-----------------------------------------------|------------------------|---------------------|
| Deferred tax assets (continuing operations)   | 150.88                 | 117.87              |
| <b>Deferred tax liabilities/(assets), net</b> | <b>150.88</b>          | <b>117.87</b>       |

**36. Employee Benefits:**

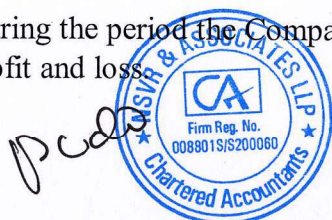
| Particulars                                    | 2022-23         | 2021-22       |
|------------------------------------------------|-----------------|---------------|
| Salaries and Wages                             | 1,016.53        | 418.67        |
| Contribution to provident fund and other funds | 60.06           | 35.13         |
| Staff welfare expenses                         | 5.75            | 18.20         |
| <b>Total</b>                                   | <b>1,082.34</b> | <b>471.99</b> |

**Notes:**

- The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final rules/interpretation have not yet been notified/issued. The Company is in the process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.
- The Company operates defined benefit plan i.e., gratuity for its employees. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The fund has the form of a trust and it is governed by the Board of Trustees who is responsible for the administration of the plan assets and for the definition of the investment strategy.

**(a) Defined Contribution Plans:**

During the period the Company has recognized the following amounts in the Statement of profit and loss:





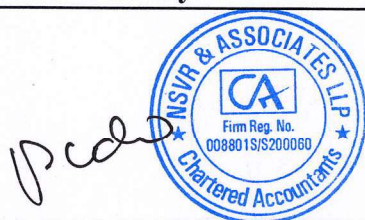
| Particulars                                        | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|----------------------------------------------------|-------------------------------------|-------------------------------------|
| Employers Contribution to Provident fund           | 43.87                               | 22.04                               |
| Employers Contribution to Employee state insurance | 7.67                                | 4.54                                |
| <b>Total</b>                                       | <b>51.54</b>                        | <b>26.58</b>                        |

The components of gratuity cost recognized in the statement of profit and loss for the years ended 31st March 2023, 2022 and 2021 consist of the following:

| Particulars                                                                         | For the year ended 31<br>March 2023 | For the year ended 31<br>March 2022 |
|-------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Current service cost                                                                | 7.90                                | -                                   |
| Interest on net defined benefit liability/(asset)                                   | 0.62                                | -                                   |
| Expected Return on plan Assets                                                      | -                                   | -                                   |
| Components of defined benefit costs recognized in statement of profit or loss - (A) | -                                   | -                                   |
| Actuarial (gain) / loss on plan obligations                                         | -                                   | -                                   |
| Components of defined benefit costs recognized in other comprehensive income - (B)  | (2.33)                              | -                                   |
| <b>Total (A+B)</b>                                                                  | <b>6.19</b>                         | Amount in financials                |

The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows

| Particulars                       | For the year ended<br>31 March 2023 | For the year ended<br>31 March 2022 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Current-Liability (Short Term)    | 0.25                                | 0.13                                |
| Non-Current Liability (Long Term) | 14.50                               | 8.42                                |
| <b>Total Liability</b>            | <b>14.74</b>                        | <b>8.55</b>                         |



Movement in the present value of the defined benefit obligation is as follows

| Particulars                                                  | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|--------------------------------------------------------------|----------------------------------|----------------------------------|
| Defined benefit obligations at the beginning of the year     | 8.55                             | -                                |
| Benefits Paid                                                | -                                | -                                |
| <b>Expenses Recognised in statement of Profit &amp; Loss</b> | 8.52                             | -                                |
| Current service cost                                         | 7.90                             | -                                |
| Interest on defined obligations                              | 0.62                             | -                                |
| <b>Expenses Recognised in statement of OCI</b>               | (2.33)                           | -                                |
| Actuarial loss/(gain) due to change in assumptions           | -                                | -                                |
| Actuarial loss/(gain) due to experience changes              | (2.33)                           | -                                |
| <b>Defined benefit obligations at the end of the year</b>    | <b>14.74</b>                     | <b>8.55</b>                      |

### Summary of Actuarial Assumptions

The actuarial assumptions used to determine benefit obligations in accounting for the Gratuity Plan are as follows.

| Particulars                        | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|------------------------------------|----------------------------------|----------------------------------|
| Discount rate                      | 7.50%                            | 7.25%                            |
| Rate of increase in compensation   | 5.00%                            | 5.00%                            |
| Expected Average Remaining Service | 26.10                            | 26.50                            |

### 37. 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                                                                                                                                                                         |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Directors of the Company</b> | <b>Ramesh babu nemani</b><br>(w.e.f 23 <sup>rd</sup> March 2022)<br><b>Swapna kandula</b><br>(w.e.f 19 <sup>th</sup> March 2020)<br><b>Kiran kumar adapa</b><br>(w.e.f 17 <sup>th</sup> March 2021) |





|                                                                   |                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Independent Directors of the Company</b>                       | <b>Rajesh Cherukuri</b><br>(w.e.f 2 <sup>nd</sup> January 2023)                                                                                                                                                                                                                                                                                                  |
| <b>Key Managerial Persons</b>                                     | <b>Malathi S</b><br><b>Sreekanth Yenigalla</b><br><b>Kiran Kumar Atukuri</b><br><b>Basanth Kumar Nadella</b><br><b>Neha Soni</b><br>(Company Secretary)<br>(w.e.f 22 <sup>nd</sup> October 2020)<br><b>Bhargavi Kandula</b><br>(CFO)<br>(resigned on 16 <sup>th</sup> Dec 2022)<br><b>Gunupudi Kamoji Srinivas</b><br>(CFO)<br>(w.e.f 17 <sup>th</sup> Dec 2022) |
| <b>Enterprises having significant influence over the company:</b> | <b>Suraksha Agri Retails (India) Private Limited.</b><br><b>Nova FertiCare Private limited.</b><br><b>Nova Dairy Tech India Private limited.</b><br><b>Nova Health sciences Private Limited.</b><br><b>Agri Genome Resources India private limited.</b><br><b>AIC Nova Foundation for Agricultural Innovation and research.</b>                                  |

**Related Party transactions details:**

| <b>Particulars</b>                                        | <b>For the year months ended 31<sup>st</sup> March, 2023</b> | <b>For the year months ended 31<sup>st</sup> March, 2022</b> |
|-----------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| 1. Salary & Remuneration to KMP                           | -                                                            | -                                                            |
| <b>Outstanding balance of loan taken by the company :</b> |                                                              |                                                              |
| Malathi S                                                 | 111.39                                                       | 240.22                                                       |
| Sreekanth yenigalla                                       | 4.64                                                         | 10.00                                                        |
| Kiran kumar atukuri                                       | 115.97                                                       | 250.10                                                       |
| Basanth kumar nadella                                     | 16.93                                                        | 36.5                                                         |
| <b>Total</b>                                              | <b>248.93</b>                                                | <b>536.82</b>                                                |



**Transactions with holding :**

| Particulars                  | For the year<br>months ended 31 <sup>st</sup><br>March, 2023 | For the year<br>months ended 31 <sup>st</sup><br>March, 2022 |
|------------------------------|--------------------------------------------------------------|--------------------------------------------------------------|
| <b>Nova Agritech Limited</b> |                                                              |                                                              |
| Sales to Holding             | 1,219.77                                                     | 1,155.39                                                     |
| Purchases from Holding       | 268.80                                                       | 2,451.74                                                     |
| Receivables from Holding     | 684.82                                                       | 1,910.36                                                     |
| Payables to Holding          |                                                              |                                                              |
| Investment from Holding      | 180.00                                                       | 180.00                                                       |

**38. Financial instruments and fair value**

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, as below, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

**Financial assets and liabilities: As on 31st March 2023**

| Particulars                 | Fair value      | Total carrying value |
|-----------------------------|-----------------|----------------------|
| <b>Assets</b>               |                 |                      |
| Investments                 | -               | -                    |
| Loans & Advances            | -               | -                    |
| Trade receivables           | 4,746.31        | 4,746.31             |
| Cash & cash equivalents     | 77.68           | 77.68                |
| Other financial liabilities | 1.79            | 1.79                 |
| <b>Total</b>                | <b>4,825.77</b> | <b>4,825.77</b>      |
| <b>Liabilities</b>          |                 |                      |
| Non-current borrowings      | 438.42          | 438.42               |
| Current borrowings          | 2,072.47        | 2,072.47             |
| Trade payables              | 1,019.42        | 1,019.42             |
| Lease liabilities           | 63.59           | 63.59                |
| <b>Total</b>                | <b>3,593.89</b> | <b>3,593.89</b>      |





**Financial assets and liabilities: As on 31st March 2022**

| Particulars             | Total Carrying value | Total Fair value |
|-------------------------|----------------------|------------------|
| <b>Assets</b>           |                      |                  |
| Loans & Advances        | 0.20                 | 0.20             |
| Trade receivables       | 3,942.98             | 3,942.98         |
| Cash & cash equivalents | 31.51                | 31.51            |
| Other financial assets  | 15.50                | 15.50            |
| <b>Total</b>            | <b>3,990.19</b>      | <b>3,990.19</b>  |
| <b>Liabilities</b>      |                      |                  |
| Long-term borrowings    | 668.74               | 668.74           |
| Short-term borrowings   | 1041.52              | 1041.52          |
| Trade payables          | 1,421.36             | 1,421.36         |
| <b>Total</b>            | <b>3131.62</b>       | <b>3131.62</b>   |

There has been no transfers between levels during the year. The management has assessed that the carrying values of financial assets and financial liabilities for which fair values are disclosed, reasonably approximate their fair values because these instruments have short-term maturities.

**39. Financial Risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade and other receivables, cash and cash equivalents, bank balances, security deposits and derivatives that are out of regular business operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's risk management is carried out by a treasury department under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of



derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

**(a) Market Risk:**

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. Financial instruments affected by market risk include borrowings, derivatives financial instruments and trade payables.

*(i) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, without considering impact of derivatives not designated as hedges, as follows:

The exposure of the company's borrowings to interest rate changes at the end of the year are as follows:-

| Particulars      | Increase/decrease<br>in basis points | Effect on profit<br>before tax |
|------------------|--------------------------------------|--------------------------------|
| <b>31-Mar-23</b> |                                      |                                |
| INR              | 100                                  | -22.62                         |
| INR              | -100                                 | 22.62                          |
| <b>31-Mar-22</b> |                                      |                                |
| INR              | 100                                  | -11.73                         |
| INR              | -100                                 | 11.73                          |

**(i) Foreign Currency Risk:**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency borrowings and trade payables.

Unhedged foreign currency exposure as at balance sheet date

(Amount of payables are in US dollars stated at rupees in lakhs)





| Particulars  | As at 31<br>March 2023 | As at 31 March<br>2022 |
|--------------|------------------------|------------------------|
| Imports      | 1,815.79               | 1,272.85               |
| <b>Total</b> | <b>1,815.79</b>        | <b>1,272.85</b>        |

| <b>Sensitivity</b>                  |                        |                        |
|-------------------------------------|------------------------|------------------------|
| Particulars                         | As at 31<br>March 2023 | As at 31 March<br>2022 |
| Impact on standalone profit or loss |                        |                        |
| <b>Sensitivity</b>                  |                        |                        |
| 1% Increase in FCER                 | (18.16 )               | (12.73 )               |
| 1% Decrease in FCER                 | 18.16                  | 12.73                  |

**(b).Credit Risk:**

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and scheduled banks and hence, the Company does not expect any credit risk with respect to these financial assets.

**Trade and other receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

*Details of financial assets – not due, past due and impaired*

None of the Company's cash equivalents, including term deposits with banks, were past due or impaired as of 31 March 2023. The Company's credit period for trade and other receivables payable by its customers generally ranges from 30 –90 days.

The ageing of trade and other receivables is given below:



| Particulars                                 | As at 31 March 2023 | As at 31 March 2022 |
|---------------------------------------------|---------------------|---------------------|
| Neither past due nor impaired               |                     |                     |
| Past due but not impaired                   |                     |                     |
| Less than 365 days                          | 4,553.33            | 3,881.61            |
| More than 365 days                          | 644.51              | 378.99              |
|                                             | <b>5,197.84</b>     | <b>4,260.59</b>     |
| Less : Allowance for expected credit losses | 451.53              | 317.61              |
| <b>Total</b>                                | <b>4,746.31</b>     | <b>3,942.98</b>     |

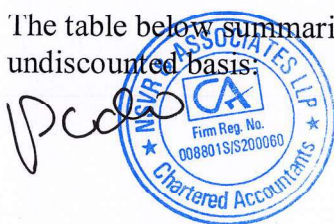
#### Reconciliation of impairment of trade receivables and other assets

| Particulars                                               | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------------------------------------|---------------------|---------------------|
| <b>Impairment of Trade receivable</b>                     | -                   | -                   |
| Balance at the beginning of the year                      | 317.61              | 283.19              |
| Add: Provision made during the year                       | 137.02              | 34.43               |
| Less: Reversal of earlier years provisions                | -                   | -                   |
| Less: Bad debts written off from earlier years provisions | 3.10                | -                   |
| <b>Balance at the end of the year</b>                     | <b>451.53</b>       | <b>317.61</b>       |

#### (c ).Liquidity risk

The Company's objective is to maintain optimum levels of liquidity to meet its cash and collateral requirements at all times. The Company relies on a mix of borrowings and excess operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium/long term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

The table below summarises the maturity profile of the Company's financial liabilities on undiscounted basis:





| <b><u>Maturities</u></b> | <b>Upto 1<br/>year</b> | <b>1-5<br/>Years</b> | <b>Above 5 Years</b> | <b>Total</b>    |
|--------------------------|------------------------|----------------------|----------------------|-----------------|
| <b><u>31-Mar-23</u></b>  |                        |                      |                      |                 |
| Non-current borrowings   | 80.74                  | 438.42               | -                    | 519.16          |
| Current borrowings       | 1,991.73               | -                    | -                    | 1,991.73        |
| Trade payables           | 1,015.34               | 4.07                 | -                    | 1,019.42        |
| Lease liabilities        | 1.55                   | 3.84                 | 58.20                | 63.59           |
| <b>Total</b>             | <b>3,089.36</b>        | <b>446.33</b>        | <b>58.20</b>         | <b>3,593.89</b> |

|                             |                |               |          |                |
|-----------------------------|----------------|---------------|----------|----------------|
| <b><u>31-03-2022</u></b>    |                |               |          |                |
| Non-current borrowings      | 69.81          | 668.74        |          | 738.55         |
| Current borrowings          | 971.70         | -             |          | 971.70         |
| Trade payables              | 1,414.17       | 7.19          |          | 1,421.36       |
| Other financial liabilities |                | 7.11          |          | 7.11           |
| <b>Total</b>                | <b>2455.68</b> | <b>683.04</b> | <b>-</b> | <b>3138.73</b> |

#### 40. Details of CSR expenditure

As required by Section 135 read with Schedule VII of the Companies Act 2013, corporate social responsibility (CSR) expenditure required to be spent by the Company during the year, computed at 2% of its average net profit before tax for the immediately preceding three financial years.

| <b>Particulars</b>                                               | <b>As at 31<br/>March<br/>2023</b>           | <b>As at 31<br/>March<br/>2022</b> |
|------------------------------------------------------------------|----------------------------------------------|------------------------------------|
| i) Amount required to be spent by the company during the year    | 8.85                                         | -                                  |
| ii) Amount required to be set off for the financial year, if any | -                                            | -                                  |
| iii) Total CSR obligation for the financial year                 | <b>8.85</b>                                  | -                                  |
| iv) Amount of expenditure incurred                               |                                              |                                    |
| (a) Construction/acquisition of any asset                        | -                                            | -                                  |
| (b) On purposes other than (a) above                             | 11.96                                        | -                                  |
| v) Shortfall/ (Pre spent) at the end of the year ((iii)-(iv))*   | (3.11)                                       | -                                  |
| vi) Total of previous years shortfall                            | -                                            | -                                  |
| vii) Reason for shortfall                                        | -                                            | -                                  |
| viii) Nature of CSR activities                                   | Eradicating hungry, poverty and malnutrition |                                    |



|                                                                                                                                                                       |     |     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|
| ix) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard | N.A | N.A |
| x) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision                           | N.A | N.A |

#### 41. Other statutory information

1. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
2. The Company does not have any transactions with struck off companies.
3. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
4. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
5. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
6. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
7. The Company has not entered in to any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
8. The Company has not been declared as willful defaulter by any bank or financial institution or other lender.





9. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
10. No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013, during the year.
11. The Company have borrowings from banks or financial institutions against security of its current assets.
12. The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were taken.



## 42. Ratios

| Ratio                           | Numerator                                                      | Denominator                                                                 | As on 31-03-2023 | As on 31-03-2022 | % Change | Reason for Variance |
|---------------------------------|----------------------------------------------------------------|-----------------------------------------------------------------------------|------------------|------------------|----------|---------------------|
| Current ratio                   | Current assets                                                 | Current liabilities                                                         | 1.68             | 1.55             | 8.70     |                     |
| Debt- Equity ratio              | Total Debt                                                     | Share holders Equity                                                        | 1.69             | 2.85             | -40.86   | 1                   |
| Debt service coverage ratio     | Net profit after tax + non cash operating expenses             | Interest & lease payments + principal repayments                            | 9.51             | 8.59             | 10.82    |                     |
| Return on equity ratio          | Net profit after taxes – preference dividend                   | Average shareholder's equity                                                | 0.62             | 1.01             | -39.10   | 2                   |
| Inventory turnover ratio        | Net sales = Total sales - sales return                         | Average Inventory                                                           | 10.04            | 8.91             | 12.68    |                     |
| Trade receivable turnover ratio | Net credit sales = gross credit sales – sales return           | Average trade receivables                                                   | 2.50             | 3.29             | -23.96   |                     |
| Trade payable turnover ratio    | Net credit purchases = gross credit purchase – purchase return | Average trade payables                                                      | 6.29             | 3.77             | 66.76    | 3                   |
| Net capital turnover ratio      | Net sales = Total sales - sales return                         | Working capital = Current assets - current liabilities                      | 4.21             | 6.15             | -31.61   | 4                   |
| Net profit ratio                | Net profit                                                     | Net sales = Total sales – sales return                                      | 0.11             | 0.09             | 22.47    |                     |
| Return on capital employed      | Earning before interest and tax                                | Capital employed = Tangible net worth + Total debt + Deferred tax liability | 0.60             | 0.44             | 37.38    | 5                   |





|                      |                            |                    |  |     |  |  |
|----------------------|----------------------------|--------------------|--|-----|--|--|
| Return on investment | Net income from investment | Cost of investment |  | N/A |  |  |
|----------------------|----------------------------|--------------------|--|-----|--|--|

1. Repayment of debt and increase in equity resulted in decrease of this ratio.
2. Increase in net profit has contributed towards increase in return on equity.
3. This is due to decrease in average trade payables .
4. Decrease in profit is due to increase in working capital.
5. Increase in earnings before interest and tax has contributed to increase in this ratio.s

#### 43. Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

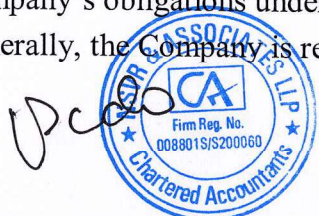
The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

#### Gearing Ratio :

| Particulars                                         | As at 31 March 2023 | As at 31 March 2022 |
|-----------------------------------------------------|---------------------|---------------------|
| Current and non current borrowings including leases | 2,574.48            | 1,710.25            |
| Less: Cash and bank balances                        | 77.68               | 31.51               |
| Net Debt (A)                                        | <b>2,496.80</b>     | <b>1,678.74</b>     |
| Total Equity (B)                                    | <b>2,548.03</b>     | <b>1,347.66</b>     |
| Net Debt to equity Ratio ( A/B )                    | <b>0.98</b>         | <b>1.25</b>         |

#### 44. Leases

The Company has lease contracts for buildings. The lease has lease terms of 10 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and sub-leasing the leased assets. There



lease contracts that include extension and termination options, which are further discussed below.

The Company also has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Refer Note 2 for details of carrying amounts of right-of-use assets recognised and the movements during the year. Set out below are the carrying amounts of lease liabilities (included under interest-bearing borrowings) and the movements during the year:

The maturity analysis of lease liabilities is disclosed in Note 37. The following are the amounts recognised in the statement of profit or loss:

| Particulars                   | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-------------------------------|----------------------------------|----------------------------------|
| At the beginning of the year  | -                                | -                                |
| Additions                     | 64.10                            | -                                |
| Leases terminated             | -                                | -                                |
| Accretion of interest         | 3.49                             | -                                |
| Payments                      | (4.00)                           | -                                |
| <b>At the end of the year</b> | <b>63.59</b>                     |                                  |
| <b>Current</b>                | <b>1.55</b>                      |                                  |
| <b>Non-current</b>            | <b>62.04</b>                     |                                  |

| Particulars                                           | For the year ended 31 March 2023 | For the year ended 31 March 2022 |
|-------------------------------------------------------|----------------------------------|----------------------------------|
| Depreciation expense of right-of-use assets           | 2.67                             | -                                |
| Interest expense on lease liabilities                 | 3.49                             | -                                |
| Expense relating to short-term leases                 | 0                                | -                                |
| <b>Total amount recognized in the P&amp;L account</b> | <b>6.16</b>                      | <b>-</b>                         |

The Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The effective interest rate for lease liabilities is 13.10%, with maturity between 2032-33.





| Particulars                                                            | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Expense relating to leases of low-value assets                         | -                                    | -                                    |
| Expense relating to short-term leases                                  | -                                    | -                                    |
| Variable lease payments                                                | -                                    | -                                    |
| Total Lease Payments not considered as Lease payments under Ind AS 116 | -                                    | -                                    |

**45. Research expenses recognised in the statement of profit and loss**

| Particulars  | For the year ended<br>31st March 2023 | For the year ended<br>31st March 2022 |
|--------------|---------------------------------------|---------------------------------------|
| Others       | 15.13                                 | 1.00                                  |
| <b>Total</b> | <b>15.13</b>                          | <b>1.00</b>                           |

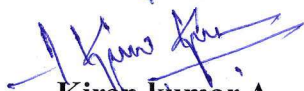
46. Previous period/year figures have been regrouped/re-classified wherever necessary, to conform to current period's classification in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.

**For NSVR & Associates LLP.,**  
Chartered accountants  
Firm Redg No: 008801S/S200060



Venkata Ratnam P  
Partner  
M.No: 230675  
UDIN: 23230675BGWGPE8626

On behalf of Board of Directors  
**For Nova Agri science private Limited**

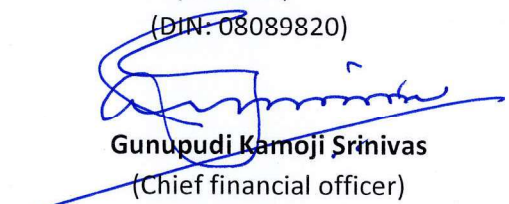
  
**Kiran kumar A**  
(Managing Director)  
(DIN: 08143781)



  
**RAMESH BABU N**  
(Director)  
(DIN: 08089820)

  
**RAJESH C**  
( Director)  
(DIN: 09840611)

Place: Hyderabad  
Date: 30-08-2023

  
**Gunupudi Kamoji Srinivas**  
(Chief financial officer)