

DRAFT LETTER OF OFFER  
[●], 2023  
For Eligible Equity Shareholders only



**TIERRA AGROTECH LIMITED**

Our Company was incorporated as “Tierra Agrotech Private Limited” on September 13, 2013 as a private limited company under the Companies Act, 1956 pursuant to the Certificate of Incorporation granted by the Registrar of Companies, Hyderabad, Andhra Pradesh. Our Company pursuant to the Scheme of Amalgamation with Grandeur Products Limited which was approved by the Hon’ble NCLT, vide its order dated November 12, 2021 has been converted into a public limited company and the name of the company was changed to “Tierra Agrotech Limited” on December 17, 2021 and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Hyderabad, Telangana. For further details of changes in name and registered office, please refer to “**General Information**” on page 1 of this Draft Letter of Offer.


**Registered Office:** 1st Floor, Sravana Complex, Kamalapuri Colony Lane, Next to L V Prasad Hospital,  
Road.No.2, Banjara Hills, Hyderabad - 500034, Telangana, India.

**Telephone: 040 4850 6656 |**

**Contact Person:** Kalidindi Anagha Devi, Company Secretary and Compliance Officer

Email: [cs@tierraagrotech.com](mailto:cs@tierraagrotech.com) | Website: [www.tierraagrotech.com](http://www.tierraagrotech.com),

**Corporate Identity Number:** L01119TG2013PLC090004

OUR PROMOTERS			
Mr. Satish Kumar Tondapu, Mr. Parthasarathi Bhattacharya, Mr. Surinder Kumar Tikoo, Mr. Suresh Atluri, Mr. Jayaram Prasad Munnangi, Mr. Nalluri Sai Charan, Mr. Visweswara Rao K			
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF TIERRA AGROTECH LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY			
ISSUE OF UP TO [●] FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A PREMIUM OF [●] PER EQUITY SHARE) AGGREGATING TO ₹ 4,990 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●], 2023 (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" ON PAGE 219 OF THIS DRAFT LETTER OF OFFER. # Assuming full subscription.			
PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES			
AMOUNT PAYABLE PER RIGHTS EQUITY SHARE	FACE VALUE	PREMIUM	TOTAL
On Application	10	[●]	[●]
Total (in ₹)	10	[●]	[●]
WILFUL DEFAULTERS OR FRAUDULENT BORROWERS			
Neither our Company nor any of our Promoters or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrowers.			
GENERAL RISKS			
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "Risk Factors" on page 21 of this Draft Letter of Offer before making an investment in this Issue.			
ISSUER'S ABSOLUTE RESPONSIBILITY			
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respects.			
LISTING			
The existing Equity Shares are listed on BSE Limited ("BSE") (the "Stock Exchange"). Our Company has received 'in-principle' approval from the BSE Limited for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letters dated [●]. Our Company will also make applications to BSE Limited to obtain their trading approval for the Rights Entitlements as required under the SEBI master circular Number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.			
REGISTRAR TO THE ISSUE			
 <b>Venture Capital and Corporate Investments Private Limited</b> CIN: U65993TG1986PTC006936 Aurum, 4th & 5th Floors, Plot No.57, Jayabheri Enclave, Phase - II, Gachibowli, Hyderabad-500032, Telangana. <b>Telephone:</b> +91 40 35164940 <b>Email:</b> : investor.relations@vccipl.com <b>Contact Person:</b> Mr. ESK Prasad <b>Website:</b> www.vccipl.com <b>SEBI Registration No.:</b> INR000001203 <b>Validity of Registration:</b> Permanent.			
ISSUE PROGRAMME			
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*		ISSUE CLOSES ON#
[●], 2023	[●], 2023		[●], 2023

\* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

# Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Draft Letter of Offer uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein.*

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Draft Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, SEBI Listing Regulations, the SCRA, the Depositories Act, SEBI Takeover Regulations, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Summary of Draft Letter of Offer" "Statement of Special Tax Benefits" and "Restated Financial Statements" and Outstanding Litigations and Defaults on pages 18, 52, 116 and 202 respectively of this Draft Letter of Offer, shall have the meaning given to such terms in respective sections.*

*The following list of certain capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.*

#### General Terms

Term	Description
"Our Company" or "the Company" or "the Issuer" or "TIERRA"	TIERRA AGROTECH LIMITED incorporated under the Companies Act 1956, with its Registered Office at 1st Floor, Sravana Complex, Kamalapuri Colony Lane, Next to L V Prasad Hospital, Road.No.2, Banjara Hills, Hyderabad - 500034, Telangana, India.
"We", "Our", "Us" or "our Group"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, Our Company, as applicable, as at and during the relevant Financial Year.

#### Company Related Terms

Term	Description
"Articles of Association" or "Articles"	The Articles of Association of our Company, as amended from time to time.
Audit Committee	The audit committee of our Board.
"Auditors or Statutory Auditors"	The statutory auditors of our Company, namely, Ramasamy Koteswara Rao & Co LLP, Chartered Accountants.
"Audited Financial Statements"	The audited consolidated financial statements of our Company for the financial year ended March 31, 2023 (along with comparatives for the financial year ended March 31, 2022), which comprises the balance sheet as at March 31, 2023 and March 31, 2022, the consolidated statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for financial year ended March 31, 2023 and March 31, 2022, along with notes to the financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon.
"Board" or "Board of Directors"	The board of directors of our Company or a duly constituted committee thereof.
"Directors"	Directors on the Board, as may be appointed from time to time
"ESP Scheme"/ "Employee Stock Purchase Scheme"	Grandeur Employee Stock Purchase Scheme 2017.
"Equity Shareholders"	Holders of Equity Share(s), from time to time.

“Equity Shares”	Equity shares of face value of ₹10 each of our Company.
“Executive Director(s)”	Executive Director of our Company being Mr. Vijay Kumar Deekonda unless otherwise specified.
“Chief Executive Officer”	The Chief Executive Officer of our Company, Mr. Hari Singh Chauhan.
“Chief Financial Officer”	The Chief Financial Officer of our Company, Mr. Sheshu Babu Dharla.
“Independent Director”	Independent directors on the Board of, our Company as per the definition provided in Section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations as disclosed in . For details of the Independent Directors, see "Our Management" on page 100 of this Draft Letter of Offer.
“Key Managerial Personnel”	The key managerial personnel of our Company as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations as disclosed in “Our Management” on page 100 of this Draft Letter of Offer
“Material Subsidiaries”	We do not have any material subsidiaries.
“Materiality Policy”	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
“Memorandum of Association or Memorandum”	The Memorandum of Association of our Company, as amended from time to time.
“Promoter(s)”	Satish Kumar Tondapu, Parthasarathi Bhattacharya, Surinder Kumar Tikoo, Suresh Atluri, Jayaram Prasad Munnangi, Nalluri Sai Charan and Visweswara Rao K .
“Promoter Group”	Srinivasa Rao Paturi and M Sailaja (Promoter Group) Unless the context requires otherwise, the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.
“Registered Office”	1st Floor, Sravana Complex, Kamalapuri Colony Lane, Next to L V Prasad Hospital, Road.No.2, Banjara Hills, Hyderabad - 500034, Telangana, India.
“Restated Financial Statements”/ “Restated Consolidated Financial Statements” / “Financial Statements”	Our restated Ind AS summary statement of assets and liabilities as at March 31, 2023, March 31, 2022, and as at March 31, 2021 and restated Ind AS summary statement of profit and loss, restated Ind AS summary statement of changes in equity and restated Ind AS summary statement of cash flows for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 together with the annexures, notes and other explanatory information thereon, derived from the annual audited financial statements as at and for year ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS and restated in accordance with Section 26 of Part 1 of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI.
“Rights Issue Committee”	The committee of our Board constituted through the resolution dated July 5, 2023.
“Subsidiary”	Subsidiary of our Company as defined under Companies Act, 2013 and the applicable accounting standard, namely, Tierra Seed Science Private Limited, being the 100% wholly owned subsidiary of our company.

## Issue Related Terms

Term	Description
"Abridged Letter of Offer" or "ALOF"	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.
"Additional Rights Equity Shares"	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
"Allotment", "Allot" or "Allotted"	Allotment of Equity Shares pursuant to the Issue.
"Allotment Account(s)"	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
"Allotment Account Bank(s)/ Banker(s) to Issue/Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, [●].
"Allotment Advice"	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
"Allotment Date"	Date on which the Allotment is made pursuant to this Issue
"Allottee(s)"	Person(s) who is Allotted Equity Shares pursuant to Allotment
"Applicant(s) or Investor(s)"	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer
"Application"	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price
"Application Form"	Unless the context otherwise requires, an application form or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue
"Application Money"	Aggregate amount payable at the time of application i.e. ₹ [●] in respect of the Rights Equity Shares applied for in the Issue at the Issue Price, being 100% of the Issue price.
"Application Supported by Blocked Amount" or "ASBA"	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with the SCSB
"ASBA Account"	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
"ASBA Applicant(s) / ASBA Investor(s)"	Applicants / Investors who make Application in this Issue using the ASBA Process.
"ASBA Circulars"	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI master circular Number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023
"Banker(s) to the Issue"	Collectively, Escrow Collection Bank, Allotment Account Bank and the Refund Bank, in this case being [●]

“Banker to the Issue Agreement”	Agreement to be entered into by and among our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
“Basis of Allotment”	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in “ <b><i>Terms of the Issue</i></b> ” on page 219 of this Draft Letter of Offer
“Controlling Branches” or “Controlling Branches of the SCSBs”	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
“Demographic Details”	Details of Investors including the Investor’s address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
“Designated Branches”	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
“Designated Stock Exchange”	BSE Limited
“Eligible Equity Shareholder (s)”	Holder(s) of the Equity Shares of our Company as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, please see “Notice to Investors” on page 11 of this Draft Letter of Offer
“Escrow Collection Bank”	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the escrow account will be opened, in this case being, [●]
“FPIs”	Foreign portfolio investors as defined under the SEBI FPI Regulations
“Fraudulent Borrower”	Fraudulent Borrower(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations.
“IEPF”	Investor Education and Protection Fund.
“ISIN”	International Securities Identification Number of the Company being INE05CY01014.
“Issue / Rights Issue”	Issue of up to [●] Equity Shares of face value of ₹10 each of our Company for cash at a price of ₹ [●] per Rights Equity Share not exceeding ₹ 4,990 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●].
“Issue Closing Date”	[●]
“Issue Opening Date”	[●]
“Issue Period”	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
“Issue Price”	₹ [●] per Equity Share On Application, Investors will have to pay ₹ [●] per Rights Equity Share which constitutes [●] of the Issue Price
“Issue Materials”	Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
“Issue Proceeds or Gross Proceeds”	Gross proceeds of the Issue
“Issue Size”	Amount aggregating up to 4,990 Lakhs <sup>#</sup> <sup>#</sup> Assuming full subscription
“Letter of Offer”	The Letter of Offer to be filed with the Stock Exchange and to be submitted to SEBI for information purposes
“Listing Agreement”	The listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations.

“Multiple Application Forms”	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
“Net Proceeds”	Issue Proceeds less the Issue related expenses. For further details, see " <b>Objects of the Issue</b> " on page 47 of this Draft Letter of Offer
“Non-Institutional Investor(s) / NII”	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
“Off Market Renunciation”	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
“Offer Document(s)”	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigenda thereto.
“On Market Renunciation”	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●]
"Qualified Institutional Buyers" or "QIBs"	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
“Record Date”	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being [●]
“Registrar to the Issue / Registrar”	Venture Capital And Corporate Investments Private Limited
“Registrar Agreement”	Agreement dated [●] between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue
“Renouncee(s)”	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
“Renunciation Period”	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
“Retail Individual Investor / RII”	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 2,00,000 (including an HUF applying through karta in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
“Rights Entitlement(s)”	Number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Equity Shares held by an Eligible Equity Shareholder.
“Rights Entitlement Letter”	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
“Rights Equity Shares / Rights Shares”	Equity Shares of our Company to be Allotted pursuant to the Issue.
“Self-Certified Syndicate Banks / SCSB(s)”	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
“Stock Exchange”	Stock Exchange where the Equity Shares are presently listed, being BSE Limited.
“Transfer Date”	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange

“Wilful Defaulter or Fraudulant Borrower”	An entity or person categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by RBI and Regulation 2(1)(III) of the SEBI ICDR Regulations.
“Working Day(s)”	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI



## Industry Related Terms and Abbreviations

Term	Description
“Agriculture Produce (Grading and Marking) Act”	The Agricultural Produce (Grading and Marking) Act, 1937
“Bio Products”	Bio products are eco-friendly products consisting of beneficial microorganisms of agricultural importance like fungus, bacteria, viruses and nematodes which are mainly used to control several crop pests and diseases, to enhance the productivity of soils either by fixing atmospheric nitrogen in soil or converting phosphorus from unavailable form to available form or stimulating plant growth through synthesis of growth promoting substances
“Bt Cotton”	Cotton Genetically Engineered to produce a natural insecticide that comes from the Bt bacterium, <i>Bacillus Thuringiensis</i> .
“DAC”	Department of Agriculture and Corporation
“DNA”	Deoxyribonucleic Acid
“DPSQ”	Development and Strengthening of Infrastructure Facilities for Production and Distribution of Quality Seeds
“FAO”	Food and Agriculture Organisation
“GM”	Genetically modified
“GoT”	Grow out Test
“Hybrid Seed”	Seeds produced by artificially cross-pollinated plants
“MRP”	Maximum Retail Price
“MT”	Metric Tonne
“OP seeds”	Open Pollinated Seeds
“Public bred varieties”	Varieties / hybrids developed by agricultural universities or government funded organizations
“Proprietary hybrids”	Varieties / hybrids developed by the private sector
“SP”	Self Pollinated

## Conventional and General Terms/Abbreviations

Term	Description
"₹", "Rs. ", "Rupees" or "INR"	Indian Rupees
“Adjusted loans and advances”	Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company.
“AIF(s)”	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
“AS”	Accounting Standards issued by the Institute of Chartered Accountants of India
“AY”	Assessment year
“BSE”	BSE Limited
“CAGR”	Compound annual growth rate
“CDSL”	Central Depository Services (India) Limited
“CIN”	Corporate identification number
“Companies Act, 1956”	erstwhile Companies Act, 1956 along with the rules made thereunder without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections).
“Companies Act, 2013”	Companies Act, 2013, and the rules thereunder
“CSR”	Corporate Social Responsibility
“COVID-19”	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020

“CRAR”	Capital adequacy ratio/Capital to risk assets ratio
“CrPC”	Code of Criminal Procedure, 1973
“Depositories Act”	Depositories Act, 1996
“Depository”	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
“Depository Participant / DP”	A depository participant as defined under the Depositories Act
“DP ID”	Depository participant’s identification
“DIN”	Director Identification Number
“EBITDA”	Profit/(loss) for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
“EGM”	Extraordinary general meeting
“EPS”	Earnings per share
“FCNR Account”	Foreign currency non-resident account
“FDI Circular 2020”	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
“FEMA”	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
“FEMA Rules”	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
“Financial Year, Fiscal Year or Fiscal”	Period of 12 months ended March 31 of that particular year, unless otherwise stated
“Fugitive Economic Offender”	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
“FVCI”	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
“GAAP”	Generally accepted accounting principles
“GDP”	Gross domestic product
“GoI or Government”	Government of India
“GST”	Goods and Service Tax
“HUF”	Hindu Undivided Family
“ICAI”	The Institute of Chartered Accountants of India
“ICSI”	The Institute of Company Secretaries of India
“Income Tax Act”	Income-Tax Act, 1961
“I. T. Rules”	Income Tax Rules, 1962
“IT”	Information Technology
“Ind AS”	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
“IFSC”	Indian Financial System Code
“IFRS”	International Financial Reporting Standards
“Insider Trading Regulations”	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
“Indian GAAP”	Generally Accepted Accounting Principles in India
“ITAT”	Income Tax Appellate Tribunal
“MCA”	Ministry of Corporate Affairs
“Mn / mn”	Million
“MICR”	Magnetic ink character recognition
“MOU”	Memorandum of Understanding
“Mutual Fund”	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
“NA / N.A.”	Not Applicable
“NACH”	National Automated Clearing House which is a consolidated system of ECS
“NBFC”	Non-banking financial companies
“NEFT”	National Electronic Fund Transfer
“Net Asset Value per	Net Asset Value per Equity Share at a particular date computed based on total

Equity Share or NAV per Equity Share”	equity divided by number of Equity Shares
“Net Worth”	Aggregate of Equity Share capital and other equity
“NI”	Negotiable Instruments Act, 1881
“NRE Account”	Non-resident external account
“NRI”	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
“NRO Account”	Non-resident ordinary account
“NSDL”	National Securities Depository Limited
“OCB or Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
“OCI”	Overseas Citizen of India
“P.a”	Per Annum
“PAN”	Permanent account number
“PAT”	Profit after tax
“PBT”	Profit Before Tax
“P/E Ratio”	Price / Earnings Ratio
“PIO”	Persons of Indian Origin
“RBI”	Reserve Bank of India
“RBI Act”	Reserve Bank of India Act, 1934
“Regulation S”	Regulation S under the U.S. Securities Act
“RoC”	Registrar of Companies, Telangana at Hyderabad
“RTGS”	Real time gross settlement
“Rule 144A”	Rule 144A under the U.S. Securities Act
“Scheme of Amalgamation”	Scheme of Amalgamation between Grandeur Products Limited and Tierra Agrotech Limited (formerly known as Tierra Agrotech Private Limited) and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013. Also referred to as “Scheme” or “Scheme of Amalgamation” in this Draft Letter of Offer.
“SCRA”	Securities Contracts (Regulation) Act, 1956
“SCRR”	Securities Contracts (Regulation) Rules, 1957
“SEBI”	Securities and Exchange Board of India
“SEBI Act”	Securities and Exchange Board of India Act, 1992
“SEBI AIF Regulations”	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
“SEBI FPI Regulations”	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
“SEBI ICDR Regulations”	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
“SEBI Listing Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
“Securities Act” or “U.S. Securities Act”	U.S. Securities Act of 1933, as amended
“STT”	Securities transaction tax
“TAN”	Tax Deduction Account Number
“Trade Marks Act”	Trade Marks Act, 1999
“TAT”	Turn around time
“SEBI Takeover Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
“Total Borrowings”	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
“U.S. \$ ”, “USD” or “U.S. dollar”	United States Dollar, the legal currency of the United States of America
“USA”, “U.S. ” or “United States”	United States of America

“U.S. SEC”	U.S. Securities and Exchange Commission
“VCF”	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
“w.e.f.”	With Effect From
“Year/Calendar Year”	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

## NOTICE TO INVESTORS

The *distribution* of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will send / dispatch through email and physical dispatch through speed post the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter (collectively the “Issue Materials”) only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company.

In case such Eligible Equity Shareholders have provided their valid e-mail address to us, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials. For details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 247 of this Draft Letter of Offer.

Investors can also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar, the Stock Exchange and SEBI.

Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials (including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form) in the event the Issue Materials have been sent on the registered e-mail addresses of such Eligible Equity Shareholders or if there are electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft letter of Offer, Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer or the Application Form.

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgements, undertakings and agreements set forth in “*Restrictions on Foreign Ownership of Indian Securities*” on page 247 of this Draft Letter of Offer.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by any regulatory authority, nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

Neither the delivery of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and Rights Entitlement Letter or the date of such information.

**THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE ISSUE OF RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT THEIR OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF EQUITY SHARES. IN ADDITION, OUR COMPANY IS NOT MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

## NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The Rights Entitlements and Rights Equity Shares are being offered and sold only to persons outside the United States in offshore transactions as defined in and in compliance with Regulation S under the Securities Act (“**Regulations**”). Accordingly, the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, Letter of offer, the Abridged Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into: (i) the United States, or (ii) any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, Letter of offer, the Abridged Letter of Offer and any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by any person: (i) in the United States, or (ii) in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, Letter of offer, the Abridged Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed in part or full. Accordingly, persons receiving a copy of this Letter of Offer and any other Issue Materials should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so would or might contravene local securities laws or regulations or would subject our Company to any filing or registration requirement (other than in India). If this Draft Letter of Offer, Letter of offer, the Abridged Letter of Offer and any other Issue Materials is received by any person in any such jurisdiction, or by their agents or nominees, they must not seek to subscribe to the Rights Equity Shares. For more details, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 247 of this Draft Letter of Offer.

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with the Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

This Letter of Offer is, and any other Issue Materials will be, supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “US SEC”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations

Rights Entitlements may not be transferred or sold to any person in the United States.

**THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.**

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Conventions

All references to "India" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please see "**Restated Financial Information**" on page 116 of this Draft Letter of Offer. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) months period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Restated Audited Financial Statements of our Company for the Financial Year ended March 2021, March 2022 and March 2023 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Draft Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see "**Restated Financial Information**" on page 116, of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.



## Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs. " are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US\$" or "\$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "**Risk Factors**", "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operation**" on pages 21, 69 and 181 and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

## Exchange Rates

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

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

(in ₹)				
Sr. No.	Name of the Currency	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
1.	United States Dollar	82.21	75.80	73.50

(Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in))

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "**Risk Factors**" on page 21 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

## FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward looking statements'. Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward- looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- Trends in the agricultural industry;
- Impact of climate change, erratic rainfall and continuous heat wave conditions
- Various new diseases and pests that affect crops from time to time
- Our ability to maintain and enhance our business segments;
- our ability to:
  - manage our growth effectively;
  - manage our credit risk;
  - manage our quality of services;
  - hire and retain senior management personnel and other skilled manpower;
  - manage cost of compliance with labour laws or other regulatory developments;
  - manage our operating costs;
  - successfully implement our business strategies and expansion plans;
  - maintain effective internal controls
- Our negative cash flows and losses in the past;
- Non-obtaining of insurance coverage;
- Inability to protect the intellectual property that we use;
- Our ability to maintain our market position and to compete effectively against existing or potential competitors;
- Our inability to attract and retain skilled personnel;
- Changes in general, political, social and economic conditions in India and elsewhere;
- General levels of GDP growth, and growth in employment and personal disposable income;
- Economic uncertainties, fiscal crises or instability in India; and
- Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 21, 69 and 181 respectively of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue

reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors, nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Draft Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

## SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the sections titled "**Risk Factors**", "**The Issue**", "**Capital Structure**", "**Objects of the Issue**", "**Industry Overview**", "**Our Business**", "**Outstanding Litigation and Defaults**" and "**Terms of the Issue**" on pages 21, 37, 45, 47, 54, 69, 202 and 219 respectively of this Draft Letter of Offer.

### 1. Summary of Industry

The Indian seed industry has had a long history spreading over more than a century. It initially began with trading in vegetable and flower seeds in the early part of this century. Seed related reforms pertaining to hybridization began in the early 1980's, when the GoI decided to provide public-bred breeder seed to private companies for multiplication and distribution. Further, starting in the mid-1980's accessibility to research institutions was provided to private seed firms for directly obtaining breeder seeds. The seed related reforms initiated in 1980's thus catalysed growth of the private seed sector in the country. As a consequence, the Indian seed industry is experiencing quantitative and qualitative changes in composition, market expansion and production technologies. Along with the increasing size of the seed market, its composition is also rapidly changing, with more and more private companies not only intensifying but also diversifying their market as well as product coverage.

The India Seed Market size is expected to grow from USD 3.32 billion in 2023 to USD 4.20 billion by 2028, at a CAGR of 4.80% during the forecast period (2023-2028)

(Source: <https://www.mordorintelligence.com/industry-reports/indian-seed-sector-analysis/market-size>).

For details, please refer to chapter titled "**Industry Overview**" on page 54 of this Draft Letter of Offer.

### 2. Summary of Business

Our company develops superior quality seeds stacked with traits, driven by modern technologies, that provide significant benefits and value to farmers, stakeholders and further contribute to corporate growth.

Our company is engaged in the business to develop, grow, raise, process, manufacture, prepare, refine, extract, hydrolyze, deodorise, grind, bleach, hydrogenate, import, export or otherwise deal in all kinds of seeds, hybrid seeds and fertilizers etc. During 2017-18, we attracted global attention after the acquisition of Indian Cotton seed business of Monsanto Holdings Private Limited and DuPont – Pioneers Cotton company 'Xylem Seeds Private Limited' thereby became one of the top cotton germplasm enriched companies in the country.

For details, please refer to chapter titled "**Our Business**" on page 69 of this Draft Letter of Offer.

### 3. Our Promoters

The Promoters of our Company are Mr. Satish Kumar Tondapu, Mr. Parthasarathi Bhattacharya, Mr. Surinder Kumar Tikoo, Mr. Jayaram Prasad Munnangi, Mr. Nalluri Sai Charan, Mr. Suresh Atluri and Mr. Visweswara Rao K.

### 4. Objects of the Issue

The Net Proceeds are proposed to be used in the manner set out in the following table:

S. No.	Particulars	Total estimated amount to be utilized (₹ in lakhs)
1	To meet the Long Term Working Capital Requirements	3000.00 #
2	Investment in Shares of its Wholly Owned Subsidiary, namely Tierra Seed Science Private Limited	1800.00
3	General Corporate Purpose	[●]
y	<b>Total Net Proceeds**</b>	[●]

# ₹ 2220.67 Lakhs would be expended in FY 2023-24 and Balance of ₹ 779.33 Lakhs would be expended in FY 2024-25.

\*\*Assuming full subscription in the Issue and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

## 5. Financial Information

Following are the details as per the Restated Financial Information as at and for the Financial Years ended on March 31, 2021, March 31, 2022 and March 31, 2023:

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Authorised Share Capital	4,715.00	4,715.00	3,000.00
Paid-up Capital	2,515.52	2,515.52	2,515.52
Net Worth attributable to Equity Shareholders (including OCI items in other equity)	1507.46	4343.21	5678.97
Total Revenue	6,071.26	5,678.86	5,837.45
Profit after tax	(2,821.16)	(1,366.27)	(627.26)
Earnings per Share	(11.22)	(5.43)	(2.49)
Net Asset Value per equity share	5.99	17.26	22.57
Total Borrowings	10,695.92	8,625.22	6,174.59

## 6. Summary Table of Outstanding Litigations and Defaults

Summary of outstanding litigation proceedings involving our Company, our Promoters, Directors, and Subsidiaries and Group Companies as on the date of this Draft Letter of Offer as disclosed in the section titled “**Outstanding Litigations and Defaults**” on page 202 of this Draft Letter of Offer in terms of the SEBI ICDR Regulations and the materiality policy is provided below:

(₹ in Lakhs)

Name of the Entity	Criminal Proceedings	Tax Proceedings	Statutory and Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved
<b>Company</b>						
By the Company	13	Nil	Nil	Nil	Nil	50.67
Against the Company	9	Nil	Nil	Nil	3	Not Quantifiable
<b>Promoters</b>						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiary	Nil	1	Nil	Nil	Nil	94.44
<b>Group Companies / Joint Venture</b>						
By Group Companies /	Nil	Nil	Nil	Nil	Nil	Nil

Joint Venture						
Against Group Companies / Joint Venture	Nil	Nil	Nil	Nil	Nil	Nil

**7. Risk Factors:**

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see “***Risk Factors***” on page 21 of this Draft Letter of Offer.

**8. Summary of Contingent Liabilities**

There are no contingent liabilities as on March 31, 2023

**9. Summary of Related Party Transactions**

For details regarding related party transactions as per Ind AS 24 entered into by our Company in Fiscals 2021, 2022 and 2023, please see “*Restated Financial Information- Annexure B- Notes to Restated Financial Statements- Note No.41 Related Party Disclosures*” at page 168 of this Draft Letter of Offer.

**10. Issue of equity shares made in last one year for consideration other than cash**

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

**11. Split or consolidation of Equity Shares in the last one year**

Our Company has not made any Split or consolidation of Equity Shares in the last one year.

## SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective Investors should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the **"Restated Financial Statements"** on page 116 of this Draft Letter of Offer, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with **"Our Business"**, **"Industry Overview"** and **"Management's Discussion and Analysis of Financial Condition and Results of Operations"** on pages 69, 54 and 181, of this Draft Letter of Offer, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see **"Forward Looking Statements"** on page 16 of this Draft Letter of Offer.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Audited Financial Statements included in this Draft Letter of Offer. For further information, see **"Restated Financial Statements"** on page 116 of this Draft Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Tierra Agrotech Limited.

The risk factors are classified as under for the sake of better clarity and increased understanding.

### INTERNAL RISK FACTORS

#### Business Risks

1. ***We have not registered the seed varieties produced by us through research and development under the Protection of Plant Varieties and Farmers' Rights Act, 2001.***

We have developed a number of hybrid seed varieties through R & D at a substantial cost. However, none of these varieties have, so far, been registered under the Protection of Plant Varieties and Farmers' Rights Act, 2001. We are in the process of registering the same however; we cannot assure that the products will be registered by the authorities concerned and whether we will be entitled to statutory protection under the Protection of Plant Varieties and Farmers' Rights Act, 2001. Also in the interim period, if anyone infringes on these varieties or produces them by backcrossing or other means our business could get severally affected.

2. ***Our business requires high inventory levels. Our production cycle is also long. Our failure to accurately forecast and manage inventory could result in an unexpected shortfall and/or surplus of products, which could adversely affect our business.***

We are engaged in the business of hybrid seeds which requires considerable amount of time. Many a times, the desired breed of hybrid/research seed is obtained even at 8<sup>th</sup> to 10<sup>th</sup> generation where each generation represents a complete crop cycle. An accurate forecast of demand for any product is required

beforehand because an inaccurate forecast may result in an over-supply of products, which may increase costs, negatively impact our cash flow, erode margins substantially and ultimately necessitate write-offs of inventory. Any of the aforesaid circumstances could have a material adverse effect on our business, results of operations and financial condition. We monitor our inventory levels based on our own projections of future demand. Also, considering the time required to produce commercial quantities of our products, we need to take production decisions well in advance of sales.

**3. *We are heavily dependent on the success of our Research and Development (R & D) and the failure to develop new and improved products could adversely affect our business.***

Our success depends heavily on our ability to continue developing new products. Seed R&D covers a broad technological platform and technological advances are frequent, rapid and complex. We are heavily dependent on R & D procedures for making hybrid seeds and research seeds, depending on the demand. Although we follow best practices and deploy best of the experts & scientists in R&D for product development but the time taken is long & any flaw in the R & D process can hamper our production and lead to wastage of time and resources.

Moreover, R & D process involves the application of high level of technology and machinery. This involves setting up and maintenance expense of machinery and other technological equipment. Continues investment & R&D is essential to yield desirable products. Any results at all because of the fact that, R & D involve huge level of innovation which is to be constantly monitored at and adopted in the process to achieve the desired market output and major innovations further add to cost of production because non adoption of the innovations will leave the Company at a back front.

**4. *Our business is subject to risks related to weather, disease and pests that could adversely affect the results of our operations and our financial condition.***

The seed industry is subject to all the risks faced by the agriculture in India. It is substantially subject to weather factors, which make its operational results relatively unpredictable. Weather among other factors also affects the presence of disease and pests in the short term on a regional basis. Though most of our products are prepared keeping tolerance levels in mind, extreme weather conditions, disease and pests can potentially affect quality and quantity of a substantial portion of our products in any year and have a material adverse effect on our business, results of operations and financial condition.

**5. *Our business requires us to obtain and renew certain registrations, licenses and permits from the Government and regulatory authorities and any failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may have expired and we may have either made or are in the process of making an application to obtain such approval or its renewal and also there may be some applications which are pending for approval with various Statutory Authorities. Further, we cannot assure that we will be able to obtain the approvals for which applications have been made including renewals in a timely manner or at all. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. If our Company fails to comply with, or unable to comply with any of these conditions stipulated under the licenses, our certificate of registration / licenses for carrying on a particular activity may be suspended and / or cancelled and we will not be able to carry on such activity, which would adversely impact our business and results of operations. Additionally, we will need to apply for renewal of certain approvals, licenses, registrations and permits, which expire or seek fresh approvals, from time to time, as and when required in the ordinary course of our business.

**6. *Our Company is involved in certain legal proceedings and we have not made any provision in our financial statements for such liabilities. Any adverse decision in such proceedings may render us liable to penalties and may adversely affect our business and results of operations***

*A summary of outstanding litigation proceedings involving our Company, Directors, Promoters and Subsidiaries, Group Companies is provided below:*

*(₹ in Lakhs)*



Name of the Entity	Criminal Proceedings	Tax Proceedings	Statutory and Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved
<b>Company</b>						
By the Company	13	Nil	Nil	Nil	Nil	50.67
Against the Company	9	Nil	Nil	Nil	3	Not Quantifiable
<b>Promoters</b>						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
<b>Directors</b>						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
<b>Subsidiaries</b>						
By the Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil
Against the Subsidiary	Nil	1	Nil	Nil	Nil	94.44
<b>Group Companies / Joint Venture</b>						
By Group Companies / Joint Venture	Nil	Nil	Nil	Nil	Nil	Nil
Against Group Companies / Joint Venture	Nil	Nil	Nil	Nil	Nil	Nil

For details please refer to chapter titled "*Outstanding Litigations and Defaults*" on page 202 of this Draft Letter of Offer.

7. *We have incurred losses in the recent past. We also have accumulated losses of ₹ 4764.03 lakhs for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 and continuous financial losses incurred by us may be perceived adversely by external parties such as clients and bankers, which may affect our reputation, business, financial condition and results of operation.*

Our Company has incurred losses until the Financial Year ended March 31, 2023 the details of which are provided below:

<b>Particulars</b>		<b>Amount</b>
Loss incurred for the year ended March 31, 2023		2835.74
Loss incurred for the year ended March 31, 2022		1335.77
Loss incurred for the year ended March 31, 2021		592.52
<b>Total Accumulated Losses</b>		<b>4764.03</b>

We are positioned to grow both in topline & bottom-line based on our current strengths but there can be no assurance that we will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses. Such losses incurred by us may be perceived adversely by external parties such as customers, bankers, and suppliers, which may affect our reputation.

8. *Our Company has reported certain negative cash flows from its investing and financing activities, details of which are given below. Sustained negative cash flow could impact our growth and business in the future.*

Our Company had reported certain negative cash flows from its investing and financing activities in the previous years as per the restated financial statements and the same are summarized as under:

(₹ in lakhs) (Restated)

Particulars	For the period ended March 31st		
	2023	2022	2021
Net Cash utilised in Operating Activities	-680.15	-1,237.20	-444.70
Net Cash utilised in Investing Activities	-149.99	-187.80	-136.54
Net Cash Generated in Financing Activities	2,575.12	1,451.18	45.48

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

9. ***We have not been paying dividends in the past and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

We have not paid any dividends in the last three Financial Years. Our ability to pay future dividends will depend on our earnings, financial condition and capital requirements. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

10. ***In case we do not receive the minimum subscription, we will have to refund the entire subscription.***

Our Promoter, Mr. Suresh Atluri and Mrs. M. Sailaja have not given their confirmation regarding their intention to subscribe jointly and / or severally. However, the other promoters and members of the promoter group have given their intention not to subscribe in this issue.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue shall be applicable. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

11. ***Our revenue is dependent on our customers. The loss of majority of customers would have a marginal effect on our business operations and profitability.***

Our customers include various distributors that market our products and direct sellers. For the Financial year ended March 31, 2023, our top ten clients accounted for approximately 16.39% of our total revenue. The loss of any significant client would have a direct effect on our financial results. We cannot assure you that we can maintain the historical levels of business from these clients/distributors but we will be able to replace these clients/distributors in case we lose any of them. Furthermore, major events affecting our clients, such as bankruptcy, change of management, mergers and acquisitions could impact our business. If any of our major clients becomes bankrupt or insolvent, we may lose some or all of our business from that client and our receivable from that client would increase and may have to be written off, impacting our income and financial condition.

12. ***Our Promoters and Promoter group members have provided guarantees for loans availed by the Company.***

Some of our Promoters have issued personal guarantees in relation to certain borrowings availed by the Company. In the event of default on such borrowings, these guarantees may be invoked by the lenders thereby adversely affecting the respective Promoter and Promoter group members ability to manage the affairs of our Company which in turn, could adversely affect our business, prospects, financial condition and results of operations. Further, if any of these guarantees are withdrawn by our Promoters, our lenders may require alternate securities or guarantees and may seek early repayment or terminate such facilities. Any such event could adversely affect the financial condition and operations of the Company. For further details of loans availed by the Company, please refer the Chapter titled "Financial Indebtedness"

beginning on page 197 of this Draft Letter of Offer.

13. ***We do not have documentary evidence for the educational qualifications of Mr. Jayaram Prasad Munnangi and Mr. Nalluri Sai Charan, Promoters and Mr. Vijay Kumar Deekonda, Whole Time Director of our Company, included in 'Our Management' on page 100 of this Draft Letter of Offer.***

The certificates pertaining to the educational qualifications of our Promoters, Mr. Jayaram Prasad Munnangi (B Tech in Vinayaka Mission University and MBA from Cardiff University, United Kingdom) and Mr. Nalluri Sai Charan (B. Tech, Mechanical Engineering from Vellore Institute of Technology, Vellore,) and Mr. Vijay Kumar Deekonda (Bachelors' degree in commerce from Osmania University and Graduate in Law from Osmania University), Whole Time Director of our Company, are not traceable. Accordingly, our Company has placed reliance on affidavits furnished by these Promoters and Directors to us and the Legal Advisors, to disclose the details of their educational qualifications in this Draft Letter of Offer.

14. ***We have in the past entered into related party transactions and may do so in the future. We cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.***

We have entered into various transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. We cannot assure you that such transactions, individually or in the aggregate will not have an adverse effect on our business, results of operations, cash flows and financial condition resulting from potential conflict of interest or otherwise.

For details on the transactions entered by us, please refer to section "Related Party Transactions" in Section "**Restated Financial Statements**" on page 116 of this Draft Letter of Offer.

15. ***Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.***

Our business requires significant amount of working capital. Major Portion of our working capital is utilized towards debtors and inventory. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

Further, we have high Debtors which may result in a high risk in case of non-payment by these Debtors. In the event we are not able to recover our dues from our Debtors, we may not be able to maintain our sales level and thus adversely affecting our financial health. If this situation persists, we may not be able to pay our lenders / creditors which may result in adversely affecting our operations and future prospects.

16. ***We are dependent on third party transportation providers for the delivery of our products.***

We use third party transportation providers for the delivery of our products to our customers. Transportation strikes could have an adverse effect on our ability to deliver our products to our customers. Non-availability of trucks and railway could also adversely affect our delivery of products. While usually the end consumer bears the cost, we may not always be able to pass on these costs to our customers. Continuing increases in transportation costs or unavailability of transportation services for our products may have an adverse effect on our business, financial condition, results of operations and prospects.

17. ***The success of our business operations depends largely upon our Promoters, Directors, and Key Managerial Personnel, Senior Management, the loss of any of them may negatively impact our business operations and financial conditions.***

We believe that the experience of our Promoters Mr. Parthasarathi Bhattacharya, Mr. Surinder Kumar Tikoo and our senior Management Mr. Hari Singh Chauhan, Chief Executive Officer and Mr. Sheshu Babu Dharla Chief Financial Officer has been and is critical in the success and growth of our Company. The experience of our Promoters Mr. Parthasarathi Bhattacharya, Mr. Surinder Kumar Tikoo in the development of Seeds play a vital Role in introduction of new products which in turn improve the performance of our Company. Our ability to successfully function and meet future business challenges

partly depends on our ability to attract and retain key managerial personnel and senior management. Our Promoters and Key Managerial personnel have experience in setting up business, developing markets, managing customers and handling overall businesses. Any loss of the services of any of our Promoters or senior management could materially and adversely affect our business, financial condition and results of operations. Our success is also dependent on our ability to attract, hire, train and retain experienced and skilled sales personnel, including sales personnel who speak local languages in the various regions in which we operate along with adequate and proper knowledge of the product.

Further, we also depend significantly on our Key Managerial Persons for executing their day-to-day activities. As we expect to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management, R&D and sales personnel. If our Promoters / Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

**18. *In the event our marketing initiatives do not yield intended results, our business and results of operations may be adversely affected.***

We believe that the recognition and reputation of our brands has contributed to the growth of our business. We intend to continue to enhance the brand recall of our products through the use of targeted marketing and public relations initiatives. In order to maintain and enhance such recognition and reputation, we may be required to invest significant resources towards marketing and brand building exercises, specifically with respect to new products we launch or for geographic markets where we intend to expand our operations. We incur advertising and marketing expenses to increase brand recall and capture additional demand, and in the event, they do not yield their intended results, or we are required to incur additional expenditures than anticipated, our business and results of operations may be adversely affected.

**19. *Our inability to manage growth could disrupt our business and reduce our profitability.***

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. If our Company is not able to execute our strategy on time and within our estimated budget, or that our expansion and development plans fail to generate the required results, it may adversely impact our profitability. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook. Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes in trends and fashions and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on our Company's share price.

**20. *We have availed certain secured loans, some of which can be recalled at any time. Continuous indebtedness could also adversely affect our financial condition and results of operations and further we may not be able to meet our obligations under the debt financing agreements.***

Our total outstanding debt is ₹ 2429.16 lakhs (including unsecured loan of ₹1800 Lakhs). If we fail to meet our debt servicing obligations under our financing documents, the relevant lenders could declare us to be in default, accelerate the maturity of our obligations or takeover our Company's assets. We cannot assure investors that in the event of any such acceleration we will have enough resources to repay these borrowings. Failure to meet obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flows generated by our business. We cannot assure you that we will generate enough cash to enable us to service existing or proposed borrowings. Incurring significant indebtedness may limit our flexibility in planning for or reacting to changes in our business & industry and limit our ability to borrow additional funds.

**21. *Our insurance may not be sufficient to cover all the losses associated with our business operations.***

We currently have insurance policy to protect against all business risks from seed arrivals, storage, processing, transportation, & warehousing. Additionally, facilities are also covered under insurance. The risk is limited only to the extent of insurance policy framework.

**22. *Our funding requirements and deployment of the issue proceeds are based on management estimates and actual cost may vary compared with the estimated amount.***

Our funding requirement and deployment of the proceeds of the issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by banks or financial institutions and are based on our estimates. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change as a result of various factors which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the working capital limits maintained from time to time at the discretion of our board. In addition, schedule of implementation as described herein are based on the management's current expectations and are subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee.

**23. *Our Company faces competition from certified seed players. Our failure to effectively compete may reduce our profitability and results of operations***

Increased competition may result in decreased demand or lower prices for our products. Our failure to compete effectively could reduce our profitability and in turn our results of operations. We face substantial competition due to technological advances by our competitors in various facets of the agri-inputs business especially certified seed players. Multinational corporations invest huge amounts of money and considerable resources on Research and Development and technology and are thus able to come out with very effective and highly improved versions of hybrids. For example, Bt. Cotton, a very effective hybrid developed by Monsanto has given very tough competition to all other seed companies. Other seed companies are sharing that technology by paying royalty to Monsanto. Hence, these types of technological advances force us to face substantial competition. Our competitors include companies like Nuziveedu Seeds Limited, Syngenta India Limited, Bayer CropScience Limited, Kaveri Seeds India Limited etc. Further, the introduction of biotechnology has resulted in the entry of various agro-input companies into the seed industry, thus fostering intense competition in the industry.

The period for developing and commercializing a hybrid can run into several years. If a competitor introduces a product more suited to farmer needs, it could take a long period for us to develop a suitably competing product, which could have a material adverse effect on our business, results of operations and financial condition. Some of our competitors may have, or are subsidiaries of large international corporations that have, significantly greater resources than those available to us. If we are unable to compete effectively, including in terms of pricing or providing quality products, our market share may decline, which could have a material adverse effect on our financial condition and results of operations.

**24. *The prices of hybrid seeds produced by us is costlier than the natural seed and this could discourage the farmers from using our products. This could have an adverse impact on the profitability of our company.***

The hybrid seeds produced by us are costlier than the natural seeds and there is steep increase in the prices of hybrid seeds as compared with that of natural seeds. The increased prices are a result of huge R&D involved, expert costs and processing costs. The development process for new varieties of seeds is lengthy and costly. On an average, it takes three to five years, depending on the crop, for a proprietary hybrid to reach commercial viability. Despite investments in this area, our R&D efforts may not result in the discovery or successful development of new products. This could discourage the farmers from using our products and this in turn could have an adverse impact on our sales and in turn our profitability.

**25. *We do not own our Registered Office from which we operate.***

We do not own the premises at which our Registered Office and our R& D facility. We cannot assure you that we will own, or have the right to occupy, this premises or be able to renew the lease in favourable terms or at all in the future, or that we will be able to continue with the uninterrupted use of this premise, which may impair our operations and adversely affect our financial condition. For further details of properties please refer to the section titled "**Our Business**" on page 69 of this Draft Letter of Offer.

**26. *Some of the agreements entered into by us with respect to our R & D Facilities, and other leasehold/leave and license premises are not adequately stamped and registered, resulting in making them inadmissible as evidence in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.***

Some of the agreements entered into by us with respect to our R & D Facilities and other leasehold/leave and license premises are not adequately stamped and registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of non-registration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute vis-à-vis the said premises and our non-compliance of local laws relating to stamp duty and registration may adversely impact the continuance of our activity from such premises.

**27. *Failure to obtain intellectual property rights from third parties could have a material adverse effect on our business.***

Due to the multi-dimensional nature of seed research being conducted, and also to utilize external professional expertise to expedite the process, partnerships with external collaborators, such as academic institutions and other research bodies, have become the norm in the industry. Our ability to strengthen our product portfolio and have access to linked technology from collaborations would depend on right to use applicable proprietary technologies, such as the licensing of germplasm or basic seed from third parties. We cannot assure that we would obtain the rights or licenses to use any of these technologies at all, or obtain them on terms and conditions which can be deemed favourable to us, since the same depends on various factors mainly outside our control. Some of these third-party technologies may be pivotal to, or necessary for our products and our business. Failure to obtain the rights to use technologies that are important to our business could have a material adverse effect on our business, results of operations and financial condition.

**28. *The use of pesticides and other hazardous substance in our operations may lead to loss of nutrients in the seeds produced and also may lead to environmental damage and result in increased costs.***

Hybrid seed production involves high usage of pesticides and other hazardous substance. We may also have to pay for the costs or damages associated with the improper application, accidental release or the use or misuse of these substances. In these cases, payment of costs or damages could have a material adverse effect on our business, results of operations and financial condition. Hybrid seed production involves high usage of pesticides and other hazardous substance, using pesticides in such an increased quantity could lead to loss of nutrients in the seeds which make them less attractive from that of organic seeds produced.

**29. *Hybrid plants are sensitive and prone to diseases and this could be perceived negatively by the farmers.***

Hybrid seed production involves more usage of fertilisers and pesticides and other hazardous substance and thus making the seeds more sensitive and prone to disease with that compared to natural seeds. This could be perceived negatively by the farmers and could in turn impact our revenues and profitability.

**30. *Consumer resistance to genetically modified seeds may negatively affect our public image.***

We have commenced commercial production of Bt. Cotton, which is GM (Genetically Modified) seed. In many parts of the world, including certain states in Australia (i.e. Western Australia, Tasmania, New South Wales and Victoria), New Zealand, Peru and Mexico, the planting of GM crops is currently not allowed pending concrete scientific data on its long term impact on the environment and human safety. There is currently vocal opposition in many countries of the world including India as regards use of GM seeds and

this opposition can be attributed to the lack of evidence on the impact of GM crops on the surrounding environment, on human health and any potential resultant loss of plant material to farmers. This opposition may limit the scope of further technological progress in this area. Further, government authorities at central, state or local levels might restrict or prohibit or seek to restrict or prohibit the development, production, use and/or publicity of GM seeds, enact regulations regarding the use of genetically modified organisms that may delay and limit or even prohibit the development and sale of such products. In the case of such events our plans of coming out with genetically modified seeds and our results of operations may be materially and adversely affected.

31. *Some of our lenders have imposed certain restrictive conditions on us under our financing arrangements. Under our financing arrangements, we are required to obtain the prior, written lender consent for, among other matters, changes in our capital structure, formulate a scheme of amalgamation or reconstruction and entering into any other borrowing arrangement. Further, we are required to maintain certain financial ratios.*

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. Any failure to comply with these requirements or other conditions or covenants under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may require us to repay the borrowing in whole or part and may include other related costs. Our Company may be forced to sell some or all of its assets or limit our operations. This may adversely affect our ability to conduct our business and impair our future growth plans. For further information, see the chapter titled “**Financial Indebtedness**” on page 197 of this Draft Letter of Offer.

Though these covenants are restrictive to some extent to us however it ensures financial discipline, which would help us in the long run to improve our financial performance.

32. *We owe ₹ 108.97 Lakhs to MSMEs as at the end of March 31, 2023 which is pending for more than one year and ₹ 112.69 Lakhs to MSMEs as at the end of June 30, 2023.*

The following amounts are due to MSMEs and our other material creditors as at the end of March 31, 2023 and June 30, 2023

(₹ in Lakhs)

Type of creditors	Number of cr editors As on March 31,2023	Amount involved As on March 31,2023	Number of creditors As on June 30,2023	Amount involved As on June 30,2023
Material creditors	36	105.78	25	118.93
Micro, Small and Medium Enterprises	59	108.97	45	112.69
Other creditors	380	1974.52	281	1,948.04
<b>Total</b>		<b>2,189.28</b>		<b>2,179.66</b>

33. *Our Directors, Promoters and key management personnel may have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.*

Our Promoters and our Directors are interested in our Company to the extent of their shareholding and dividend entitlement in our Company. Our Directors are also interested in our Company to the extent of remuneration paid to them for services rendered as Directors of our Company and reimbursement of expenses payable to them. Our Directors and Promoters are also interested in transactions between our Company and certain Group Companies and members of our Promoter Group in which they are either directors or shareholders. Additionally, our Directors, Promoters and key management personnel may have a conflict of interest to the extent that they are involved with any ventures which are engaged in the same line of activity or business as that of the Company.

34. *We are subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents.*

A number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. Attacks may be targeted at us, our customers, or both. Although we devote significant resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of our computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, our security measures may not provide absolute security. Despite our efforts to ensure the integrity of our systems, it is possible that we may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources, including third parties outside the Company such as persons who are involved with organized crime or associated with external service providers or who may be linked to terrorist organizations or hostile foreign governments. A successful penetration or circumvention of the security of our systems could cause serious negative consequences, including significant disruption of our operations, misappropriation of our confidential information or that of our customers, or damage to our computers or systems or those of our customers and counterparties, and could result in violations of applicable privacy and other laws, financial loss to us or to our customers, loss of confidence in our security measures, customer dissatisfaction, significant litigation exposure, and affect to our reputation, all of which could have a material adverse effect on us.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Security breaches, including any breach of our systems or by persons with whom we have commercial relationships that result in the unauthorized release of customers' or businesses' personal information, could damage our reputation and expose us to a risk of loss or litigation and possible liability.

**35. *The outbreak of COVID-19, or outbreak of any other severe communicable disease could have a potential impact on our business, financial condition and results of operations.***

The outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease could adversely affect our business / financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several containment measures such as travel bans and restrictions, quarantines and shutdowns. These measures may have an impact on the workforce and our operations and the operations of our customers. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may further cause significant economic disruption across India. The scope, duration and frequency of such measures could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian economy in general.

The COVID – 19 outbreak has significantly increased economic uncertainty. It is likely that the current outbreak or continued spread of COVID-19 will cause an economic slowdown. The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees and customers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the outbreak. The extent to which COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or treat its impact, among others. The degree to which COVID-19 may impact our results will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the outbreak, its severity, the actions taken to contain the outbreak or the ability to treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. The above risks can threaten the safe operation of our facilities and cause disruption of operational activities, loss of life, injuries and impact the wellbeing of our people.



36. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such data has not been independently verified by us.*

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled “**Industry Overview**” on page 54 of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

## EXTERNAL RISK FACTORS

37. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax (“STT”) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India.

38. *Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.*

India has experienced natural calamities such as earthquakes, tsunami, floods etc. in recent years. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operation as well as the price of the Equity Shares.

39. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

40. *Financial instability in Indian financial markets could adversely affect our Company's results of operations and financial condition.*

In this globalized world, the Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, say in the United States of America, Europe, China or other emerging economies, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil. Any prolonged financial crisis may have an adverse impact on the Indian

economy, thereby resulting in a material and adverse effect on our Company's business, operations, and financial condition.

- 41. *Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.***

Restated summary statements of assets and liabilities as at March 31, 2023 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2023 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

- 42. *Political, economic or other factors that are beyond our control may have adverse effect on our business and results of operations.***

The Indian economy is influenced by economic developments in other countries. These factors could depress economic activity which could have an adverse effect on our business, financial condition and results of operations. Any financial disruption could have an adverse effect on our business and future financial performance. We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production.

Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

- 43. *A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- Any increase in Indian interest rates or inflation;
- Any scarcity of credit or other financing in India;
- Prevailing income conditions among Indian consumers and Indian corporations;
- Changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- Prevailing regional or global economic conditions; and
- Other significant regulatory or economic developments in or affecting India

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

**44. *Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- The General Anti Avoidance Rules ("GAAR") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

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

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

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

**46. *We are subject to regulatory, economic, social and political uncertainties and other factors beyond our control.***

We are incorporated in India and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- Any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- Any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- Prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- Hostile or war like situations with the neighbouring countries;
- Macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- Decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- Downgrading of India's sovereign debt rating by rating agencies; and
- Difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

## ISSUE SPECIFIC RISKS

**47. *We will not distribute this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars our Company will send, only through email, this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

**48. *SEBI has recently, by way of master circular Number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated***

***June 21, 2023(SEBI Circular) streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Draft Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI master circular Number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see **"Terms of the Issue"** on page 219 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise of Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

- 49. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.***

In accordance with the SEBI master circular Number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023(SEBI Circular), the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

- 50. *You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes, which will subject you to market risk.***

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

- 51. *There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.***

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by the Stock Exchange until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on Stock Exchange. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

**52. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

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

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

**54. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may adversely affect the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchange. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by equity shareholders. For example, the exchange rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

**55. *Sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoter or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

**56. *Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

### SECTION III – INTRODUCTION

#### THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on July 05, 2023, pursuant to Section 62(1)(a) of the Companies Act, 2013 and applicable provisions. The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors/Rights Issue Committee at its meeting held on [●]. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled "**Terms of the Issue**" on page 219 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
<b>Equity Shares proposed to be issued</b>	Up to [●] Equity Shares
<b>Rights Entitlement</b>	[●] Equity Shares for every [●] fully paid-up Equity Share(s) held on the Record Date
<b>Fractional Entitlement</b>	The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] [●] Equity Shares for every [●] Equity Shares held as on the Record Date). As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Equity Share if they apply for additional Equity Shares over and above their Rights Entitlements, if any, subject to availability of Equity Shares in this Issue post allocation towards Rights Entitlements applied for.
<b>Record Date</b>	[●]
<b>Face value per Equity Shares</b>	₹10
<b>Issue Price per Rights Equity Shares</b>	₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share)
<b>Issue Size</b>	Upto [●] Fully Paid-up Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] per Rights Equity Share up to an amount of 4,990.00 Lakhs, <sup>#</sup> Assuming full subscription, to be adjusted as per the Rights Entitlement ratio
<b>Voting Rights and Dividend</b>	The Equity Shares issued pursuant to this Issue shall rank <i>pari-passu</i> in all respects with the Equity Shares of our Company.
<b>Equity Shares issued, subscribed and paid up prior to the Issue</b>	5,59,32,378 Equity Shares. For details, see " <b>Capital Structure</b> " on page 45 of this Draft Letter of Offer
<b>Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	[●] <sup>#</sup> Equity Shares <sup>#</sup> Assuming full subscription
<b>Money payable at the time of Application</b>	₹ [●], being 100% of the Issue Price
<b>Scrip Details</b>	<b>ISIN:</b> INE05CY01014 <b>BSE:</b> 543531
<b>ISIN for Rights Entitlements</b>	[●]
<b>Terms of the Issue</b>	For details, please see " <b>Terms of the Issue</b> " on page 219 of this Draft Letter of Offer

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

<b>Event</b>	<b>Indicative Date</b>
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date	[●]



## GENERAL INFORMATION

Our Company was originally incorporated as “Tierra Agrotech Private Limited” on September 13, 2013 as a private limited company under the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Hyderabad, Andhra Pradesh.

Our Company, pursuant to the Scheme of Amalgamation with Grandeur Products Limited which was approved by the Hon’ble NCLT, vide its Order dated November 12, 2021 has been converted into a public limited company and the name of our Company was changed to “Tierra Agrotech Limited” on December 17, 2021 and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Hyderabad, Telangana. The Corporate Identification Number of our Company is L01119TG2013PLC090004.

### 1. Registered Office.

1st Floor, Sravana Complex,  
Kamalapuri Colony Lane,  
Next to L V Prasad Hospital,  
Road.No.2, Banjara Hills,  
Hyderabad - 500034, Telangana, India.

**Telephone:** 040 4850 6656

**Corporate Identity Number:** L01119TG2013PLC090004

**Email:** cs@tierraagrotech.com

**Website:** www.tierraagrotech.com.

### 2. Changes in the registered office of our Company

Except as disclosed below, there has been no change in the address of the registered office of our Company since the date of incorporation:

Date of Change	Details of Change in the Registered Office
August 30, 2017	The registered Office of the Company has been changed from Malaxmi Courtyard, Survey No.157, Kajaguda Village, Golconda Post, Hyderabad, Telangana, India to H. No. 1-62-192, 3rd Floor, Dwaraka Avenue, Kavuri Hills, Madhapur, Hyderabad-500033, Telangana, India
August 12, 2021	The registered Office of the Company has been changed from H. No. 1-62-192, 3rd Floor, Dwaraka Avenue, Kavuri Hills, Madhapur, Hyderabad-500033, Telangana, India to 1st Floor, Sravana Complex, Kamalapuri Colony Lane, Next to LV Prasad Hospital, Road.No.2, Banjara Hills, Hyderabad-500034, Telangana, India.

### 3. Address of the RoC

Our Company is registered with the RoC, Hyderabad, which is situated at the following address:

#### Registrar of Companies

2<sup>nd</sup> Floor, Corporate Bhawan,  
GSI Post, Nagole,  
Bandlaguda,  
Hyderabad - 500068, Telangana.

### 4. Board of Directors of our Company

Name	Age	Designation	Address	DIN
Venkata Krishna Rau Gogineni	68	Non-Executive Independent Director	R/o. Villa 116, The Retreat, Tarabanahalli, Bengaluru-562157, Karnataka, India	06775731

Suryanarayana Simhadri	56	Non-Executive Independent Director	H.No.8-2-601/B/C1, Plot No-219,Millenium House, Road No:10, Banjara Hills, Hyderabad-500034, Telangana, , India	01951750
Jayaram Prasad Munnangi	38	Non-Executive Non Independent Director	S/O M Krishna Prasad, 8-2-342A Road Number 12, MLA Colony, Banjara Hills, Hyderabad-500034, Telangana, India	03034183
Srinivasa Rao Paturi	55	Non-Executive Non Independent Director	8-2-293/82/BE/1, Plot No 1, Nava Nirman Nagar, Road No 71, Near Jubilee Hills Public School, Jubilee Hills, Shaikpet, Hyderabad, Telangana - 500096	01220158
Neha Soni	26	Independent Director	258, MIG Vijay Nagar, Dewas-455001, Madhya Pradesh, India	09724152
Vijay Kumar Deekonda	60	Whole-Time Director	R/o 1-2-361/47/1, Behind Sai Vani Hospital, Domalguda, Himayathnagar, Hyderabad-500029, Telangana, India	06991267

For detailed profile of our Directors, please refer to the chapter titled "**Our Management**" on page 100 of this Draft Letter of Offer.

5. **Chief Executive Officer**

**Mr. Hari Singh Chauhan**

1st Floor, Sravana Complex,  
Kamalapuri Colony Lane,  
Next to L V Prasad Hospital,  
Road.No.2, Banjara Hills,  
Hyderabad - 500034, Telangana, India.

**Telephone:** +91 9701368765

**E- mail:** [hari.c@tierraagrotech.com](mailto:hari.c@tierraagrotech.com)

6. **Chief Financial Officer**

**Mr. Sheshu Babu Dharla**

1st Floor, Sravana Complex,  
Kamalapuri Colony Lane,  
Next to L V Prasad Hospital,  
Road.No.2, Banjara Hills,  
Hyderabad - 500034, Telangana, India.

**Telephone:** +91 8121422447

**E- mail:** [sheshubabu.d@tierraagrotech.com](mailto:sheshubabu.d@tierraagrotech.com)

7. **Company Secretary and Compliance Officer**

**Mrs. Kalidindi Anagha Devi**

1st Floor, Sravana Complex,  
Kamalapuri Colony Lane,  
Next to L V Prasad Hospital,  
Road.No.2, Banjara Hills,  
Hyderabad - 500034, Telangana, India.

**Telephone:** +91 9494132466

**E- mail:** [cs@tierraagrotech.com](mailto:cs@tierraagrotech.com)

8. **Legal Advisor to the Issue**

**Mr. Surya Narayana Yellapantula**

Flat no 106, 1<sup>st</sup> Floor, Nirmal Towers, Near Sai Baba  
Temple, Dwarakapuri Colony, Punjagutta, Hyderabad-  
500082, Telangana, India.

**Telephone:** +91 040 23352 0486

**E- mail:** [ysn@ysnlawoffices.com](mailto:ysn@ysnlawoffices.com)

**Contact Person:** Surya Narayana Yellapantula

9. **Details of Key Intermediaries pertaining to this Issue of our Company:**

i. **Registrar to the Company and the Issue:**

**Venture Capital and Corporate Investments Private Limited**

**CIN:** U65993TG1986PTC006936

Aurum, 4th & 5th Floors, Plot No.57, Jayabheri Enclave,  
Phase - II, Gachibowli, Hyderabad-500032, Telangana, India.

**Telephone:** +91 040-23818475/35164940 Extn: 43,

**Email:** [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com),

**Website:** [www.vccipl.com](http://www.vccipl.com),

**Contact Person:** Mr. ESK Prasad,

**SEBI Registration No.:** INR000001203,

**Validity of Registration:** Permanent.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip.

ii. **Banker to the Issue and refund Banker:**

**Name:** [●]

**Address:** [●]

**Tel:** [●]

**E-mail:** [●]

**Website:** [●]

**Contact Person:** [●]

**SEBI Registration No.:** [●]

iii. **Statutory Auditors and Peer Review Auditors of our Company:**

**Ramasamy Koteswara Rao & Co LLP, Chartered Accountants,**

Sri Ramchandra Arcade,

#8-2-293/82/IIII/573/M,

1<sup>st</sup> floor, Road No.82, Jubilee Hills,

Hyderabad –500096, Telangana, India.

**Firm Registration Number:** 010396S/S200084  
**Telephone numbers:** 040-23394985/82  
**Email Addresses:** [audit@rkandco.in](mailto:audit@rkandco.in)  
**Peer Review Certificate Number:** 013956

**Changes in Auditors during the last three years:**

There has been no change in the Statutory Auditor of our Company in last three years immediately preceding the date of this Draft Letter of Offer.

**iv. Designated Intermediaries:**

**a) Self-Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as SCSBs or the SBA Process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

**b) Inter-se Allocation of Responsibilities**

The Company has not appointed any merchant banker to the Issue and hence there is no inter-se allocation of responsibilities.

**v. Expert Opinion**

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

Our Company has received written consent dated July 6, 2023 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act, 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an "Expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) Restated Audit Report dated July 21, 2023 on our Restated Consolidated Financial Statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, and (ii) Statement of Special Tax Benefits dated July 21, 2023 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. However, the term "Expert" shall not be construed to mean an "Expert" as defined under the Securities Act, 1933.

**vi. Investor Grievances**

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post- Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ DEMAT credit/ Refund Orders/unblocking of ASBA Account, etc. Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or DEMAT account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "**Terms of the Issue**" on page 219 of this Draft Letter of Offer.

**vii. Credit Rating**

This being a rights issue of equity shares, credit rating is not required.

**viii. Debenture Trustees**

This being a rights issue of equity shares, appointment of Debenture Trustee is not required.

**ix. Monitoring Agency**

As the net proceeds of the Issue will be less than ₹ 10,000 Lakhs, under the SEBI ICDR Regulations, there is no requirement to appoint a Monitoring Agency.

**x. Filing**

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE Limited and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

**xi. Underwriting Agreement and Details**

This Issue is not underwritten and our Company has not entered into any underwriting Agreement.

**xii. Issue Schedule<sup>^</sup>**

The subscription will open upon the commencement of the banking hours and will close upon closing of banking hours on the dates mentioned below:

Event	Indicative Date
Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation of Rights Entitlements <sup>#</sup>	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing or Commencement of trading (on or about)	[●]

<sup>#</sup> Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

\* Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

<sup>^</sup>The above schedule is indicative and does not constitute any obligation on our Company .

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing

Date. Our Company and the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. For details on submitting Application Forms, see "*Terms of the Issue - Procedure for Application*" on page 229 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at [www.vccipl.com](http://www.vccipl.com) after keying in their respective details along with other security control measures implemented thereat. For further details, see "*Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 231 of this Draft Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

### **xiii. Minimum Subscription**

Our Promoter, Mr. Suresh Atluri and Mrs. M. Sailaja have not given their confirmation regarding their intention to subscribe jointly and / or severally. However, the other promoters and members of the promoter group have given their intention not to subscribe in this issue.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue shall be applicable. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue

## CAPITAL STRUCTURE

- The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

S. No.	Particulars	Amount (in ₹ Lakhs, except share data)	
		Aggregate value at Nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>Authorised Share Capital</b>		
	8,00,00,000 Equity Shares of ₹10 each	8,000.00	NA
<b>B.</b>	<b>Issued, Subscribed and Paid-Up Share Capital before the Issue</b>		
	5,59,32,378 Equity Shares of ₹10 each	5,593.24	NA
<b>C.</b>	<b>Present Issue in terms of this Draft Letter of Offer<sup>(1)</sup></b>		
	Up to [●] Equity Shares, each at a premium of ₹ [●] per Equity Share, i.e. at a price of ₹ [●] per Equity Share <sup>(2)</sup>	[●]	4,990.00
<b>D.</b>	<b>Issued, Subscribed and Paid-Up Share Capital after the Issue<sup>#(3)</sup></b>		
	[●] Equity Shares of ₹[●] each fully paid up	[●]	NA
<b>E.</b>	<b>Securities Premium Account</b>		
	Before the Issue	9704.69	
	After the issue <sup>(2)(3)</sup>	[●]	

# Assuming full subscription for and Allotment of the Equity Shares.

\* There has been an allotment of 1,03,84,214 Equity shares on May 06, 2023, 75,57,666 Equity Shares on May 12, 2023 and 1,28,35,333 Equity Shares on May 15, 2023, all aggregating to 3,07,77,213 Equity Shares on a preferential basis pursuant to shareholders approval on May 02, 2023 at a price of ₹30/- per equity Share ( Face Value ₹10/- per Equity Share and Premium ₹20 per Equity Share).

The present Issue has been authorised by the Board of Directors vide a resolution passed at its meeting held on July 5, 2023.

On Application, Investors will have to pay [●] per Rights Equity Share which constitutes 100 % of the Issue Price Assuming full subscription for and allotment of the Rights Equity Shares.

- Intention and extent of participation by our Promoter and Promoter Group in the Issue:

Our Promoter, Mr. Suresh Atluri and Mrs. M. Sailaja have not given their confirmation regarding their intention to subscribe jointly and / or severally. However, the other promoters and members of the promoter group have given their intention not to subscribe in this issue.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue shall be applicable. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue

- The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●] per equity share.
- At any given time, there shall be only one denomination of the Equity Shares of our Company.

- iii. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer.
- iv. Shareholding Pattern of our Company as per the latest filing with the Stock Exchanges is in compliance with the provisions of the SEBI Listing Regulations:

- a. The shareholding pattern of our Company, as on June 30, 2023, can be accessed on the website of BSE Limited at <https://www.bseindia.com/stock-share-price/tierra-agrotech-ltd/tierra/543531/qtrid/118.00/shareholding-pattern/Jun-2023/>
- b. The statement showing holding of Equity Shares of persons belonging to the category "Promoter and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as on June 30, 2023, can be accessed on the website of the BSE Limited at <https://www.bseindia.com/stock-share-price/tierra-agrotech-ltd/tierra/543531/qtrid/118.00/shareholding-pattern/Jun-2023/>
- c. The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2023, as well as details of shares which remain unclaimed from public can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/tierra-agrotech-ltd/tierra/543531/qtrid/118.00/shareholding-pattern/Jun-2023/>

- v. Details of shares locked-in, pledged, encumbrance by promoters and promoter group:

The details of shares locked-in, pledged and encumbered by Promoters and Promoter Group can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/tierra-agrotech-ltd/tierra/543531/qtrid/118.00/shareholding-pattern/Jun-2023/>

Details of specified securities acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of this Draft Letter of Offer. Our promoters and members belonging to the promoter group have not acquired any shares in the last one year preceding the date of filing this Draft Letter of Offer.

- vi. Details of options and convertible securities outstanding as on the date of filing of this Draft Letter of Offer.

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of filing of this Draft Letter of Offer.



## OBJECTS OF THE ISSUE

### The Objects of the Issue are:

1. To meet the Long Term Working Capital Requirements;
2. Investment in Shares of its Wholly Owned Subsidiary, namely Tierra Seed Science Private Limited and
3. General Corporate Purposes.  
(Collectively, referred to hereinafter as the "**Objects**")

We intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expenses ("**Net Proceeds**") for the abovementioned Objects.

The main Object Clause of Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised by us through the present Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the Object Clause of our Memorandum of Association.

### The details of objects of the Issue

Particulars	(₹ in lakhs)
Gross proceeds from the Issue*	4,990.00#
Less: Issue related expenses	[●]
<b>Net Proceeds of the Issue</b>	[●]

# Assuming full subscription in the Issue and subject to the finalisation of the basis of Allotment and the allotment of the Rights Equity Shares.

\*The Issue size will not exceed ₹5,000.00 Lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

### Requirement of Funds:

The intended use of the Net Proceeds of the Issue is as under: -

S. No.	Particulars	Total estimated amount to be utilized (₹ in lakhs)
1	To meet the Long Term Working Capital Requirements	3000.00 #
2	Investment in Shares of its Wholly Owned Subsidiary, namely Tierra Seed Science Private Limited	1800.00
3	General Corporate Purpose	[●]
	<b>Total Net Proceeds**</b>	[●]

# ₹ 2220.67 Lakhs would be expended in FY 2023-24 and Balance of ₹ 779.33 Lakhs would be expended in FY 2024-25.

\*\*Assuming full subscription in the Issue and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Gross Proceeds.

### Means of Finance:

Our Company proposes to meet the majority of working Capital requirement from the Net Proceeds. The working Capital gap will be met through Internal Accruals. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

## Schedule of Implementation and Deployment of Fund :

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2023-24 and 2024-25. The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

### Details of the Objects of the Issue

The details in relation to objects of the Issue are set forth herein below.

#### 1. To meet the Long Term Working Capital Requirements

Our business requires a significant amount of working capital to finance the purchase of materials and to process the seed. Further we are in the seasonal industry and seed production takes place before the upcoming sales season. Hence for ensuring timely supply of seeds 40 -50% advance is given and the balance is paid on receipt of raw seeds. Further in view of seasonality we are required to have further buffer stocks for meeting minimum one season requirement. Subsequent stage involves testing, processing of raw hybrid seed and packing. The processing and packing cost forms a significant component of our working capital. To fund these costs, we have relied on short-term and other borrowings, including working capital financing, and on cash flows from operating activities. In order to improve the Financial Strength of our Company along with Margins we proposed to meet the Working Capital Requirements from the net proceeds of proposed Right Issue as details herein below:

S. No.	Particulars	Total estimated amount to be utilized (₹ in lakhs)
1	Meeting Long Term Working Capital Requirements	3000.00
	<b>Total</b>	<b>3000.00</b>

We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of Working Capital Requirement is as under:

(₹ in lakhs)				
S. No.	Particulars	As at March 31, 2023	As at March 31, 2024	As at March 31, 2025
		Audited	Projected	Projected
<b>A</b>	<b><u>Current Assets</u></b>			
	a) Inventories	3,808.44	4,508.44	5,272.00
	b) Trade receivables	1,633.84	2,536.22	1,725.72
	c) Cash & cash equivalents	614.63	358.13	382.80
	d) Other Current Assets	544.82	837.62	633.33
	<b>Sub-total</b>	<b>6,601.72</b>	<b>8,240.41</b>	<b>8,013.85</b>
<b>B</b>	<b><u>Current Liabilities</u></b>			
	a) Borrowings	6,573.15	1,200.00	1,200.00
	b) Trade Payables	2,189.28	2,408.21	3,229.85
	c) Other current Liabilities	2,397.78	2,411.53	2,550.87

	<b>Sub-total</b>	<b>11,160.21</b>	<b>6,019.74</b>	<b>6,980.72</b>
<b>C</b>	<b>Net Working Capital (A-B)</b>	<b>-4,558.45</b>	<b>2,220.67</b>	<b>1,033.13</b>
<b>D</b>	<b>Working Capital Gap</b>		<b>2,220.67</b>	<b>1,033.13</b>
	<b>Funding Pattern</b>			
	Funding through Internal Accruals		-	253.80
	Working Capital funding through Rights Issue proceeds to be utilized		<b>2,220.67</b>	<b>779.33</b>

#### **Notes on Working Capital for the FY 2023- 24 & 2024-25.**

<b>Assets – Current Assets</b>	
<b>Debtors</b>	Debtors Holding days will increase from 99 days in FY 2022-23 to 134 days in FY 2023-2024 on account of increase sales of goods.
<b>Creditors</b>	Creditor's payments days will decrease from 197 days in FY 2022-2023 to 172 days for FY 2023-2024 due to reduction in credit period.

#### **2. *Investment in Shares of its Wholly Owned Subsidiary, namely Tierra Seed Science Private Limited***

We intend to invest in the shares of our wholly owned subsidiary Tierra Seed Science Private Limited., to the extent of Rs.1800 lakhs. Our subsidiary has issued 60,00,000 9% Cumulative Non-Convertible Preference Shares aggregating to Rs.1800 crores in May 2023. The tenure of the preference shares is one year from the date of allotment.

Since we are required to pay dividend of 9% on these shares it has been decided to repay the amount at the earliest. Hence our company will make an investment in our subsidiary which will make the repayment to the allottees. There will be no prepayment penalty on such early repayment / redemption of the Preference Shares.

#### **3. *General Corporate Purpose***

In terms of Regulation 62 (2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for general corporate purposes shall not exceed 25% of the Gross proceeds of the Issue. Our Board will have flexibility in applying the balance amount towards general corporate purposes, including repayment of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our management will have flexibility in utilizing any amounts for general corporate purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount actually available under this head and the business requirements of our Company, from time to time.

#### **4. *Expenses for the issue***

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

(₹ in lakhs)

Particulars	Amount (₹ In Lakhs)	As a percentage of total expenses	As a percentage of Issue size*#
Fees of the Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[●]	[●]	[●]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
<b>Total estimated Issue expenses</b> <sup>*^</sup>	[●]	[●]	[●]

*\*Amount will be finalised at the time of filing of the Letter of Offer and determination of Issue Price and other details.*

*\* Subject to finalisation of Basis of Allotment - In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Right Equity Shares.*

*^Excluding taxes*

*#Assuming full subscription.*

### Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Issue Proceeds.

### Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than ₹10,000 lakhs, in terms of Regulation 41(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI Listing Regulations, the Rights Issue Committee appointed by the Board would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange.

As per the requirements of Regulations 18(3) read with Part C of Schedule II of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses / application of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditor.

Further, pursuant to Regulation 32 of the SEBI Listing Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI Listing Regulations, the Company shall furnish to the Stock Exchange, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

### Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from

time to time.

### **Strategic or financial partners**

There are no strategic or financial partners attributed to the Objects of the Issue.

### **Interest of Promoters and Directors in the objects of the Issue**

Our promoter and directors are not interested in any of the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.

### **Appraisal**

None of the Objects of the Issue have been appraised by any bank or financial institution.

### **Undertaking by our Promoter**

Our Promoter, Mr. Suresh Atluri and Mrs. M. Sailaja have not given their confirmation regarding their intention to subscribe jointly and / or severally. However, the other promoters and members of the promoter group have given their intention not to subscribe in this issue.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue shall be applicable. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●].

### **Other confirmations**

No part of the Net Proceeds of the Issue will be paid by our Company to our Promoters, our Promoter Group, our Directors or Key Managerial Personnel.

Our Promoters, our Promoters Group and our Directors do not have any interest in the objects of the Issue.

There are no material existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, our Promoter Group, our Directors and our Key Managerial Personnel.

## STATEMENT OF SPECIAL TAX BENEFITS

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY.

To,

**The Board of Directors,**

**TIERRA AGROTECH LIMITED,**

1st Floor, Sravana Complex, Kamalapuri Colony, Lane Next to L V Prasad Hospital, Road.No.2, Banjara Hills,  
Hyderabad - 500034,  
Telangana, India.

Dear Sirs,

**Sub: Statement of possible special direct tax benefits available to TIERRA AGROTECH LIMITED ("the Company") and its shareholders ("the Statement").**

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("**Act**") as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits, where applicable have been/would be met.

This statement is intended solely for information and for inclusion in the Draft Letter of Offer and/or letter of offer ("**Issue Documents**") of the company and in any other documents in relation to the Issue of equity shares of the Company and is not to be used, circulated, or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

**Statement of Special Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 and other Direct Tax Laws presently in force in India**

Special Tax Benefits

**I.** Benefits available to the Company  
There are no special tax benefits available to the Company.

**II.** Benefits available to the Shareholders  
There are no special tax benefits available to the shareholders for investing in the proposed right issue of shares of the Company.

**For and on behalf of Ramasamy Koteswara Rao & Co LLP,  
Chartered Accountants  
Firm Registration Number: 010396S/S200084**

**Name:** C V Koteswara Rao  
**Designation:** Partner  
**Membership No.** 028353  
**UDIN:** 23028353BGSTLZ9680

**Place:** Hyderabad  
**Date:** 21/07/2023

## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

*Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this Draft Letter of Offer, including the information in the sections "**Risk Factors**" and "**Financial Information**" on pages 21 and 116, respectively of this Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section "**Risk Factors**" on page 21 of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information.*

#### Indian Economy

Strong economic *growth* in the *first* quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

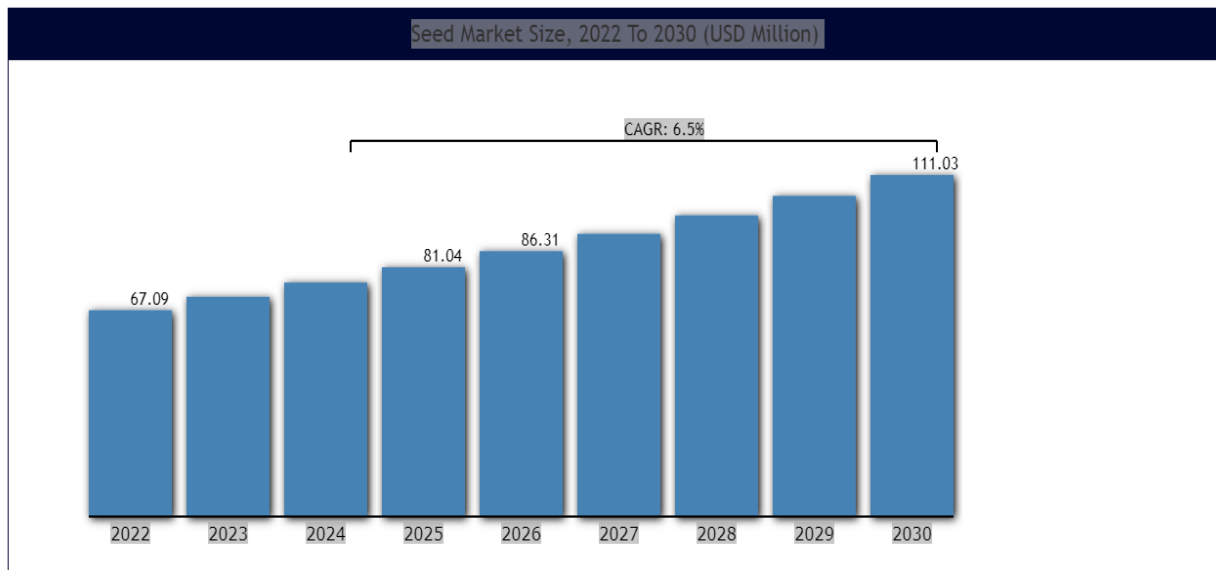
(Source: [www.ibef.org](http://www.ibef.org))

#### Global Seed Industry

Global Seed Market is valued at USD 67.09 Million in 2022 and estimated to reach a value of USD 111.03 Million by 2030 at a Compound Annual Growth Rate (CAGR) of 6.50% during the forecast period, 2022–2028. The market is expanding because to rising demand for seeds from the food, beverage, animal feed, and biofuels industries. Seed demand has been steadily increasing in nations like China and India. Because these countries have the world's greatest populations, an ever-increasing need for food grains fuels the seeds market's expansion. Farmers in developed markets are attempting to preserve agricultural yields while increasing their profits. The worldwide seeds industry has grown as a result of developed and emerging nations' consistent approaches to agricultural methods.



## Market Segmentation:



Global Seed Market is segmented by Trait (Herbicide Tolerance, Insect Resistance), Type (Genetically Modified & Conventional), Crop Type (Cereals & Grains, Oilseeds & Pulses, Fruits & Vegetables), and Region.

### By Trait, Herbicide to Hold Prominent Share of Seed Market

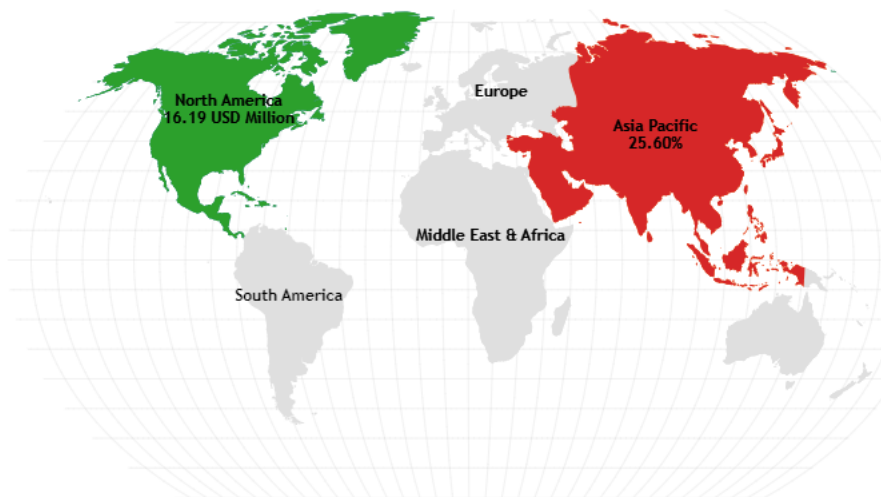
The market for crops with additional characteristics is rapidly expanding. The increased acceptance of crops with various characteristics has resulted in a reduction in the use of herbicides and insecticides, lowering cultivation costs. Seeds with stacking qualities are available from companies like Syngenta Group (Switzerland) through its commercial brand, Agrisure. The company's research and development efforts are focused on the creation of novel molecular stacks that will allow hybrids to have three or more features. Farmers would be able to get larger yields and greater resistance to pesticides and herbicides in this manner.

### By Crop Type Cereals and Grains to Hold Largest Share of Seed Market

During the projection period, the cereals and grains category is expected to have the biggest Seed Market share. Because grains are widely used as a staple diet in many Asian and Southeast Asian nations. Countries like China have emerged as big grain exporters in recent years to suit the needs of surrounding economies. Corn, for example, is widely used in both the food and feed industries. With the growing need for biofuels, crops like sorghum are being grown in massive quantities. The global demand for fruits and vegetable seeds is being driven by a growing awareness of the need of eating a protein- and vitamin-rich diet.

### Asia Pacific is the Largest Consumer of Seed Market

The Asia-Pacific region dominates the Global Seed Industry since it is home to two of the world's most important agricultural countries, India and China. In the worldwide Seed Market, Asia-Pacific is also the fastest-growing geographical category. In major commodities including rice, maize, and vegetables, the area is seeing growing hybrid adoption and rising seed replacement rates. Hybrid rice's prospects in the region remain bright. China is a big rice grower in the world. It began selling rice seeds to other countries in recent years. For example, it delivered 500 metric tonnes of hybrid rice seeds to Pakistan from a seed firm in east China's Jiangsu region in 2020 to enhance Pakistan's grain productivity. A total of 33,333 hectares of land is anticipated to be planted.



Seed industry promotion policies are on the rise. Some provinces are considering to set up new Seed manufacturers based on local resources and economy. The market's major players are rapidly increasing their geographic and product range footprints. For example, in addition to the October 2017 deal, BASF negotiated an agreement in 2018 to buy other companies and assets that Bayer had promised to sell as part of its planned acquisition of Monsanto. Bayer's whole vegetable seed business is now covered under the Nunhems worldwide trademark.

The seeds market consists of genetically modified, and conventional seeds. Genetically modified seeds are seeds that have been genetically engineered to have certain traits, such as herbicide resistance. It is divided by treatment method as treated, and non-treated and into crop types as cereals and grains, fruits and vegetables, and others. The seed market is divided by traits into herbicide-tolerant, insecticide-resistant, and other stacked traits.

The global seeds market grew from \$58.74 billion in 2022 to \$62.72 billion in 2023 at a compound annual growth rate (CAGR) of 6.8%. The Russia-Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term. The war between these two countries has led to economic sanctions on multiple countries, a surge in commodity prices, and supply chain disruptions, causing inflation across goods and services and affecting many markets across the globe. The seeds market is expected to grow to \$81.1 billion in 2027 at a CAGR of 6.6%.

Technological advancements are shaping the seeds market. Major companies operating in seeds are focused on adopting advanced technologies to reduce the cost and improve the quality. For instance, in May 2020, Syngenta AG, a Switzerland-based developer and producer of seeds, launched Tymirium, a technology platform brand that is designed to provide farmers with tools that help them maximize their yield in a sustainable way. This innovative technology, which is based on the active component cyclobutrifluram, offers long-lasting defence against a wide range of nematode pests and illnesses in all significant crops and regions. Nematodes not only damage crops, but they also let more fungus in.

In August 2020, Syngenta, a Switzerland-based agricultural science and technology company acquired Sensasko for an undisclosed amount. With this acquisition, Sensasko company will enter the wheat, corn, and sunflower market in South Africa. The acquisition allows Syngenta seeds to introduce viptera trait technology and helps to invest in innovation and technology. Sensasko is a seeds company based in South Africa.

North America was the largest region in the seeds market in 2022. Asia-Pacific is expected to be the fastest-growing region in the forecast period. The regions covered in the seeds market report are Asia-Pacific, Western Europe, Eastern Europe, North America, South America, Middle East, and Africa.

The countries covered in the seeds market report are Australia, Brazil, China, France, Germany, India, Indonesia, Japan, Russia, South Korea, UK, USA.

The high adoption of biotech crops is significantly contributing to the growth of the seeds market. Biotech crops are genetically modified crops that involve a technology to produce a GM plant. The high adoption of biotech crops is promoting the production of a high number of seeds to meet the demand. For instance, in August 2022, according to a report shared by the Food and Drug Administration, a US-based federal agency of the Department of Health and Human Services, in 2020, 94% of the soybeans planted were genetically modified organisms (GMO), 96% of the cotton grown was GMO, and 92% of the corn planted was GMO. In the US, GMO crops are consumed by over 95%

of livestock, including dairy cows. Therefore, the high adoption of biotech crops is driving the growth of the seeds market.

The seed market consists of sales of roasted embryo, endosperm, and seed coat. Values in this market are 'factory gate' values, that is the value of goods sold by the manufacturers or creators of the goods, whether to other entities (including downstream manufacturers, wholesalers, distributors and retailers) or directly to end customers. The value of goods in this market includes related services sold by the creators of the goods.

The market value is defined as the revenues that enterprises gain from the sale of goods and/or services within the specified market and geography through sales, grants, or donations in terms of the currency (in USD, unless otherwise specified).

The revenues for a specified geography are consumption values that are revenues generated by organizations in the specified geography within the market, irrespective of where they are produced. It does not include revenues from resales along the supply chain, either further along the supply chain or as part of other products.

## Indian Agriculture Sector

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for 55% of India's population. India has the world's largest cattle herd (buffaloes), largest area planted to wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar. Agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country's population. Thus, farmers become an integral part of the sector to provide us with means of sustenance. Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%. The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

Agriculture plays a vital role in India's economy. 54.6 of the total workforce is engaged in agriculture and allied sector activities (Census 2011) and accounts for 18.6 % of India's GVA at current prices during 2021-22. Given the importance of the agriculture sector, Government of India has taken several steps for its development in a sustainable manner.

As per the Provisional Estimates of National Income, 2021-22 released by National Statistical Office (NSO), Ministry of Statistics & Programme Implementation, the agriculture and allied sectors contributed approximately 18.6 % of India's Gross Value Added (GVA) at current prices during 2021-22. GVA of agriculture and allied sectors and its share in total GVA of the country at current prices during the last 6years is as follows:

### Gross Value Added (GVA) of Agriculture & Allied Sector (₹ In lakhs)

Items	Years					
	2016-17	2017-18	2018-19#	2021-22@	2020-21*	2021-22**
GVA of Agriculture and Allied Sectors	251866200	282982600	302992500	335836400	360949400	398006700
Per cent to total GVA	18.0%	18.3%	17.6%	18.3%	20.0%	18.6%

Source: National Statistical Office, Ministry of Statistics and Programme Implementation, Govt. of India

\* First revised estimate as on 31st Jan, 2022, @second revised estimate, # Third revised estimate.

\*\* As per Provisional Estimates of National Income, 2021-22 released on 31st, May 2022.

Note: 1. Gross Domestic Product (GDP) includes GVA taxes on Products including import duties and less subsidies of Products.

## **Rainfall 2022**

### **Monsoon Rainfall (June – September)**

The cumulative rainfall in the country during the monsoon season i.e. 01 June to 30 September, 2022 has been higher by 6% than the Long Period Average (LPA). Rainfall in the four broad geographical divisions of the country during the above period has been higher than LPA by 22% in South Peninsula, by 19% in Central India and by 1% in North-West India but lower than LPA by 18% in East & North East India. Out of 36 meteorological sub-divisions, 12 met subdivisions in the country had received large excess/excess rainfall, 18 met subdivisions received normal rainfall and 6 met subdivisions received deficient rainfall. Out of 703 districts for which rainfall data available, 53(7%) districts received large excess rainfall, 175(25%) districts received excess rainfall, 280(40%) districts received normal rainfall, 188(27%) districts received deficient rainfall and 7(1%) districts received large deficient rainfall.

### **Post-Monsoon (October-December)**

During the post-monsoon season (1 October to 31<sup>st</sup> December, 2022) country received rainfall which was 19% higher than the LPA. Out of 36 meteorological subdivisions, 16 received large excess/excess rainfall, 14 received normal rainfall and 6 met subdivisions received deficient/large deficient rainfall.

As per Fourth Advance Estimates for 2021-22, the production of Foodgrains in the country is estimated at 315.72 million tonnes which is higher by 4.98 million tonnes than the production of foodgrain during 2020-21. The production during 2021-22 is higher by 25 million tonnes than the previous five years' (2016-17 to 2020-21) average production of foodgrains. Total production of Rice during 2021-22 is estimated at record 130.29 million tonnes. It is higher by 13.85 million tonnes than the last five years' average production of 116.44 million tonnes. Production of Wheat during 2021-22 is estimated at 106.84 million tonnes. It is higher by 2.96 million tonnes than the last five years' average wheat production of 103.88 million tonnes. production of Nutri / Coarse Cereals estimated at 50.90 million tonnes, which is higher by 4.32 million tonnes than the last five years' average production of 46.57 million tonnes. Total Pulses production during 2021-22 is estimated at record 27.69 million tonnes which is higher by 3.87 million tonnes than the last five years' average production of 23.82 million tonnes. Total Oilseeds production in the country during 2021-22 is estimated at record 37.70 million tonnes which is higher by 1.75 million tonnes than the production of 35.95 million tonnes during 2020-21.

Further, the production of oilseeds during 2021-22 is higher by 5.01 million tonnes than the average oilseeds production. Total production of Sugarcane in the country during 2021-22 is estimated at record 431.81 million tonnes which is higher by 58.35 million tonnes than the average sugarcane production of 373.46 million tonnes. Production of Cotton and Jute & Mesta is estimated at 31.20 million bales (each of 170 kg) and 10.32 million bales (each of 180 kg), respectively.

## **Indian Agriculture and Allied Sector**

Agriculture is the primary source of livelihood for about 58% of India's population. Gross Value Added by agriculture, forestry, and fishing was estimated at ₹19.48 lakh crore (US\$ 276.37 billion) in FY20. Share of agriculture and allied sectors in gross value added (GVA) of India at current prices stood at 17.8 % in FY20 progeny0. Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%.

The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

The total agricultural and allied products exports stood at US\$ 41.25 billion in FY21.

The Economic Survey of India 2020-21 report stated that in FY20, the total food grain production in the country was recorded at 296.65 million tonnes—up by 11.44 million tonnes compared with 285.21 million tonnes in FY19. The government has set a target to buy 42.74 million tonnes from the central pool in FY21; this is 10% more than the quantity purchased in FY20. For FY22, the government has set a record target for farmers to raise food grain production by 2% with 307.31 million tonnes of food grains. In FY21, production was recorded at 303.34 million

tonnes against a target of 301 million tonnes.

Production of horticulture crops in India reached a record 331.05 million metric tonnes (MMT) in 2020–21(as per 3rd advance estimate), an increase of 10.5 million metric tonnes over FY20. India has the largest livestock population of around 535.78 million, which translates to around 31% of the world population. Milk production in the country is expected to increase to 208 MT in FY21 from 198 MT in FY20, registering a growth of 10% y-o-y. Area under horticulture is projected to rise by 2.7% in FY21.

Sugar production in India reached 26.46 MT between October 2019 and May 2020 sugar season according to Indian Sugar Mills Association (ISMA).

India is among the 15 leading exporters of agricultural products in the world. Agricultural export from India reached US\$ 38.54 billion in FY19 and US\$ 35.09 billion in FY20.

According to Inc42, the Indian agricultural sector is predicted to increase to US\$ 24 billion by 2025. The private sector's share in seed production increased from 57.28% in 2017 to 64.46% in FY21.

India is the world's second-largest producer of rice, wheat, sugarcane, cotton, groundnuts and fruits & vegetables. It also produced 25% of the world's pulses, as of last decade, until 2019.

The organic food segment in India is expected to grow at a CAGR of 10% during 2015-25 and is estimated to reach ₹ 75,000 crore (US\$ 10.73 billion) by 2025 from ₹ 2,700 crore (US\$ 386.32 million) in 2015.



The processed food market in India is expected to grow to ₹ 3,451,352.5 crore (US\$ 470 billion) by 2025, from ₹ 1,931,288.7 crore (US\$ 263 billion) in FY20 on the back of government initiatives such as planned infrastructure worth US\$ 1 trillion and Pradhan Mantri Kisan Sampada Yojna. The food processing industry employs about 1.77 million people. The sector allows 100% FDI under the automatic route.

Between April 2020 and February 2021, the total value of processed food products exports was ₹ 43,798 crore (US\$ 6.02 billion). India exported key processed food products such as pulses, processed vegetables, processed fruits and juices, groundnuts, guar gum, cereal preparations, milled products, alcoholic beverages and oil meals.

**Some major investments and developments in agriculture are as follows:**

- The sector has also recorded a sharp increase in investments with a cumulative FDI inflow of US\$ 2,600.70 million between April 2000-June 2022.
- In 2022, the Government of India is planning to launch Kisan Drones for crop assessment, digitization of land records, and spraying of insecticides and nutrients.
- India's agricultural and processed food products exports stood at US\$ 9,598 million in FY23 (April-July 2022), up by 30% YoY.

- In October 2022, Prime Minister Mr. Narendra Modi inaugurated PM Kisan Samman Sammelan 2022 and released PM-KISAN Funds worth ₹ 16,000 crore (US\$ 1.93 billion)
- In August 2022, a Special Food Processing Fund of ₹ 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR)
- Gross Value Added by the agriculture and allied sector was 18.8% in 2021-22 (until 31 January, 2022)
- Agriculture and allied activities recorded a growth rate of 3.9% in 2021-22 (until 31 January, 2022)
- Consumer spending in India will return to growth in 2022 post the pandemic-led contraction, expanding by as much as 7%.
- Private consumption expenditure (at constant prices) was estimated at ₹ 80.8 trillion (US\$ 1.08 trillion) in FY22 against ₹ 75.6 trillion (US\$ 1.01 trillion) in FY20.
- The organic food segment in India is expected to grow at a CAGR of 10% during 2015-25 and is estimated to reach ₹ 75,000 crore (US\$ 9.1 billion) by 2025 from ₹ 2,700 crore (US\$ 386.32 million) in 2015.
- The processed food market in India is expected to grow to ₹ 3,451,352.5 crore (US\$ 470 billion) by 2025, from ₹ 1,931,288.7 crore (US\$ 263 billion) in FY20 on the back of government initiatives such as planned infrastructure worth US\$ 1 trillion and Pradhan Mantri Kisan Sampada Yojna. The food processing industry employs about 1.77 million people. The sector allows 100% FDI under the automatic route.
- From 2017 to 2020, India received US\$ 1 billion in agritech funding. With significant interest from investors, India ranks third in terms of agritech funding and the number of agritech start-ups. By 2025, Indian agritech companies are likely to witness investments worth US\$ 30-35 billion.
- Nestle India will invest ₹ 700 crore (US\$ 85.16 million) in the construction of its ninth factory in Gujarat.
- The sector has recorded a sharp increase in investments with a cumulative FDI inflow of US\$ 11.51 billion between April 2000-September 2022.
- The performance of the agriculture and allied sector has been buoyant over the past several years, much of which is on account of the measures taken by the government to augment crop and livestock productivity, ensure certainty of returns to the farmers through price support, promote crop diversification, improve market infrastructure through the impetus provided for the setting up of farmer-producer organizations and promotion of investment in infrastructure facilities through the Agriculture Infrastructure Fund.
- As per the economic survey 2022-23, ₹ 13,681 crore (US\$ 1.6 billion) were sanctioned for Post-Harvest Support and Community Farms under the Agriculture Infrastructure Fund.
- Private investment in agriculture increases to 9.3% in 2020-21.
- Institutional Credit to the Agricultural Sector continued to grow to ₹ 18.6 lakh crore (US\$ 226 billion) in 2021-22.

#### **Some of the recent major Government initiatives in the sector**

- In October 2021, the Union Minister of Home Affairs and Cooperation launched the 'Dairy Sahakar' scheme in Anand, Gujarat.
- Ministry of Civil Aviation launched the Krishi UDAN 2.0 scheme in October 2021. The scheme proposes assistance and incentive for movement of agri-produce by air transport. The Krishi UDAN 2.0 will be implemented at 53 airports across the country, largely focusing on Northeast and tribal regions, and is expected to benefit farmers, freight forwarders and airlines.
- In October 2021, Agricultural and Processed Food Products Export Development Authority (APEDA) signed a Memorandum of Understanding (MoU) with ICAR-Central Citrus Research Institute (ICAR-CCRI), Nagpur, for boosting exports of citrus and its value-added products.
- In October 2021, the Union Ministry of Agriculture and Farmers Welfare announced that 820,600 seed mini-kits will be distributed free of cost in 343 identified districts across 15 major producing states under a special programme. This programme is likely to boost production and productivity by speeding up the seed replacement rate and subsequently, help in increasing farmer's income.
- In September 2021, Prime Minister Mr. Narendra Modi launched 35 crop varieties with special traits such as climate resilience and higher nutrient content.
- Prime Minister of India launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) and transferred ₹ 2,021 crore (US\$ 284.48 million) to bank accounts of more than 10 million beneficiaries on

February 24, 2019. As per the Union Budget 2021-22, ₹ 65,000 crore (US\$ 8.9 billion) was allocated to Pradhan Mantri Kisan Samman Nidhi (PM-Kisan).

- The Indian government has initiated Digital Agriculture Mission for 2021-25 for agriculture projects based on new technologies such as artificial intelligence, block chain, remote sensing and GIS technology, drones, robots and others.
- In September 2021, the Union Ministry of Agriculture and Farmers' Welfare signed five MoUs with CISCO, Ninjacart, Jio Platforms Limited, ITC Limited and NCDEX e-Markets Limited. This MoU will have five pilot projects, which will help farmers make decisions on the kind of crops to grow, variety of seeds to use and best practices to adopt to maximise yield.
- With a budget of US\$ 1.46 billion, the 'Production-Linked Incentive Scheme for Food Processing Industry (PLISFPI)' has been approved to develop global food manufacturing champions commensurate with India's natural resource endowment and to support Indian food brands in international markets.
- As per Union Budget 2021-22, ₹ 4,000 crore (US\$ 551.08 million) was allocated towards implementing Pradhan Mantri Krishi Sinchayee Yojana (PMKSY-PDMC).
- The Ministry of Food Processing has been allocated ₹ 1,308.66 crore (US\$ 180.26 million) in the Union Budget 2021-22.
- Under Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PM FME), an outlay of ₹ 10,000 crore (US\$ 1.34 billion) over a period of five years from FY21 to FY25 has been sanctioned.
- To boost farmer incomes and growth of the agricultural economy, the Indian government released funds in June 2021 for farm mechanisation such as establishment of custom hiring centres, farm machinery bank and high-tech hubs in different states.
- In April 2021, the Government of India approved a PLI scheme for the food processing sector with an incentive outlay of Rs 10,900 crore (US\$ 1,484 million) over a period of six years starting from FY22.
- The Government of India came out with Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports.
- The Agriculture Export Policy, 2018 was approved by the Government of India in December 2018. The new policy aimed to increase India's agricultural export to US\$ 60 billion by 2022 and US\$ 100 billion in the next few years with a stable trade policy regime.
- The Government of India is going to provide ₹ 2,000 crore (US\$ 306.29 million) for computerization of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.
- The Government of India launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of ₹50,000 crore (US\$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.
- Government plans to triple the capacity of food processing sector in India from the current 10% of agriculture produce and has also committed ₹ 6,000 crore ( US\$ 793 million) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100% FDI in marketing of food products and in food product E-commerce under the automatic route.

## **The Road Ahead**

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing, and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to the concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.

In the next five years, the central government will aim US\$ 9 billion in investments in the fisheries sector under PM Matsya Sampada Yojana. The government is targeting to raise fish production to 220 lakh tonnes by 2024-25. Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP), and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.

Through the Ministry of Food Processing Industries (MoFPI), the Government of India is taking all necessary steps to boost investments in the food processing industry in India. Government of India has continued the umbrella



PMKSY scheme with an allocation of ₹ 4,600 crore (US\$ 559.4 million) till March 2026.

(Source: <https://www.ibef.org/industry/agriculture-india>)

## Indian Seed Industry

The Indian seed industry has had a long history spreading over more than a century. It initially began with trading in vegetable and flower seeds in the early part of this century. Seed related reforms pertaining to hybridization began in the early 1980's, when the GoI decided to provide public-bred breeder seed to private companies for multiplication and distribution. Further, starting in the mid-1980's accessibility to research institutions, both international and national was provided to private seed firms for directly obtaining breeder seed. The seed related reforms initiated in 1980's thus catalysed growth of the private seed sector in the country. As a consequence, the Indian seed industry is experiencing quantitative and qualitative changes in composition, market expansion and production technologies. Along with the increasing size of the seed market, its composition is also rapidly changing, with more and more private companies not only intensifying but also diversifying their market as well as product coverage.

The Government is concerned about the stagnation in the production and productivity of pulses. A critical deficiency is the availability and quality of certified seeds. Government therefore proposes to expand the Integrated Oilseeds, Oil palm, Pulses and Corn Development programme. There will be a sharper focus on scaling up the production of breeder, foundation and certified seeds. The Indian Institute of Pulses Research (IIPR), Kanpur, the National and State level seeds corporations, agricultural universities, ICAR centres, KRIBHCO, IFFCO and NAFED as well as large private sector companies will be invited to submit plans to scale up the production of seeds. Government will fund the expansion of IIPR, Kanpur, and offer the other producers a capital grant or concessional financing in order to double the production of certified seeds within a period of three years. (Source: Union Budget: Finance Minister's speech)

## India Seed Market Analysis

The India Seed Market is projected to register a CAGR of 4.81%

- **Grains & Cereals** is the Largest Crop Family: Grains and cereals is the largest segment due to India being the leading producer of grains, rice is a staple food for South India, and wheat is most consumed in North India.
- **Hybrids** is the Largest Breeding Technology: There is an increase in the demand for hybrid seeds due to higher productivity, wider adaptability, and a high degree of resistance to biotic and abiotic stresses.
- **Roots & Bulbs** is the Fastest-growing Crop Family: India is the leading producer of garlic, onion, and potatoes. The true seeds for garlic and potatoes were introduced leading the segment to be the fastest growing.
- **Open Pollinated Varieties & Hybrid Derivatives** is the Fastest-growing Breeding Technology: Open-pollinated varieties require fewer inputs, such as fertilizer and pesticides, and are less expensive than hybrid seeds and more affordable for low-income farmers.

## Indian Seed Industry Segmentation

Hybrids, Open Pollinated Varieties & Hybrid Derivatives are covered as segments by Breeding Technology. Open Field, Protected Cultivation are covered as segments by Cultivation Mechanism. Row Crops, Vegetables are covered as segments by Crop Type.

## India Seed Market Trends

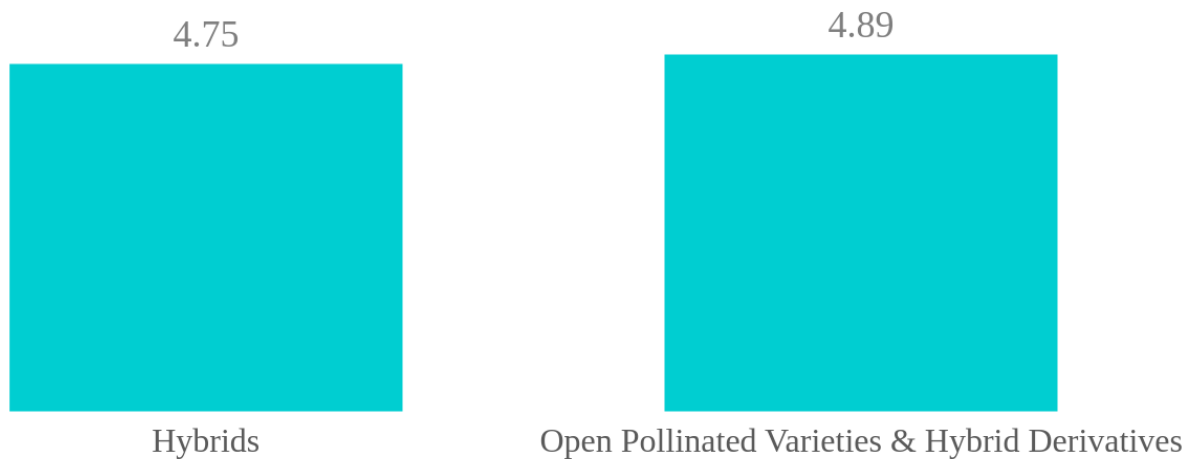
Hybrids is the largest Breeding Technology

- In India, hybrids dominated over open-pollinated varieties, with a difference of 13.1% in the Indian seed market value in 2021. Farmers are adopting and using more hybrid seeds, considering the pest-resistant properties of these seeds and reducing the losses and cost of production.
- The per capita availability of arable land decreased to 0.12 ha in 2018, which is considered a driver for India's seed industry.



- In 2021, hybrid seed usage increased in the country as an increase in the adoption of transgenic cotton hybrids (62.8%), single-cross corn hybrids (68.6%), soybean (68.4), and hybrid vegetables (75.1%). This increased demand for hybrid seeds has boosted the market for commercial seeds. This trend has encouraged farmers to shift their focus from conventional seed sources to packaged seeds that promise better yields.
- In commercial seed cultivation areas in 2021, hybrids alone account for 65% area, whereas OPVs account for 35% area in India. Therefore, the seed market is expected to increase as hybrid usage increases in the forecast period.
- The major breeding techniques in plant breeding include a selection of plants based on natural variants, hybridization, and selection of specific genes or marker profiles using molecular tools. The main objective of these techniques is the selection of better plant types among variants in terms of yield, quality, pest resistance, etc.
- The scenario post-adoption of hybrids and improved OPVs has resulted in many advantages, such as yield improvement, ensuring higher prices, and availability of seeds at an affordable price. These factors will drive the growth of the Indian seed market in the forecast period.

### India Seed Market, CAGR, %, By Breeding Technology, 2022 - 2028



Source : Mordor Intelligence



### India Seed Industry Overview

The India Seed Market is fragmented, with the top five companies occupying 32.19%. The major players in this market are Advanta Seeds - UPL, Bayer AG, Corteva Agriscience, Kaveri Seeds and Syngenta Group (sorted alphabetically).



## India Seed Market News

- **June 2022:** A new variety of tropicalized lettuce is launched which is named Arunas RZ. This is expected to enhance the market share of the company.
- **May 2022:** Corteva expanded its sunflower seed business in Europe with an investment of USD 14.1 million in the Afumati production facility in Romania to meet growing domestic and international demand from farmers for high-quality sunflower seeds.
- **April 2022:** BASF opened a new Center for Sustainable Agriculture, covering a broad range of topics from technology and innovation driving agriculture's productivity.

(Source: <https://www.mordorintelligence.com/industry-reports/indian-seed-sector-analysis#tables-and-figures>)

## Seed Products

There are thousands of seed hybrids and varieties in the market, presenting numerous combinations of desirable traits. Farmers make their choices of crops and varieties to grow depending upon local growing conditions and demand in the market for such products. Seeds developed for and adapted to different geographical segments will provide different advantages to the farmer, such as:

- better yield;
- higher pest & disease tolerance;
- herbicide tolerance;
- germination ;
- maturity ;
- keeping quality; and
- drought tolerance.

Historically, breeders have improved seed genetics by crossing plants to create traits that are beneficial to the farmer, such as the traits listed above. Yield, however, is the most sought after trait because growers want to maximize the use of their arable land. The basic genetic material containing these desirable traits for a plant is called its germplasm. Quality germplasm has traditionally been the most important aspect of the seed business. Modern genomics and biotechnology tools have allowed more precise and rapid identification of beneficial genetic material and the creation of hybrids with substantial improvements in the traits that benefit the grower.

## Seed Types

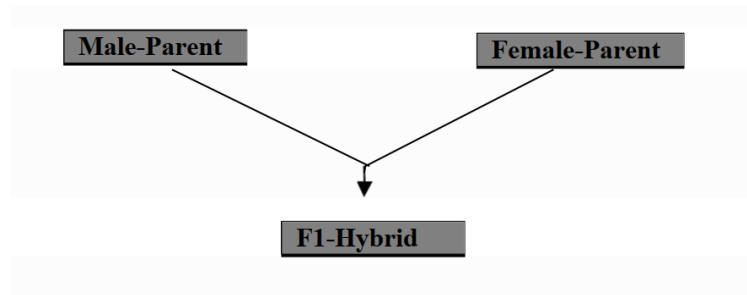
There are two types of seed that are available to farmers – varieties [e.g., open pollinated (OP) and self pollinated (SP) varieties] and hybrids developed through controlled pollination of selected parents.

Compared to hybrids, the yields from varieties are lower but the farmer can save and re-use the seed from year to year for several generations. The downside of using farmers' saved seed of OP and SP varieties is that there is some degeneration of uniformity, yield potential and quality from one generation to the next when such seeds are reused. Hybrid seeds compared to OP seeds usually do not perform well when used by the farmer from saved seed in the next generation and must be repurchased every year. The loss in yield can be very significant.

## Hybrid Seed Production

The development of seed crops takes place in several steps. The process begins with trait selection – choosing plants that have desirable characteristics, such as high yield, nutritional content, flavor, size or tolerance to certain diseases and pests. Trait selection requires an extensive pool of germplasm and significant research and development capabilities. Seed companies produce both hybrid and OP seeds. OP seeds are pollinated by natural means and produce progeny with no significant variation from their component lines. In many crops, this type of nucleus seed is the seed produced by the breeder to develop the particular variety and is directly used for multiplication as breeder seed. Breeder seed is the seed material directly controlled by the originating or the sponsoring breeder or institution for the initial and recurring production of seeds to maintain traits indigenous to a specific parent line. In contrast, hybrid seeds are the first generation progeny of two different parent lines. Hybrid seeds are produced by

crossbreeding two genetically dissimilar parent plant lines. The hybrid seed production depends on the crop variety. Hybrid seed is produced after crossing a male and a female.



The progeny of hybrid seeds that results from the crossing is sold to the farmer. The F1 hybrid seed possesses the hereditary characteristics determined by the selected traits of the parent lines and also would normally contain enhanced performance characteristics superior to the parent lines. The yield benefit is a result of hybrid vigor or heterosis, a naturally occurring characteristic across the biological world. Crops produced from these seeds exhibit a higher degree of uniformity and produce higher yields. However, second generation seed reduced by a hybrid will not inherit the enhanced performance characteristics of its hybrid parent. Thus, crops produced from seeds saved from hybrid crops do not display the same performance. As a result, hybrid crop farmers must purchase new hybrid seeds every time in order to benefit from hybrids. The demand for hybrid seeds has been increasing in recent years.

Seed companies can typically demand a premium for their proprietary hybrid seeds. This is because these seeds are generally the only alternative for farmers looking for certain traits, such as increased yields, tolerance etc. Farmers worldwide have recognized the value of hybrids (including high yields and disease tolerance) and are beginning to switch over to hybrids from OP seeds.

The benefits of hybrid seeds are such that there is economic advantage to growers who purchase hybrid seed each year. Sales of hybrids are less susceptible to erosion due to farm-saving of seed. Successful hybrids have been evolved and commercialized in many crops.

## Biotechnology

The arrival of biotechnology, of which the first commercially significant products appeared on the market in the mid-1990's, has had a significant impact on both the crop protection and seed industries. The introduction of improved traits in crops using bio-tech tools, has enhanced the value of the seed market significantly by allowing products which command premium due to their unique qualities. Biotechnology can be used both to facilitate traditional breeding processes to develop new varieties by using genetic markers to follow the incorporation of desired traits and to introduce new plant varieties that are genetically modified to express traits desirable to the grower, such as high oil or vitamin content and increased levels of health-beneficial dietary components, and traits that are beneficial to the grower, such as resistance to pests, diseases and selective herbicides.

Additional traits that benefit the grower and the consumer are under development. Biotechnology revolution is poised to bring about further changes in the market and create significant new market opportunities in the near future.

Since the commercialization of biotech crops in 1996, farmers have consistently increased their plantings of biotech crops by double-digit growth rates every single year. The increased hectareage and impact of the five principal developing countries (China, India, Argentina, Brazil and South Africa) growing biotech crops is an important trend with implications for the future adoption and acceptance of biotech crops worldwide.

[Source: ISAAA Briefs No. 35-2006: Global Status of Commercialized Biotech/GM Crops: (<http://www.isaaa.org/kc/cropbiotechupdate/01/18.htm>)]

## **Genetically Modified Crops**

When a gene from one organism is purposely transferred or moved to improve or change the characteristics of another organism in a laboratory, the result is a genetically modified organism. It is also called “transgenic”, for transfer of genes.

There are different methods of manipulating genetics to introduce improved or more desirable traits. This technique is applied in the controlled environment of a laboratory where genes that express the desired trait are physically moved or added to a new plant to enhance the trait in that plant. Plants produced with this technology are transgenic. For example, this process has been performed many times on different species of crops to produce insect or herbicide resistant plants. Such crops are referred to as Genetically Modified Crops (“GM crops”). More recently with the advancement of technology, molecular markers are being extensively used to speed up the technology.

With traditional breeding, plants often exchange large, unregulated chunks of their genomes. This can lead to both useful and unwanted traits in the offspring. The unwanted traits can be unsafe. Breeders sometimes have to crossbreed many plants over multiple generations to produce the desired trait. Biotechnology, on the other hand, allows new traits to be introduced in a far more specific manner and without the complications from undesirable genes and extensive crossbreeding. Biotechnology also allows traits from any source to be applied.

Many GM crops grown today have been developed to resist certain insects / pests with positive environmental effects. There are genetically modified plants being developed today to produce specific vitamins, resist plant viruses and even produce products for medical uses. However, in many parts of the world the planting of GM crops is currently not allowed pending concrete scientific data on its long term impact on the environment and human safety.

## **Production**

Seed, being a biological entity has to be grown and cannot be manufactured. Generally, large sized seed crops are produced locally in order to facilitate transport. Industrial processes are used when sorting, cleaning, packaging, or treating and coating the seed, which are generally performed at centralized processing facilities.

As seed production requires long lead times, making accurate forecasts of demand is important for seed companies. in the case of hybrids, for example, breeder seed must be developed initially and then multiplied into sufficient levels of foundation (parent) seed to produce a hybrid seed. Each step in the process requires a growing season.

Seed firms with a marketable seed product typically contract out the production and multiplication processes to independent farmers, farmer’s associations, and private firms. Breeders provide contract growers with the foundation seed (parent seed stock produced from the original seed developed by plant breeders) to produce the marketable seed. The production through contract growers is closely managed by seed firms to ensure that there is no genetic contamination and the desirable plant characteristics are carried through to subsequent generations by preventing open pollination, disease or pest infestation and other types of problems that could affect hybrid quality. Contract growers are carefully selected by seed firms and are provided with technical assistance and supervision. Seed firms closely control and monitor all stages of seed production, from planting to harvest.

## **Seed Conditioning**

After harvest the seed has to be conditioned to render it fit for sale to farmers. The conditioning process typically includes drying, cleaning and sorting the seed, treating the seed with insecticides and fungicides and packaging the seed for distribution and sale. Seed is also subject to inspection under various government programs to ensure that the final product meets certain quality standards. This inspection may include tests for purity, germination, presence of noxious weed seeds and moisture content.

## **Marketing and Distribution**

Marketing and distribution channels are generally localized. Seed companies create awareness about their products among farmers. Large seed firms play a direct role in marketing and distributing their end product to regional, national and international markets. Many firms also license or outsource marketing and distribution to private firms and individuals to improve access to local markets. In addition to company sales, distribution is typically run by local distributors including inter alia independent agents, such as farmer-dealers, farmers’ associations, and private wholesalers and retailers. Different distribution channels are used in different regions and markets.

## **Seed Pricing**

The market price of seed incorporates the costs associated with research and development, production, processing, marketing and distribution. In the long run, the price must be responsive to the farmers' willingness to purchase while at the same time ensuring a profit margin that provides an attractive return on capital to the seed company. Furthermore, pricing depends on the competitiveness of the particular seed market, availability of similar seed products and the pricing behavior of those firms that hold large shares of the market.

## **Research and Development**

Research and development typically forms a significant cost component of product development, particularly for development of proprietary hybrids. Seed production is another significant cost component, depending on the seed producibility and techniques and labour involved during production. Production costs include contracting with farmers to grow seed for exclusive resale to the seed firm. Seed companies typically pay contract growers a margin above the commodity market price for the seed to provide enough incentive for contract growers to maintain optimal growing conditions for production of a quality product.

Seed conditioning and treatment is another cost element of the seed price. This process benefits from scale economies arising from the use of certain capital equipment.

Advertising, promotion and distribution are other major costs. These costs vary with the stage of the product cycle and, depending on the regional market, can account for more than 10% to 20% of the seed price. Advertising and promotion are necessary to distinguish a seed company's product from other firms' products in the market, to educate customers on the best crop management practices to ensure optimum utilization of the genetic potential. Distribution costs include costs of transportation and communication between production facilities, wholesalers, retailers and farmers, as well as storage costs (including financial costs) if seed is held as inventory between seasons.

## **Key Crops**

### **Sunflower**

Sunflower is an oilseed crop. Commercially available sunflower varieties contain a considerable percentage of oil in the seed, with the majority used in vegetable oil, margarine and for industrial purposes. Sunflower cake is also used as poultry and animal feed. The oil from the sunflower accounts for the majority of the value of the sunflower crop. Sunflower oil is generally considered a "healthy oil" because of its light color, high level of unsaturated fatty acids and lack of linoleic acid, bland flavor and high smoke points. The primary fatty acids in the oil are oleic and linoleic. The primary use of sunflower oil is as a salad and cooking oil or in margarine.

Some of the major states producing sunflower are Karnataka, Andhra Pradesh and Maharashtra.

### **Grain Sorghum**

Grain sorghum is grown mainly for human consumption. The dry stock of the plant is used as animal feed. It is highly drought resistant and produces attractive and sustainable yields compared to other crops. It is also being considered as a source of raw material for ethanol production. If successful, it would have a significant impact on the area under grain sorghum cultivation.

Some of the major states producing grain sorghum are Maharashtra, Karnataka and Madhya Pradesh. The approximate area under hybrid cultivation is 1 M Ha.

### **Cotton**

Cotton requires intensive use of pesticides as various pests cause extensive damage. Over the past 40 years, many pests have developed resistance to pesticides. So far, the only successful approach to engineering crops for insect tolerance has been the addition of the Bt. toxin, a family of toxins originally derived from soil bacteria. The Bt. toxin contained in the Bt. crops is no different from other chemical pesticides, but causes much less damage to the environment. These toxins are effective against a variety of economically important crop pests but pose no hazard to non-target organisms like mammals and fish. Three Bt. crops are now commercially available: corn, cotton and potato. Cotton is currently the most popular of the Bt. crops. The Bt. gene was isolated and transferred from a certain bacteria into cotton. This cotton line was subsequently crossed with Indian cotton to introduce the gene into native

varieties. Bt. cotton was launched commercially in India in 2002.

The Bt. cotton variety contains a foreign gene obtained from a certain bacterium. This bacterial gene, introduced genetically into the cotton seeds, protects the plants from bollworm, a major pest of cotton. A bollworm feeding on the leaves of a Bt. cotton plant becomes lethargic and sleepy, thereby causing less damage to the plant.

Advantages of the Bt. variety of cotton include a higher yield and fewer sprays of chemical pesticide than the normal cotton variety. According to the Director General of the Indian Council of Agricultural Research, India uses about half of its pesticides on cotton to fight the bollworm menace. The use of Bt. cotton has led to an increase in cotton yield in countries where it is grown.

From the total area under cotton cultivation in the country, the proportionate area used for cultivation of Bt. Cotton has increased consistently over two decades. The study also reveals that Bt. Cotton seeds were able to provide better return on investment to farmers compared to other hybrids.

Some of the major states producing cotton are Andhra Pradesh, Gujarat, Karnataka, Maharashtra, Punjab and Tamil Nadu. The demand for Bt. cotton is increasing every year with the farmers looking for higher yield.

## **Corn**

Corn is grown in almost all the major cropping regions throughout the world. It is one of the most important crops for food, animal feed and industrial use in the world. Corn hybrids are produced as single crosses, double crosses and three way crosses. Of late single crosses are becoming popular because of their high yielding potential. Corn is also being tried as a potential source of ethanol.

Major corn producing states are Andhra Pradesh, Karnataka, Bihar, Maharashtra and Uttar Pradesh. The approximate area under cultivation is 6.20 M Ha out of which only 1/3rd i.e. 2.75 M Ha are under hybrids. The hybridization level in the southern states is estimated to be more than 95%, whereas in areas under northern states and eastern states, the hybridization levels are less than 40%. Rajasthan is estimated to have the lowest level of hybridization at less than 5%.

## **Paddy**

The initial hiccups in the paddy hybridisation program were poor level of heterosis, non-availability of suitable germplasm, high cost of seed production, cooking quality and taste. However, hybrid paddy now yields more than the best of the inbred varieties upon which the bulk of paddy production of tropical Asia depends. The approximate area under cultivation is 42 M Ha approximately out of which less than 1 M Ha is under hybridization. This poses a big opportunity in terms of its growth potential. Some of the major states consuming hybrid paddy are Haryana, Bihar, Jharkhand & Uttar Pradesh.

## **Seed Industry – High Barriers to Entry**

In order to develop products in the seed industry, companies need access to an extensive germplasm bank and adequate capital to develop products over long periods of time. The development of a rich germplasm bank requires the accumulation of genetic material over a period of years. Germplasm is scarce, expensive and must be refined properly to meet the breeding objectives. Furthermore, development cycles can last for about five to twelve years prior to launching a commercially viable product. Seed companies need to invest heavily in creating research and development facilities which is a must to maintain a full product pipeline. Success in the seed industry requires national distribution, building brand equity and achieving economies of scale in mass production.

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For the purpose of discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 21 of this Draft Letter of Offer, and for the purpose of discussion of the risks and uncertainties related to those statements, as well as for the discussion of certain factors that may affect our business, financial condition or results of operations, you should read "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 116 and 181, respectively of this Draft Letter of Offer. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.*

### **Overview and History**

Our Company was incorporated as "Tierra Agrotech Private Limited" on September 13, 2013 as a private limited company under the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Hyderabad, Andhra Pradesh.

Our Company's business is primarily to develop, grow, raise, process, manufacture, prepare, refine, extract, hydrolyze, deodorise, grind, bleach, hydrogenate, import, export or otherwise deal in all kinds of seeds, hybrid seeds and fertilizers etc.

Later in the month of August, 2017, our Company became a deemed Public Company after becoming the Wholly Owned Subsidiary of a Listed Company, M/s. Grandeur Products Limited.

Our Company, Tierra Agrotech Private Limited entered into a Scheme of Amalgamation with Xylem Seeds Private Limited (Transferor Company), approved by the Hon'ble National Company Law Tribunal, Hyderabad Bench vide its Common Order dated August 20, 2019.

Subsequently, Our Company, Tierra Agrotech Private Limited also entered into a Scheme of Amalgamation with Grandeur Products Limited, holding company, approved by the Hon'ble National Company Law Tribunal, Hyderabad Bench vide its Common Order dated November 12, 2021. Consequently, our Company was converted into a public limited company and the name of our Company was changed to "Tierra Agrotech Limited" on December 17, 2021 and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Hyderabad, Telangana.

Presently, our company's main objects are as follows:

- a. To develop, identify, validate, produce, process, license and in and outsource various agricultural, bio-technology and Nano-technology related technologies within or outside India.
- b. To develop, grow, raise, produce, process, manufacture, prepare, refine, extract, hydrolyze, deodorise, grind, bleach, hydrogenate, import, export or otherwise deal in all kinds of Seeds, Hybrid Seeds and fertilizers, herbicides, pesticides, insecticides, fungicides, rodenticides, weedicides, Bio Fertilizers, Bio-pesticides, Bio spares and all necessary farm equipments.
- c. To develop, establish, maintain and aid in the development, establishment and maintenance of Seed farms, research laboratories, research farms, seed testing laboratories, technology centres, Cold chains consisting cold storage, storage chambers, ice plants, godowns, warehouses, refrigerators, freezing houses, room coolers, refrigerated containers, processing centres, transporting, marketing centres, green houses, processing and distribution centres, and stores of all kinds of seeds produce or products, and to purchase, buy or otherwise acquire, develop establish, maintain improve, sell or otherwise deal in farms, agricultural lands, urban or rural agricultural property.
- d. To provide and arrange for technical consultancy, training, education, to conduct programmes, aid and advice to any person in respect of any matters connected with Seed and other Agricultural Businesses.
- e. To aid, assist, promote, establish, improve, develop, administer, undertake, run, own and or produce the pilot scale and commercial scale projects/products, using bio-technology, to offer technical know-how, imparting training on related items of Bio-technology, to undertake all direct and indirect related activities connected with the field of Bio technology.

## **OUR BUSINESS**

“**Tierra**” has made a humble beginning in the Year 2013 as a technology centric agriculture company. The objective is set to develop superior quality hybrid seeds stacked with crop specific important traits that provides significant yield benefit and overall cost advantages to farmers and other stake holders. Tierra is headquartered at Hyderabad, the seed capital of India, founded by professionals with more than eight decades of combined seed and agribusiness industry experience and proven excellence in developing breakthrough products.

“**Tierra**” is engaged in research, development, production, processing and commercialization of superior products in major crops like Cotton, Rice, Corn, Mustard, Tomato and Okra. During year 2017-18, Tierra has attracted global attention after their acquisition of Monsanto’s India cotton seed business and DuPont – Pioneer’s Cotton company ‘ Xylem Seeds Private Limited ’ .

“**Tierra**” has established a state-of-the-art R&D unit in Hyderabad with 10,000 sq. ft. laboratory space with several green houses, more than 50 acres of breeding farms supported with drip irrigation and other essential facilities. Besides its Breeding and Biotechnology R&D centres in Hyderabad, Tierra has also established three more R&D units, one in Bangalore, Karnataka, India and the two others in Pune, Maharashtra, India and Gurugram, Haryana, India. It has also about 30 product trailing centres across the country.

In 2018, Tierra expanded its Cotton portfolio in the market by acquiring Indian Cotton seed business of Monsanto Holdings Private Limited and Xylem Seeds Private Limited (a DuPont Pioneer company). The rich and diverse germplasm collected and developed by the experienced breeders of Tierra and the two acquired programs has given the organization a very strong platform in Cotton breeding. Tierra’s efforts are aimed at developing upmarket products with big boll size, easy pick ability, earliness, good fibre qualities with strong tolerance to pests and diseases. Our special efforts are to breed cotton for suitability to high density planting system (HDPS), sympodial type, easy pick ability, short stature with synchronous maturity to help harvest the crop in one or two pickings. Special emphasis is also on utilizing male sterility trait for efficient seed production and very high genetic purity.


Our focus is to introduce value added - differentiated products and technologies in the market, while protecting them under suitable Intellectual Property (IP) and Plant Variety Protection (PVP) laws. Our business model follows strict compliance with all regulatory guidelines including Freedom to Operate (FTOs).

“**Tierra**” ventured into vegetable seeds sale from the financial year 2020-21, thereby spreading its portfolio from cotton, paddy, corn, mustard, maize and vegetable seeds.






The Company has an extensive marketing network with loyal and committed distributors and dealers in Andhra Pradesh, Telangana, Orissa, Karnataka, Tamil Nadu, Maharashtra, Bihar, Madhya Pradesh, Jharkhand, Chhattisgarh, Gujarat, Uttar Pradesh, Punjab, Haryana, West Bengal, Assam and Rajasthan.






The Company’s focus is to be a leading provider of crop solutions to the farmers by supplying high yielding hybrid seeds and crop management namely micronutrients and plant growth promoters. For achieving this, the Company is engaging in R&D efforts in the areas of superior breeding programmes and biotechnology tools that will enable it to develop highly effective and differentiated hybrid seeds.






### **Product Portfolio - Field Crop & Vegetable Crop**

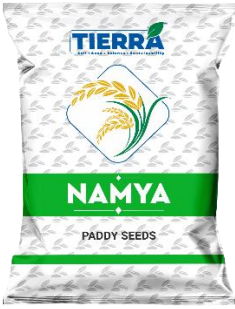





<b>Cotton</b>		
<b>1. Alankar</b>	<ul style="list-style-type: none"> <li>• Medium Tall, open and sturdy plant type.</li> <li>• Early maturity hybrid (145 - 155 days).</li> <li>• Big boll with oval-shape (Wt. 5.7 g - 6.2 g).</li> <li>• Fluffy boll opening and easy picking.</li> <li>• Tolerant to Jassids</li> <li>• High yield in short days.</li> <li>• More suitable for rain fed and low-water management areas.</li> <li>• Suitable for the second crop due to its short duration.</li> <li>• Suitable for central &amp; south cotton geographies.</li> </ul>	









<b>2. Brahma</b>	<ul style="list-style-type: none"> <li>• Tall, open, sturdy &amp; Monopodial hybrid.</li> <li>• Moderately tolerant to Jassid.</li> <li>• Mid to late maturity (170 - 180 days).</li> <li>• Good boll weight: 5 to 5.5 g.</li> <li>• Fluffy boll opening &amp; excellent picking.</li> <li>• Proven, assured yielder.</li> <li>• Good staple length (30 - 31 mm).</li> <li>• Crop input responsive.</li> <li>• Suitable for central &amp; south cotton geographies</li> </ul>	
<b>3. VCot</b>	<ul style="list-style-type: none"> <li>• Medium tall, open type hybrid.</li> <li>• Hairy leaves &amp; tolerant to Jassid .</li> <li>• Early maturity (150 - 155 Days).</li> <li>• Very good boll retention &amp; chain bearing.</li> <li>• Fluffy boll opening &amp; very good picking quality.</li> <li>• Round big Boll (5.7 - 6.0 g) size.</li> <li>• Short boll to boll distance.</li> <li>• Suitable for medium/ heavy soils under rain fed &amp; irrigated conditions.</li> <li>• Suitable for central &amp; south cotton geographies.</li> </ul>	
<b>4. Kapasking</b>	<ul style="list-style-type: none"> <li>• Tall, open &amp; sturdy plant type with zero monopodia.</li> <li>• Medium maturity (160 - 165 Days).</li> <li>• Big Boll (5.8 - 6.1 g) size with mostly five locules.</li> <li>• Tolerant to Jassid &amp; foliar diseases.</li> <li>• Stay green &amp; very good boll retention capacity</li> <li>• Very good yielder.</li> <li>• Excellent boll opening &amp; Picking quality.</li> <li>• Less foliage and good appealing.</li> <li>• Suitable for medium/ heavy soils under rainfed &amp; irrigated conditions.</li> <li>• Suitable for HDPS</li> <li>• Suitable for central &amp; south cotton geographies.</li> </ul>	
<b>5. Vihaan</b>	<ul style="list-style-type: none"> <li>• Medium tall, open with sympodial plant type.</li> <li>• Moderately tolerant to Jassid.</li> <li>• Early maturity (150 - 160 days).</li> <li>• Medium boll size (5.0 - 5.5 g).</li> <li>• Excellent boll bearing, opening and picking.</li> <li>• Long sympodia and good chain bearing.</li> <li>• Good for medium/ heavy soils under rain fed &amp; irrigated conditions.</li> <li>• Suitable for central &amp; south cotton geographies</li> </ul>	
<b>6. 738</b>	<ul style="list-style-type: none"> <li>• Medium tall, Sympodial &amp; erect plant type.</li> <li>• Short boll to boll distance and boll bearing close to main stem.</li> <li>• Moderately tolerant to Jassid.</li> <li>• Very good boll retention</li> <li>• Boll weight (4.3 g) with mostly five locules.</li> <li>• Excellent boll opening &amp; picking quality.</li> <li>• Early maturity (55 - 70 % yield in first picking).</li> <li>• High Ginning percentage (38 - 40%).</li> <li>• Suitable for HDPS.</li> <li>• Suitable for North, Central &amp; South cotton growing geographies with excellent adaptability.</li> <li>• Suitable for light &amp; medium soils (canter &amp; south).</li> </ul>	







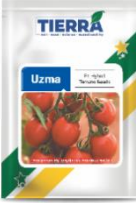
7. 3609	<ul style="list-style-type: none"> <li>Open erect, Sturdy, Medium tall hybrid.</li> <li>Moderately tolerant to Jassid.</li> <li>Medium maturity: 160 - 165 days.</li> <li>Fluffy boll opening &amp; excellent picking.</li> <li>Very good yielder.</li> <li>Big Boll size (6 g).</li> <li>Excellent fibre quality (Fibre length: 32 mm &amp; Fibre strength: 32 g/tex)</li> <li>Suitable for medium soil and irrigated conditions.</li> <li>Suitable for central and south cotton growing areas.</li> </ul>	
8. 9121	<ul style="list-style-type: none"> <li>Medium tall, Sturdy and sympodial hybrid.</li> <li>Moderately tolerant to Jassid.</li> <li>Fluffy boll opening &amp; excellent picking.</li> <li>Very good chain bearing.</li> <li>Early maturity (150 - 160 days).</li> <li>Good boll weight (5 - 5.5 g).</li> <li>Very good staple length (30 - 31 mm).</li> <li>Better performance under heavy soil &amp; irrigated condition.</li> <li>Suitable for central &amp; south cotton geographies.</li> </ul>	
<b>Maize</b>		
1. S2 981	<ul style="list-style-type: none"> <li>Suitable for Kharif &amp; Rabi seasons.</li> <li>Mid maturity: Kharif - 105 - 115 days &amp; Rabi (South) 120 - 140 days.</li> <li>Uniform, big and long cob size with orange attractive grains.</li> <li>Good shelling percentage with red shank.</li> <li>Fast Dry Down type and suitable for irrigated and rainfed conditions.</li> <li>Moderately tolerant to foliar diseases.</li> <li>Suitable states PB, UP, RJ, GJ, MH, MP, CG, TS, AP, KA and TN.</li> </ul>	
2. 2T11	<ul style="list-style-type: none"> <li>Suitable for Rabi season.</li> <li>Late maturity 160 - 170 days, South 120 – 140 days.</li> <li>Big and long Cylindrical cobs with white shank.</li> <li>Medium tall with low cob placement.</li> <li>Yellow dent &amp; bold grains.</li> <li>Very Good shelling percentage.</li> <li>Stay green &amp; tolerant to stalk rot.</li> <li>Excellent cob uniformity &amp; tip filling.</li> <li>Suitable states BR, MH, TS &amp; AP.</li> </ul>	
3. 2T14	<ul style="list-style-type: none"> <li>Suitable for Rabi season.</li> <li>Late maturity 160 - 170 days, South 120 – 140 days.</li> <li>Big and long Cylindrical cobs with red shank</li> <li>Medium tall with low cob placement.</li> <li>Yellow orange attractive colour.</li> <li>Good shelling percentage.</li> <li>Stay green &amp; tolerant to stalk rot.</li> <li>Semi flint capsule type of grain.</li> <li>Excellent cob uniformity &amp; tip filling.</li> <li>Suitable states BR, MH, AP and TS.</li> </ul>	









4. 2T55	<ul style="list-style-type: none"> <li>Suitable for Kharif season.</li> <li>Mid maturity: 105 - 115 days.</li> <li>Big and long cob size.</li> <li>Orange Yellow attractive colour.</li> <li>Very Good shelling percentage.</li> <li>Suitable for irrigated &amp; rainfed condition.</li> <li>Stay green &amp; tolerant to foliar diseases (TLB &amp; MLB).</li> <li>Excellent cob uniformity.</li> <li>High yield potential.</li> <li>Suitable states RJ, GJ, MH, MP, CG, TS, KA &amp; TN</li> </ul>	
5. 2T88	<ul style="list-style-type: none"> <li>Suitable for Kharif &amp; Rabi seasons.</li> <li>Mid maturity - Kharif: 100 - 110 days, Late Rabi maturity-(South):120 - 140 days.</li> <li>Big and long cylindrical cob.</li> <li>Medium tall hybrid.</li> <li>Orange attractive colour.</li> <li>Very good shelling percentage.</li> <li>Suitable for Irrigated &amp; Rainfed conditions.</li> <li>Stay green &amp; tolerant to diseases (TLB &amp; MLB).</li> <li>Semi flint &amp; Bold grain type.</li> <li>Excellent cob uniformity.</li> <li>Suitable state for Kharif – MH &amp; KA, Rabi -TS &amp; AP.</li> </ul>	
6. 2T99	<ul style="list-style-type: none"> <li>Suitable for Kharif &amp; Rabi season.</li> <li>Mid maturity: Kharif 100 - 110 days</li> <li>Late maturity: Rabi_South 120 - 140 days.</li> <li>Big and long conical cob.</li> <li>Medium tall with low cob placement.</li> <li>Flint grain with orange Yellow attractive colour.</li> <li>Very Good shelling percentage.</li> <li>Suitable for irrigated &amp; rainfed condition.</li> <li>Stay green &amp; tolerant to diseases (TLB &amp; MLB).</li> <li>Excellent cob uniformity.</li> <li>Suitable for Kharif RJ, GJ, MH, KA &amp; TS. Rabi AP &amp; TS.</li> </ul>	
<b>Improved Paddy</b>		
1.Chandni	<ul style="list-style-type: none"> <li>Medium maturity: 138 - 140 days.</li> <li>Grain type: Medium slender (MS).</li> <li>Tolerant to False smut &amp; Sheath blight.</li> <li>Strong culm and tolerance to lodging.</li> <li>Good Sales appearance.</li> <li>Suitable states: UP, BR, TS, KA &amp; CG.</li> </ul>	
2. Madhul	<ul style="list-style-type: none"> <li>Medium early: 115 - 120 days.</li> <li>Aromatic extra-long slender (ELS) grain.</li> <li>Strong culm with lodging tolerance.</li> <li>Long Panicle length.</li> <li>Higher test weight - 27 g.</li> <li>Good number of grains/panicle: 190 - 200.</li> <li>Tolerant to Major diseases &amp; Pest.</li> <li>Suitable for Rice - Potato- Wheat crop rotation belts.</li> <li>Suitable states: HR, West. UP, &amp; BR</li> </ul>	

<b>3. Namya</b>	<ul style="list-style-type: none"> <li>• Early Maturity: 110 - 115 days.</li> <li>• Dwarf plant type Strong culm &amp; Lodging tolerant.</li> <li>• Grain type: Long Slender (LS).</li> <li>• Medium to long Panicle.</li> <li>• Good number of grains/panicle (300 - 315).</li> <li>• Tolerant to false smut and sheath blight.</li> <li>• Very good for Upland area.... Potato rotation.</li> <li>• Suitable states: Uplands of UP, BR, JH, CG, OD, WB &amp; Assam.</li> </ul>	
<b>4. Preyasi</b>	<ul style="list-style-type: none"> <li>• Late Maturity: 140 - 145 days.</li> <li>• Medium Tall- Good stand ability (Strong culm).</li> <li>• Bunchy Panicle-High grains/Panicle: 410 - 450.</li> <li>• Medium Slender-Fine grain.</li> <li>• Synchronized maturity.</li> <li>• Highly translucent grain.</li> <li>• Tolerant to BLB and Blast.</li> <li>• Suitable states: UP, BR, JH, CG &amp; AP.</li> </ul>	
<b>5. Rajasi</b>	<ul style="list-style-type: none"> <li>• Medium Maturity: 130 - 135 days.</li> <li>• Grain type – Medium slender (MS).</li> <li>• High grain numbers (380 - 410 / Panicle).</li> <li>• Medium tall, Good standability (Strong culm).</li> <li>• Early by 8-10 days than BPT5204.</li> <li>• Tolerant to BLB and Blast.</li> <li>• Synchronized maturity.</li> <li>• Suitable states: UP, BR, TS, KA, AP &amp; TN.</li> </ul>	
<b>6. Taapsi</b>	<ul style="list-style-type: none"> <li>• Medium early maturity: 120 - 125 days.</li> <li>• Grain type: Long Bold / Long Slender.</li> <li>• Bunchy Panicle with high grain &amp; milling yield.</li> <li>• Tolerant to BLB and Blast.</li> <li>• Good Standability.</li> <li>• Suitable for both Kharif and Rabi seasons.</li> <li>• Suitable states: BR, JH, CG, OD, WB, Assam, TS &amp; AP.</li> </ul>	
<b>7. Sonika</b>	<ul style="list-style-type: none"> <li>• Medium Early Maturity: 124 - 128 days.</li> <li>• Short Slender Fine Grain.</li> <li>• High Milling Recovery with Translucent grain.</li> <li>• High Grain Number.</li> <li>• Good Standability.</li> <li>• Tolerant to Blast, Sheath blight and BLB.</li> <li>• Suitable states: KA, MH, UP, BR, MP &amp; AP</li> </ul>	
<b>8. Sujaya</b>	<ul style="list-style-type: none"> <li>• Late Maturity: 140 - 145 days.</li> <li>• Short bold grain with high milling recovery.</li> <li>• Translucent grain.</li> <li>• Wide adaptability with Good standability.</li> <li>• Tolerant to Blast, Sheath blight, Stem Borer and BPH.</li> <li>• Suitable states: UP, BR, JH, CG, OD &amp; WB</li> </ul>	



<b>9. Vanya</b>	<ul style="list-style-type: none"> <li>• Medium early maturity: 125 - 130 days.</li> <li>• Long bold grain.</li> <li>• Dwarf in stature.</li> <li>• Good standability.</li> <li>• Better tolerance to pest and diseases against competition.</li> <li>• Suitable for kharif - UP, BR, OD, WB</li> <li>• Rabi - coastal AP (East Godavari against Bondalu), CG, OD &amp; WB</li> </ul>	
<b>Hybrid Paddy</b>		
<b>1. S3 927</b>	<ul style="list-style-type: none"> <li>• Medium early maturity: 120 - 125 days.</li> <li>• Grain Type: Long Bold.</li> <li>• Good stress tolerance.</li> <li>• Good grains / panicle.</li> <li>• Tolerant to BLB and Blast.</li> <li>• Suitable states: UP, BR, CG, JH, &amp; OD.</li> </ul>	
<b>2. 3T31</b>	<ul style="list-style-type: none"> <li>• Medium early maturity: 120 - 125 days.</li> <li>• Grain type: Medium Bold (MB) / Long bold (LB).</li> <li>• Good number of grains/Panicle: 220 - 240.</li> <li>• Good test weight: 26 - 28g.</li> <li>• Good drought tolerance.</li> <li>• Tolerance to major Diseases &amp; Pests.</li> <li>• Good standability, Strong culm.</li> <li>• Suitable states: GJ, UP, BR, CG, JH, &amp; OD..</li> </ul>	
<b>3. 3T32</b>	<ul style="list-style-type: none"> <li>• Medium early maturity: 120 - 125 days.</li> <li>• Grain type: Long Slender (LS) / Long Bold (LB).</li> <li>• Strong culm, Tolerance to lodging.</li> <li>• Tolerant to BLB &amp; Blast.</li> <li>• Good sales appearance.</li> <li>• Good number of grains/panicle: 260-270.</li> <li>• Good test Weight: 28 - 30 g.</li> <li>• Suitable states: PB, HR, GJ, UP, BR, JH, CG &amp; TS</li> </ul>	
<b>4. 3TH3122</b>	<ul style="list-style-type: none"> <li>• Medium early maturity: 120 - 125 days.</li> <li>• Grain type: Long Bold (LB).</li> <li>• Strong culm, Tolerance to lodging.</li> <li>• Tolerant to BLB &amp; Blast.</li> <li>• Long panicle.</li> <li>• Good number of grains/panicle: 240-250.</li> <li>• Good test Weight: 27 - 29 g.</li> <li>• Suitable states: GJ, UP, BR, JH, CG &amp; OD.</li> </ul>	
<b>5. 3TH3222</b>	<ul style="list-style-type: none"> <li>• Medium early maturity: 120 - 125 days.</li> <li>• Grain type: Long Bold (LB).</li> <li>• Strong culm, Tolerance to lodging.</li> <li>• Tolerant to BLB &amp; Blast.</li> <li>• Good number of grains / panicle: 240 - 250.</li> <li>• Good test Weight – 28 - 30 g.</li> <li>• Suitable states: PB, HR, GJ, UP, BR, JH, CG, TS &amp; OD.</li> </ul>	

6. 3TH4322	<ul style="list-style-type: none"> <li>• Medium maturity: 135 - 140 days.</li> <li>• Grain type: Medium bold (MB).</li> <li>• Strong culm, Tolerance to lodging.</li> <li>• Tolerant to BLB &amp; Blast.</li> <li>• Good number of grains/panicle.</li> <li>• Good test weight – 26 - 27 g.</li> <li>• Suitable states: GJ, UP, BR, JH, CG &amp; OD.</li> </ul>	
7. 3TH4422	<ul style="list-style-type: none"> <li>• Medium maturity: 134 - 138 days.</li> <li>• Grain type: Medium Bold (MB).</li> <li>• Strong culm, Tolerance to lodging.</li> <li>• Tolerant to BLB &amp; Blast.</li> <li>• Good number of grains / panicle.</li> <li>• Good test Weight – 27 - 28 g.</li> <li>• Suitable states: GJ, UP, BR, JH, CG &amp; OD.</li> </ul>	
<b>Mustard</b>		
1. S5 630	<ul style="list-style-type: none"> <li>• Medium early maturity: 125 - 130 days.</li> <li>• Medium tall- 170 - 190 cm.</li> <li>• Profuse branches, high pod density &amp; heavy pod canopy.</li> <li>• Good yield potential with 40 - 41% oil content.</li> <li>• Excellent commercial acceptance.</li> <li>• Good performance under average management condition.</li> <li>• Suitable for all mustard growing states.</li> </ul>	
2. 5T55	<ul style="list-style-type: none"> <li>• Medium maturity 130 - 135 days.</li> <li>• Medium tall 200 - 210 cm.</li> <li>• Profuse branches, high pod density &amp; heavy pod canopy.</li> <li>• Yield potential: 99 - 110% against competition hybrids.</li> <li>• Medium seed size and comparable with leading hybrids.</li> <li>• Oil content: 39 - 40%.</li> <li>• Excellent commercial appealing.</li> <li>• Suitable for all mustard growing states</li> </ul>	
<b>Tomato</b>		
1. Amaya	<ul style="list-style-type: none"> <li>• Very early (55 to 60 days)</li> <li>• Highly tolerant to TLCV</li> <li>• Attractive colour</li> <li>• Good size uniformity</li> </ul>	
2. Mudit	<ul style="list-style-type: none"> <li>• High grade A fruit size</li> <li>• Good stay green</li> <li>• Good heat tolerance</li> <li>• Highly tolerant to TLCV</li> <li>• Attractive colour</li> </ul>	
3. Uzma	<ul style="list-style-type: none"> <li>• Indeterminate</li> <li>• Eight to ten fruits per cluster</li> <li>• Cocktail segment</li> <li>• High lycopene, Vit C &amp; sugar</li> <li>• Very good taste &amp; flavour</li> <li>• Good open field &amp; protected culture</li> <li>• Highly tolerant to TLCV</li> </ul>	

Okra		
1. Tarla	<ul style="list-style-type: none"> <li>Uniform Dark green pods</li> <li>Long and thin pods</li> <li>May be good for south markets</li> <li>Medium short internodes</li> </ul>	
2. Preyasi	<ul style="list-style-type: none"> <li>Dark green &amp; shiny pods</li> <li>Medium short internodes</li> <li>Wider adaptability</li> <li>Very good yielder</li> </ul>	
Hot Pepper		
1. Sonika	<ul style="list-style-type: none"> <li>Erect type plant and excellent fruit bearing</li> <li>Fresh green semi spreading</li> <li>Medium wrinkled with high pungency</li> </ul>	
2. Ettra	<ul style="list-style-type: none"> <li>High Pungent with high yeilding</li> <li>Dual purpose hybrid</li> <li>Good in colour rentation</li> </ul>	
3. Elaxi	<ul style="list-style-type: none"> <li>Early mature hybrid with strong plant vigor</li> <li>Red purpose hybrid</li> <li>Export quality red dry smooth pods</li> </ul>	
Cabbage		
1. Early Gola	<ul style="list-style-type: none"> <li>Short internal core structure</li> <li>Daek green leafs</li> <li>Compact round Head shape</li> </ul>	
Cauliflower		
1. Celsa	<ul style="list-style-type: none"> <li>Pure White curd with Av curd weight 1-1.25 Kgs</li> <li>Good Self Blenching</li> <li>Wider adaptability</li> <li>Tropical Segment</li> </ul>	
2. Hanita	<ul style="list-style-type: none"> <li>Excellent milky White curd with Av curd weight 1.5-2 Kgs</li> <li>Good Self Blenching</li> <li>Tropical and sub-tropical Segment</li> </ul>	

## PRODUCTION PROCESS

### A. Seed Production Process: -

#### a) Foundation seed Production:

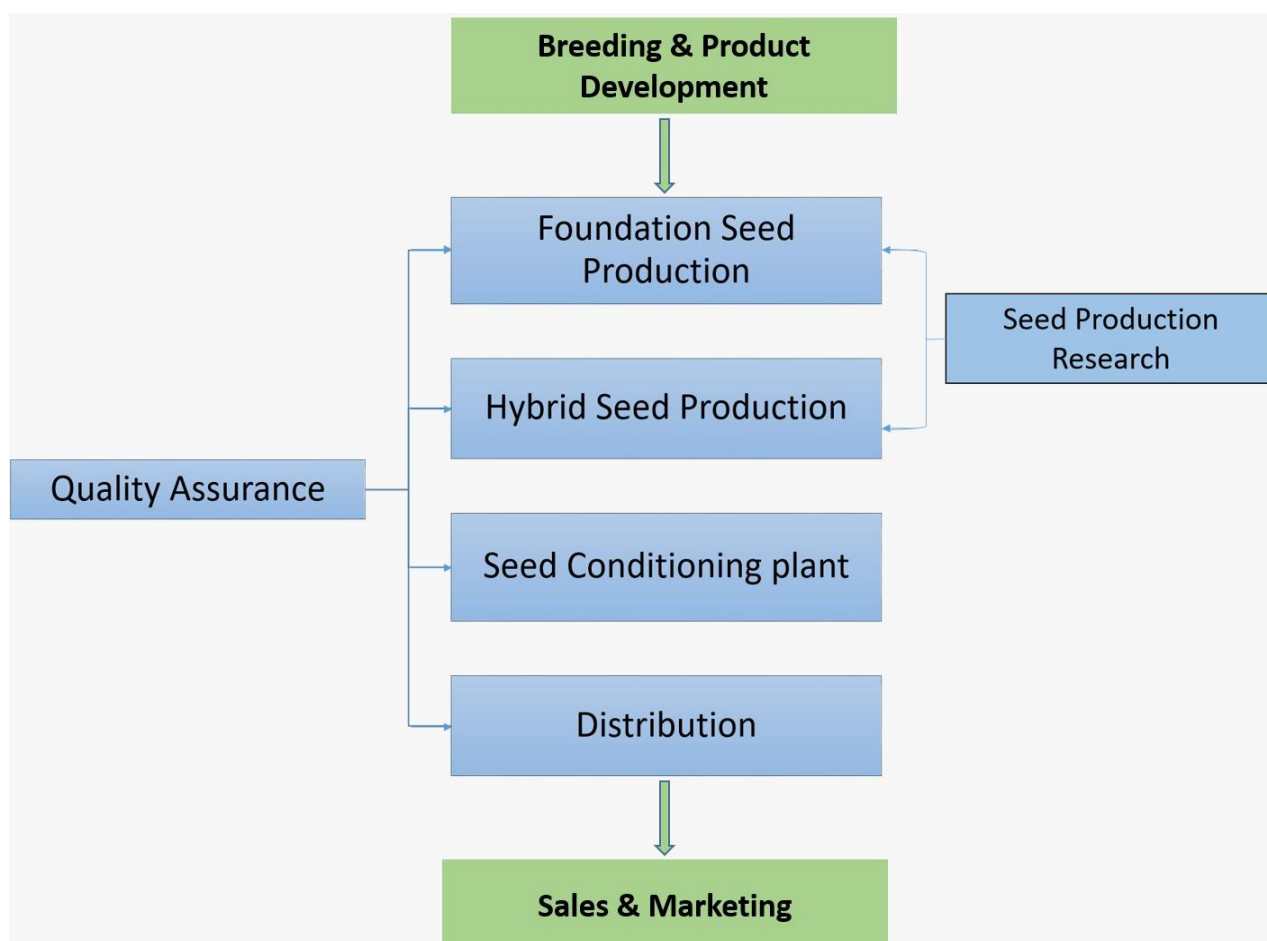
Foundation is the progeny of Breeder seed. The breeder seed will handoff to Foundation seed function after duly tested and certified concerned breeder and Quality Assurance.

Our Company grows foundation seeds at the company's leased agricultural lands & with contract growers. Foundation seed production will be planned to meet requirement of present and next one year's production. The production of foundation seed so handled as to ensure the specific genetic identity and purity standards. These foundation seeds are produced under strict supervision of technical field staff. Foundation seed has to be stored with proper labeling and storage conditions to be maintained as per the protocol.

#### b) Certified/Truthful label seed production:

Seed Production will be taken up in specified agro climatic zones in specified planting windows to obtain optimum productivity with high quality seeds. Our company is operating seed production activities in 6 states. Seed Production is organized in selected villages with the support of growers and the regular field operations are carried out by the coordinators. Our Company provides foundation seeds to the contract farmers who in turn grow them. This production activity is under strict supervision of our technical field staff from Foundation seed distribution, sowing to till harvest & Post harvest operations to maintain Specified seed quality parameters.

### Flow Chart





c) The following quality assurance measures adopted by our Company during the process of Foundation & Truthful label seed production are as under:

- i. Isolation maintenance
- ii. Agronomy protocols
- iii. Rouging
- iv. Right pollination methods
- v. Field inspection @ critical crop growth stages
- vi. Care @ harvest & post-harvest operations
- vii. Labelling & Documentation

### **Seed Production activities**

Staggered planting of Parents  
For Synchronization



Male chopping



Final check Before Seed  
Parent harvest

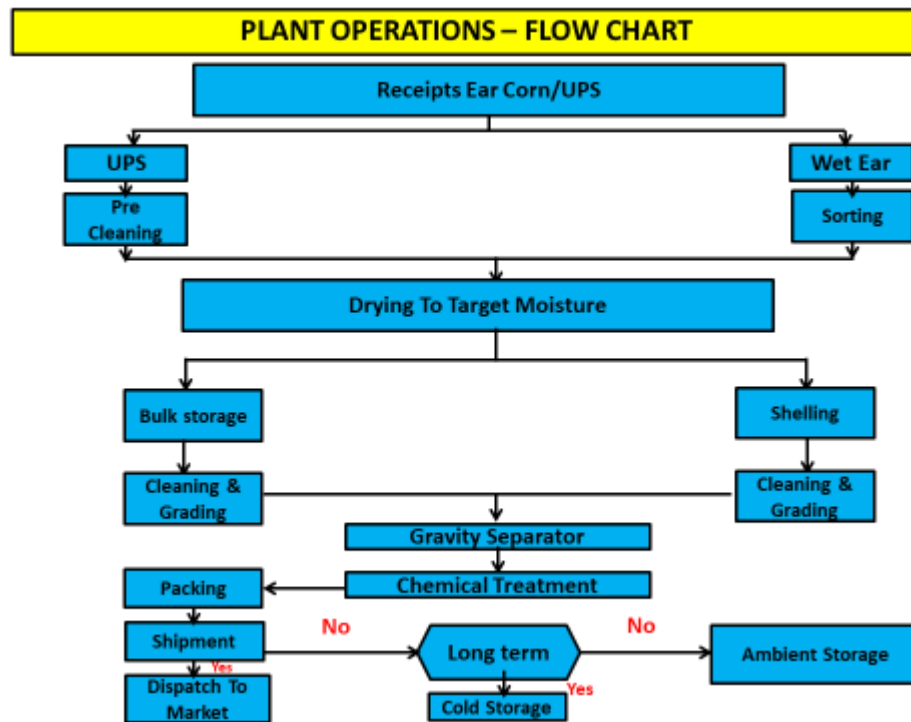


Tomato HSP CFT visit



### **B. Seed Processing and Conditioning:**

Post seed production, the seeds are bought to seed processing plant for seed processing and packing. Seed processing is an important operation to enhance seed quality which includes drying, cleaning, screening, size grading and treating the seeds with suitable insecticide and fungicides and bagging. In Our Company seeds are processed in state of the art advanced seed processing unit at Hyderabad. The processes adopted by our Company for seed processing are as under:



### Seed Processing facilities at Hyderabad

Seed Processing Plant



Seed conditioning



Seed Treatment



Seed Drying



Seed Storage

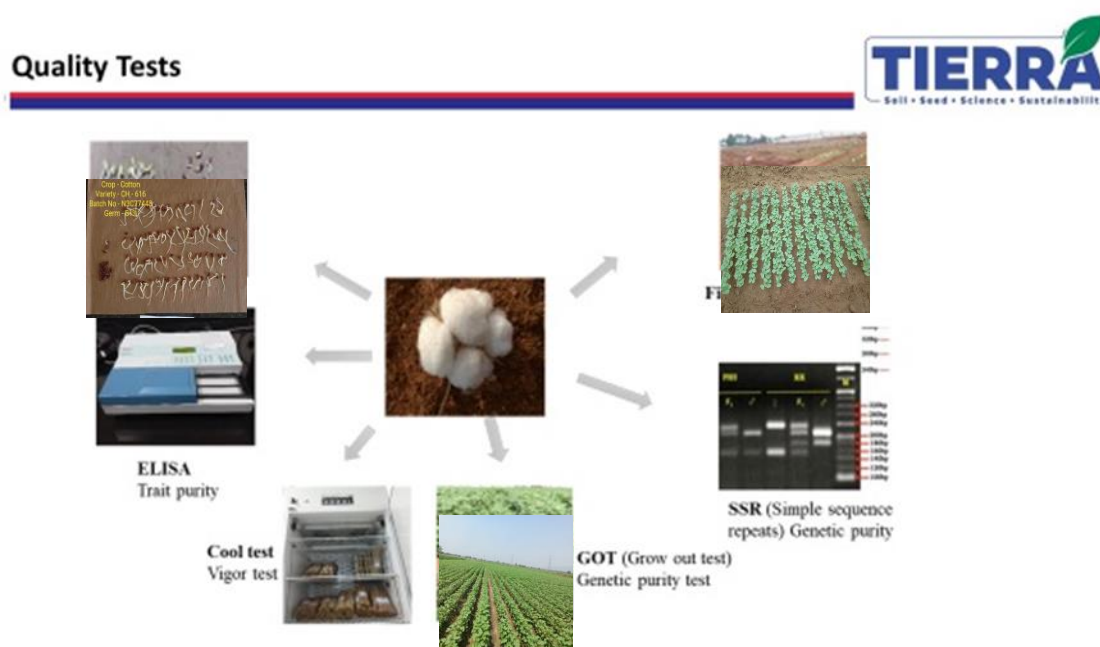


### C. Quality Assurance Facilities:

The seeds received from seed production fields are sampled & tested in our state of the art seed testing laboratory for germination and genetical purity. We continuously endeavor that our seeds meet the required quality parameters of germination, genetic purity thus maximize profitability for farmers who are the end users of our product. We adhere to our quality standards during production as well as during processing and conditioning at our plant.

The different tests/processes adopted by our Company for ensuring Quality are as follows:

- Physical Purity
- Moisture
- Germination
- Trait Purity
- Genetic Purity
- Seed Viability
- Seed Health



### D. Seed Procurement Process:

- Crop, Hybrid, Season wise production plan will be prepared based on sales plan and it will be duly approved by Chief Executive Officer of the Company.
- Crop, Hybrid, Season, Location and organizer wise Procurement Price will be proposed by Supply Chain Management Country Lead with relevant information and approval will be obtained from Chief Executive Officer of the Company.
- At the time of seed production contracting will be by entering in to Seed Production contract agreement with organizer regarding Price, Quality specifications and other terms & conditions.
- On receipt of the seed from field at plant Quality Assurance will draw samples and do seed testing as per protocols.
- Plant in charge will weigh the seed and raise Goods received Note and the same will be updated in Enterprise Resource Planning system by accounts department with approved procurement price.
- Supply Chain Management Country Lead will give Payment request to Accounts.
- The accounts department will validate Quality & Quantities and give clearance for payments and finance will process and release the payment the payments.

## **Business Strategies**

### **1. *Launch its retail brand***

We intend to launch and establish our retail presence in the Seed Products throughout the country in order to tap into the market widely market.

### **2. *Enhanced focus on efficiency, cost and return on capital***

We intend to continue to improve the efficiency of our operations, reduce costs, improve margins and enhance the efficiency of capital employed thereby increasing the return on our capital, while still focusing on sustainable growth. We will continue to leverage technology for better demand planning, replenishment and in-season management activities. These actions are expected to improve margins and reduce costs while improving our delivery times. With a strong focus on cash generation, we are also reducing our exposure to customer segments and channels that require us to maintain high levels of inventory or have longer payment cycles. We believe our focus on costs, network efficiency and asset turns will help us improve our profitability and return on capital employed.

### **3. *Maintain and expand long-term relationships with clients***

Our Company believes that business is a by-product of good relationships. The business model is based on client relationships that are established over a period of time rather than a project-based execution approach. Our Company believes that long-term client relationships fetch better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. We intend to focus on expanding our customer base and forming new long-term relationships with customers by catering to their needs and demands in a timely, efficient and cost-effective manner.

### **4. *Leveraging our marketing skills and relationships***

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers' buying preferences and behaviour, which has helped us in achieving customer loyalty. We endeavour to continuously improve the product and services mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products. We intend to strengthen our existing marketing team by inducting personnel with expertise in the packaging and pre-fabricated industry, who will supplement our existing marketing strategies in the domestic markets. We have already started supplying products in conformity with the international standards, which makes the quality of our products, our biggest marketing advantage. Our operations have endeavoured to learn and follow the global trends to improve our efficiency, quality and customer servicing.

## Marketing Strategies



### 1. *Analyse market*

The first step in marketing strategy & marketing planning is to analyse, study, understand and evaluate the market. We are mapping the market potential based on the acreages, targeting market, identifying product need and aligning our breeding.

### 2. *Analyse competition*

We keenly analyse the existing competitors as well as potential competitors, and also any indirect competitors. Understanding competition gives us insights into the product and pricing strategies which are currently present in the market, based on which we identify potential markets and strategize our pricing.

### 3. *Market Research*

Market research plays a crucial role in the seed industry, helping companies and stakeholders understand market dynamics, identify opportunities, make informed decisions, and develop effective strategies. Here are some key aspects of market research in the seed industry:

**Market Size and Growth:** Market research helps determine the current size and potential growth of the seed industry. It involves analyzing historical data, market trends, and future projections to estimate market size, value, and growth rates. This information assists companies in understanding the market's overall potential and identifying areas for expansion.

**Competitive Analysis:** Market research enables companies to assess the competitive landscape within the seed industry. It involves analyzing competitors' market share, product portfolios, pricing strategies, distribution channels, and customer preferences. This information helps companies identify their competitive advantages, target specific market segments, and differentiate their products.

**Customer Insights:** Understanding customer needs, preferences, and purchasing behavior is crucial in the seed industry. Market research helps gather customer insights through surveys, focus groups, and interviews. These insights provide valuable information about farmers' preferences for specific seed traits, preferred crop varieties, and buying criteria. Such knowledge helps companies develop tailored marketing strategies and product offerings.



**Crop and Regional Analysis:** Market research involves analyzing specific crops and regional markets within the seed industry. It includes studying crop-specific trends, demand patterns, and market dynamics. Additionally, it assesses regional factors such as climatic conditions, regulatory frameworks, and agricultural practices that influence seed demand and adoption. This analysis helps companies tailor their product portfolios and distribution strategies to meet specific crop and regional requirements.

**Technology and Innovation:** Market research helps identify emerging technologies, innovations, and trends within the seed industry. It enables companies to stay updated on advancements in breeding techniques, biotechnology, digital agriculture, and other areas of research and development. This information guides companies in making strategic decisions about investing in new technologies, partnerships, and product development.

**Regulatory and Policy Analysis:** The seed industry is subject to various regulations and policies related to seed quality control, intellectual property rights, biotechnology, and international trade. Market research helps companies understand and stay informed about these regulations and their impact on the industry. It also assists companies in navigating the complexities of compliance and identifying potential opportunities or challenges arising from regulatory changes.

**Market Entry and Expansion Strategies:** For companies looking to enter new markets or expand their presence, market research provides valuable insights. It helps assess market potential, competitive intensity, customer needs, and regulatory frameworks in target markets. This information guides companies in developing effective market entry and expansion strategies, including product positioning, pricing strategies, distribution channels, and marketing campaigns.

**Industry Outlook and Future Trends:** Market research provides insights into the future outlook of the seed industry, including emerging trends, challenges, and opportunities. It helps companies anticipate market shifts, technological advancements, and regulatory changes that may impact the industry. This information assists in strategic planning, resource allocation, and decision-making for long-term growth and sustainability.

Market research in the seed industry is typically conducted by market research firms, consulting companies, industry associations, and government agencies. It involves a combination of primary research (surveys, interviews, observations) and secondary research (data analysis, industry reports, literature review).

4. ***Define marketing mix***

We strategies about product, price, place, promotion etc. This is a time tested framework which has helped formulate the marketing strategy.

5. ***Financial analysis***

We evaluate and forecast the financials based on sales forecasting to the target market. Any marketing research or analysis is incomplete without understanding the financial impact and implications. This helps in understanding the revenue potential, profitability and viability of company and the market.

6. ***Review and revise***

A continuous revision of marketing strategies is required as it is a continuous process. The strategy once devised is constantly revisited and improved or even changed to cater to changing customer behaviour and market dynamics.

7. ***Understand customers***

The most important step in any marketing strategy is to constantly understand customer needs & requirements and adapt business accordingly. Our entire breeding team is aligned for breeding based on the farmer needs.

## Marketing Initiatives

### 1. *Digital Marketing*

Digital platforms have transformed the seed business by enabling global reach, targeted marketing, online sales, customer engagement, and data-driven decision-making. Embracing digital strategies allows seed companies to adapt to changing market dynamics, connect with customers more effectively, and drive business growth in an increasingly digital world.

Tierra is having a dedicated digital marketing team and Some key impacts of digital platforms in Tierra are:

- ✓ It increased our Reach and Accessibility
- ✓ It has Enhanced Customer Engagement
- ✓ This served as valuable repositories of product information and educational resources
- ✓ It helped in understanding customer needs, optimizing marketing strategies, and tailoring offerings to specific market segments.
- ✓ It played a crucial role in building brand awareness and managing brand reputation.

### 2. *Social Media Platform*



### 3. *Product Launch*

We regularly conduct product launch meetings when so ever we introduced new products in the market. This year we launched new products in five states (UP, CG, JH, KA & TS) where our key channel partners participated and committed for contributing promoting and scaling up the business of Tierra in their respective markets. Following were the products launched:

- ❖ Cotton- Alankar
- ❖ Maize – 2T55
- ❖ Hybrid Paddy – 3T32
- ❖ Improved Paddy – Taapsi, Sujaya, Sonika, Chandni
- ❖ Mustard – 5T55
- ❖ MeKisan

### 4. *Framer Testimonial Campaign*

A farmer testimonial campaign plays a significant role on a seed business. It builds trust, credibility, and influence, differentiates the brand, and strengthens the marketing efforts. By leveraging the experiences and success stories of farmers, we can connect with our target audience, boost sales, and foster long-term customer relationships.

## Business Strengths

Our Company believes that the following are its principal competitive strengths:

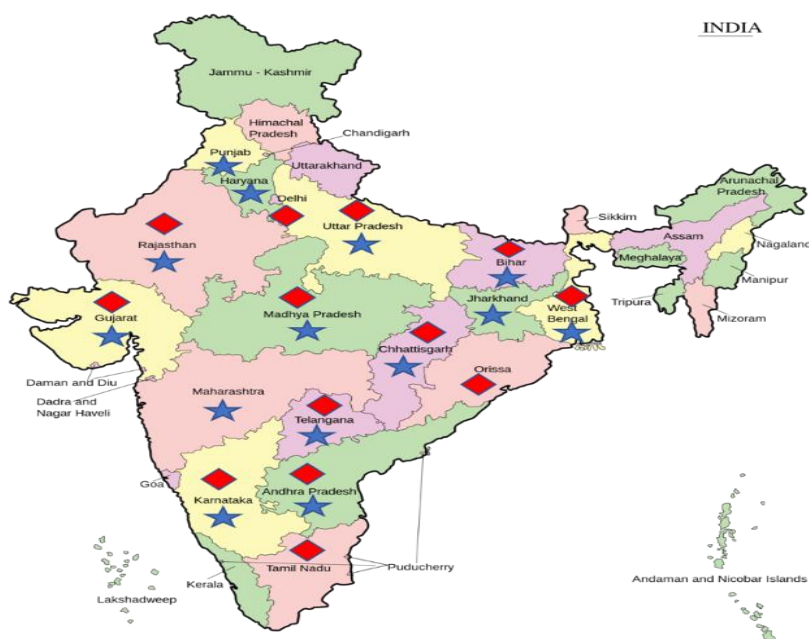
### 1. *Our Presence*





We have wide geographic presence and extensive dealer and associate network, which not only helps in efficient servicing of consumers but also in handling competitive issues in the crops business.



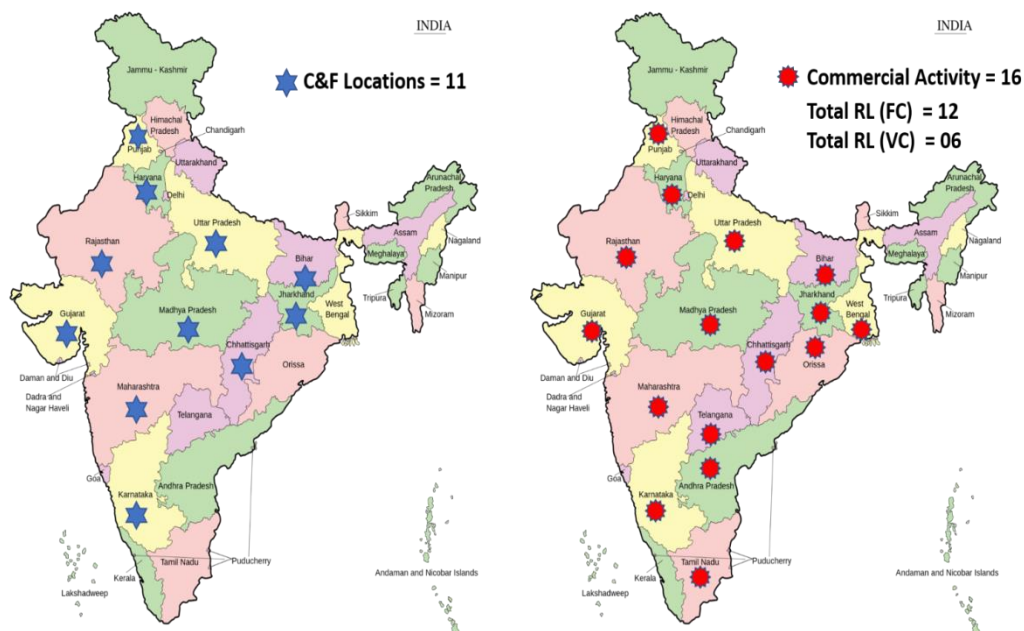
## 2. *Product Testing locations in India*



PRODUCT TESTING OVERVIEW (Vegetable Crop)	
Testing States 	14
Number of Testing locations	25
Testing Crop	Tomato, Okra, Hot Pepper
Testing Plan	70 trials every year

PRODUCT TESTING OVERVIEW (Field Crop)	
Testing States 	14
Number of Testing locations	150
Testing Crop	Cotton, Corn, Rice & Mustard
Testing Plan	300 trials every year

### 3. *Commercial Presence*



### 4. *Innovation*

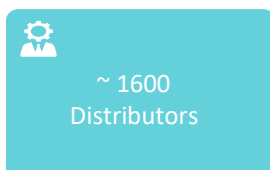
New technologies take over the market every few years and therefore we believe in bringing the latest and most innovative products and services to our customers. Innovation helps us in bringing the best out on boards and thus achieving customer satisfaction.

### 5. *Transparency*

We believe that we grow only with the help of our suppliers, employees, customers and stakeholders. We have a responsibility towards them which we fulfil through our openness and effective communication. With our effective communication methodologies, we deal with all the barriers and thus offer easy access to our products and services.

### 6. *Focus on customers*

We choose to focus on the customer's needs right from day one, by addressing our customer needs. We believe that our existing client relationships help us get continued business from our customers. Our job responsibilities and resources are aimed at the fact that the customers get services and products that are designed to suit their needs. This has helped us maintain a prospective long-term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.



7. ***Our Major Customers***

Our major customers (Top 10 and Top 5 Customers) contributed the following to sales in the last three years i.e. FY 2020-21, 2021-22 and 2022-23 are mentioned below:

(in ₹ Lakhs)

Sl.NO	Particulars	2020-21	2021-22	2022-23
1	Top 10 customers	937.05	817.81	985.12
2	Top 5 Customers	628.47	516.46	635.01

8. ***Research & Development***

Strong Research and development infrastructure supported by best professionals in industry, 11 years of well-established research and development in all key crops. Recognised by DSIR, GOI. Technological collaboration with key institute like NBRI, Keygene for unique product development. We also carry out our research through collaborations with academic institutions and other strategic partners. We have teams of plant breeders that have the ability to develop new lines and hybrids. We believe our continuing efforts in research and development provides us with a strong platform to build our market share in the seed industry.

**Tierra – R&D @ Hyderabad..(Dabilpur)**





### Tierra – R&D @ Hyderabad..



### Tierra – R&D @ Hyderabad..(Kondakal)



### Tierra – R&D @ Pune..



### Tierra – R&D @ Gurgaon..



### 9. *Germplasm Strength*

We own and have access to a broad portfolio of proprietary germplasm, a resource that is at the core of our competitive advantage in the market. This asset is not easily replicable and takes decades to develop and deploy. We place particular emphasis on the cost effective integration of bioscience tools with our breeding activities. This has allowed for increased speed and intensity of plant breeding as well as increased rate of genetic gain that can be achieved and has created a meaningful differentiation in the products we provide to the customer. Strong and diverse germplasm base in each crop. Unique position in cotton, with acquisition of 2 best programs from Monsanto and Xylem Seeds Private Limited .

CROP	NUMBER OF ENTRIES
COTTON	28962
RICE	1525
CORN	1822
MUSTARD	422
TOMATO	265
OKRA	75
CHILLI	86

### 10. *UTILITIES*

#### Power

Our production units receive its power supply mainly from TSSPDCL - Southern Power Distribution Company of Telangana Limited. This is adequate to meet the power requirements of our production. In addition to the above, our production units also have backed up with diesel power generation units to supply power in the absence of electricity supply or on power cuts.

### **Fuel**

We buy diesel for running generators in the absence of electricity supply or on power cuts. We buy Diesel and/or petrol to run our field operations such threshing machines or irrigation pumps occasionally.

### **Water**

We do not use any water separately for any of the business process except for day to day administrative purpose. The bore well water is part of the land lease agreement and it is used for field irrigation to raise the crops for the purpose of production of seeds.

### **Drinking Water**

We buy purified water cans from the local vendors to ensure safe drinking water for the workers on all research farms and administrative office.

### **Waste Management**

**Reminent:** Reminent which is a waste material generated after processing of Raw seed which is not meeting seed minimum quality standards. This will be disposed as grain to Vendor. We will collect multiple quotes from vendors and give that reminent seed to highest bidder.

**Packing material waste** which is **generated** during packing. This is will be given to scrap vendor after duly shredded in the presence of our company representative.

### **Collaborations**

As on the date of this Letter of Offer, we have not entered into any technical or other collaboration arrangements.

### **Human Resources**

We believe our employees are one of our most important assets and critical to maintaining our competitive position in our industry. As on date of this Draft Letter of Offer, we have 433 full time employees. The following table sets forth a bifurcation of the number of our employees as of March 31, 2023:

Sr. No.	Description	No. of Employees
1	KMPs and Directors	3
2	Corporate support staff (Accounts, Secretarial, IT,HR and admin)	19
3	Sales & Marketing	115
4	PEMD	10
5	R & D	46
6	Supply Chain management	22
7	Consultants	3
8	Others including contract labour at Factory	215
	<b>Total</b>	<b>433</b>

### **Competition**

We face competition from other manufactures of seeds both in the domestic and in the international market. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach, modern and innovation-based technology we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a company which believes in delivering quality goods and on a timely basis.

### **Corporate Social Responsibility**

We as a responsible corporate citizen are committed to take up different developmental projects, towards improving the quality of lives of the underprivileged sections of the society and other stakeholders. We are not required to constitute a Corporate Social Responsibility Committee as our Company does not fall within purview of Section 135(1) of the Companies Act, 2013. We are also not required to formulate a policy on corporate social responsibility

### **Insurance**

We generally maintain insurance covering our stocks, machineries and assets at such levels that we believe to be appropriate. We have obtained certain policies such as standard fire and special perils policy, which insure our building, furniture, fittings, electrical installation, office equipment, stationery, godowns, meeting rooms, building superstructure and any other office contents. Although, we have taken appropriate insurance cover, there can be no assurance that our insurance policies will be adequate to cover the losses which we may incur due to the occurrence of an accident or a mishap. Currently we have the following insurance policies:

<b>Type of Policy</b>	<b>Insurance Provider</b>	<b>Policy Tenure and Expiry Date</b>	<b>Coverage</b>	<b>Sum Insured (in Lakhs)</b>
Standard Fire & Special Peril Policy for Stock Insurance	The New India Assurance Company Limited	<b>Tenure:</b> 1 Year <b>Expiry:</b> 30.01.2024	Insurance Covered for Stock at Cold Storage Units - 5 locations	1425.00
Standard Fire & Special Peril Policy for Stock Insurance	The New India Assurance Company Limited	<b>Tenure:</b> 1 Year <b>Expiry:</b> 30.01.2024	Insurance Covered for Stock at Maize wet cob Drying Units - 5 locations	600.00
Standard Fire & Special Peril Policy for Stock Insurance	The New India Assurance Company Limited	<b>Tenure:</b> 1 Year <b>Expiry:</b> 30.01.2024	Insurance Covered for Stock at Cotton and FC processing units - 2 locations	3200.00
Standard Fire & Special Peril Policy for Stock Insurance	The New India Assurance Company Limited	<b>Tenure:</b> 1 Year <b>Expiry:</b> 30.01.2024	Insurance Covered for Stock at C&F units - 11 locations	1965.00
Standard Fire & Special Peril Policy for Stock Insurance	The New India Assurance Company Limited	<b>Tenure:</b> 1 Year <b>Expiry:</b> 30.01.2024	Insurance Covered for Stock at Vegetable processing unit - 1 location	400.00
Standard Fire & Special Peril Policy for Stock Insurance	The New India Assurance Company Limited	<b>Tenure:</b> 1 Year <b>Expiry:</b> 30.01.2024	Insurance Covered for Stock at R&D Unit - 1 location	100.00
Standard Fire & Special Peril Policy for Stock Insurance	The New India Assurance Company Limited	<b>Tenure:</b> 1 Year <b>Expiry:</b> 30.01.2024	Insurance Covered for Stock at Cotton Ginning Units - 2 locations	160.00
Marine Cargo Insurance Policy for Transit Insurance	The New India Assurance Company Limited	<b>Tenure:</b> 1 Year <b>Expiry:</b> 20.03.2024	Transit Insurance from anywhere in India to Anywhere in India by Rail & Road. 1)Single Carrying Limit Rs. 5 Crore 2) Limit per Location Rs:10 Crores	7000.00



Vehicle Insurance- MG Hector Plus Sharp 6S MT Diesel Vehicle Insurance	The New India Assurance Company Limited	<b>Tenure:</b> 1 Year <b>Expiry:</b> 10.03.2024	Private Car Stand- alone Own Damage Policy - One Year OD	17.82
Family Floater- Group Mediclaim Policy	The New India Assurance Co. Ltd.	<b>Tenure:</b> 1 Year <b>Expiry:</b> 31/03/2024	215 employees	573.00
Personal Accident- Group Personal Accident Policy	The New India Assurance Co. Ltd.	<b>Tenure:</b> 1 Year <b>Expiry:</b> 31/03/2024	219 employees	7279.30
Personal Accident- Unnamed Group Accident Policy	Future Generali India Insurance Company Ltd	<b>Tenure:</b> 1 Year <b>Expiry:</b> 14/06/2024	50 employees	250.00

### **Intellectual Property Rights**

Trademarks and other proprietary rights are essential to our business. We also rely on patents, trade secrets, technical know-how and confidentiality agreements to develop, maintain and strengthen our competitive position. We have confidentiality agreements with our business partners and customers.

### **Trademarks**

We have 57 Trademarks in the name of our Company which are registered and being used for our various product lines. Further, there are 4 (Four) trademark registration applications opposed which are currently pending.

#### **Our registered trademarks: -**

S.No.	Brand Name	Class	Application Type	Application No.	Mark Valid upto
1	Paras Brahma	31	Word	1445790	12.04.2026
2	Paras Krishna	31	Word	1837937	09.07.2029
3	Paras Laxmi	31	Word	1846468	03.08.2029
4	Steplon	31	Word	1847700	06.08.2029
5	Paras Steplon	31	Device	1847701	06.08.2029
6	MaxxCot	31	Word	1848080	06.08.2029
7	Brahma	31	Word	1863206	16.09.2029
8	Paras Laxmi	31	Device	1872013	12.10.2029
9	Paras Sudarshan	31	Device	2240073	25.11.2031
10	Seed of Science	31	Word	3445867	28.12.2026
11	Sienna	31	word	3445866	28.12.2026
12	Mudit	31	Word	3752631	13.02.2028
13	Chaitali	31	Word	3752633	13.02.2028
14	Aadhira	31	Word	3751804	13.02.2028
15	Hanita	31	Word	3751806	13.02.2028
16	Mini	31	Word	3752636	13.02.2028
17	Bijal	31	Word	3752637	13.02.2028
18	Asita	31	Word	3752638	13.02.2028
19	Lola	31	Word	3751807	13.02.2028
20	Namya	31	Word	3752639	13.02.2028



21	Kumari	31	Word	3752642	13.02.2028
22	Surina	31	Word	3752643	13.02.2028
23	Preyasi	31	Word	3751810	13.02.2028
24	Ruma	31	Word	3751811	13.02.2028
25	Falgu	31	Word	3751812	13.02.2028
26	Anuka	31	Word	3751813	13.02.2028
27	Bahula	31	Word	3751814	13.02.2028
28	Pradhi	31	Word	3751818	13.02.2028
29	Sujaya	31	Word	3751821	13.02.2028
30	Suravi	31	Word	3751822	13.02.2028
31	Vanya	31	Word	3751825	13.02.2028
32	Tierra Logo	31	Device	3755829	16.02.2028
33	Tierra New Logo	31	Device	4086158	13.02.2029
34	Amaya	31	Word	4767716	04.12.2030
35	Arman+ (4390)	31	Word	4762280	30.11.2030
36	Banno	31	Word	4770435	07.12.2030
37	Cabaca	31	Word	4762281	30.11.2030
38	Calida	31	Word	4767715	04.12.2030
39	Celsa (1622)	31	Word	4762286	30.11.2030
40	Ciara	31	Word	4762287	30.11.2030
41	Cilji	31	Word	4762288	30.11.2030
42	Early Gola	31	Word	4762283	30.11.2030
43	Flat Gola	31	Word	4762284	30.11.2030
44	Green Gola	31	Word	4762285	30.11.2030
45	Green Iron	31	Word	4767708	04.12.2030
46	Manyata	31	Word	4762279	30.11.2030
47	Ranju	31	Word	4762292	30.11.2030
48	Surkhlal	31	Word	4762278	30.11.2030
49	T Saag No 1	31	Word	4767714	04.12.2030
50	Tarla	31	Word	4767707	04.12.2030
51	Toorpa	31	Word	4762282	30.11.2030
52	Wafiya	31	Word	4767717	04.12.2030
53	Zabeen	31	Word	4767712	04.12.2030
54	Zana	31	Word	4767711	04.12.2030
55	Vcot	31	Word	5230882	02.12.2031
56	Alankar	31	Word	5230884	02.12.2031
57	Odilia	31	Word	5554456	02.08.2032

The following are the 4 trademarks which are applied by our Company and have been pending for processing:

S.No.	Brand Name	Class	Application Type	Application No.
1	Uzma	31	Word	5516744
2	Mekisan Logo	31	Device	5516745
3	Clemento	31	Word	5839142
4	Nazuk	31	Word	5839143
5	Korby	31	Word	5839144

The following are the 4 trademarks which are applied by our Company and have been opposed:

S.No.	Brand Name	Class	Application Type	Application No.
1	Bullet Raja	31	Word	4762290
2	Hot 8436	31	Word	4762291
3	Rajasi	31	Word	4770436
4	Zahira	31	Word	4767713

The following are the 4 trademarks which are applied by our Company and have been objected:

S.No.	Brand Name	Class	Application Type	Application No.
1	Tierra (Logo)	1, 5, 35, 42	Device	4994775
2	Tierra	1, 5, 35, 42	Word	4994774
3	Cotking	31	Word	5230883
4	Kapasking	31	Word	5807173

### **Property**

We have the following leasehold properties:

Sr. no.	Details of the Deed/Agreement	Particulars of the property, description and area in Acres	Nature*	Tenure/ Term	Usage
1	Cotton Germplasm Land	5.00	Lease	<b>Term: 3 Years</b> From 10.06.2022 to 09.06.2025	Cotton germ plasm multiplication & Developing Test crosses with germ plasm with using 4testors Total 760 test crosses made for evaluation during 2023 Presently not using
2	Cotton Land Lease	18	Lease	<b>Term: 2 Years</b> From 02.05.2022 to 01.05.2024	Cotton hybrid seed production & breeder production

3	Cotton Land Lease	1.5	Lease	<b>Term: 2 Years</b> From 02.05.2022 to 01.05.2024	Cotton hybrid seed production & breeder production
4	Maize Land Lease	14	Lease	<b>Term: 5 Years</b> From 01.06.2021 to 31.05.2026	Rabi Yield trials, Breeding Nurseries, Seed Increase of Inbred parents
5	Maize Land Lease	3	Lease	<b>Term: 4 Years</b> From 03.01.2020 to 02.01.2024	Hybrid Seed Production, Yield trials, Yield Demonstration Experiments
6	Paddy Land	4.37	Lease	<b>Term: 5 Years</b> From 03.12.2019 to 02.12.2024	Hybrid Seed Production, Yield trials, Breeding Nurseries, CMS Development, Seed Increase of Varieties or Inbred parents
7	Paddy Land	0.60	Lease	<b>Term: 5 Years</b> From 03.12.2019 to 02.12.2024	Advance Generation of Breeding lines Evaluation, Yield Trials, Disease and Pest Screening
8	Paddy Land	8	Lease	<b>Term: 3 Years</b> From 10.06.2021 to 09.06.2024	Hybrid Seed Production, Yield trials, Breeding Nurseries, CMS Development, Seed Increase of Varieties or Inbred parents
9	Paddy Land	4	Lease	<b>Term: 3 Years</b> From 10.06.2021 to 09.06.2024	Hybrid Seed Production, Yield trials, Breeding Nurseries, CMS Development, Seed Increase of Varieties or Inbred parents
10	Paddy Land	1.65	Lease	<b>Term: 2 Years</b> From 24.06.2022 to 23.12.2024	Hybrid Seed Production, Yield trials, Breeding Nurseries, CMS Development, Seed Increase of Varieties or Inbred parents
11	Paddy Land	5.12	Lease	<b>Term: 5 Years</b> From 01.10.2022 to 30.09.2027	Hybrid Seed Production, Yield trials, Breeding Nurseries, CMS Development, Seed Increase of Varieties or Inbred parents
12	Paddy Land	1.5	Lease	<b>Term: 5 Years</b> From 01.10.2022 to 30.09.2027	Hybrid Seed Production, Yield trials, Breeding Nurseries, CMS Development, Seed Increase of Varieties or Inbred parents

13	Mustard Land	5.25	Lease	<b>Term: 5 Years</b> From 05.10.2021 to 04.10.2026	Mustard Research - Nursery (Tikli, Gurgaon, HRN)
14	Mustard Land	1.43	Lease	<b>Term: 5 Years</b> From 23.09.2022 to 22.09.2027	Mustard Research - Nursery (Tikli, Gurgaon, HRN)
15	Mustard Land	3.31	Lease	<b>Term: 5 Years</b> From 23.09.2022 to 22.09.2027	Mustard Research - Yield Trials (Tikli, Gurgaon, HRN)
16	Mustard Polyhouse	452 Sqm	Lease	<b>Term: 2 Years</b> From 23.09.2022 to 22.09.2024	Mustard Research - Nursery (Tikli, Rajgarh, H.P.)
17	Mustard Land	1 Room	Lease	<b>Term: 5 Years</b> From 23.09.2022 to 22.09.2027	Mustard Research - Nursery (Tikli, Gurgaon, HRN)
18	Vegetable Pune Land	2	Lease	<b>Term: 4 Years</b> From 01.01.2019 to 31.12.2023	For tomato & okra breeding Activities R&D
19	Vegetable Pune Land	2	Lease	<b>Term: 4 Years</b> From 01.01.2019 to 31.12.2023	For tomato & okra breeding Activities R&D
20	Vegetable Land	2.5	Lease	<b>Term: 3 Years</b> From 01.09.2021 to 31.08.2024	Vegetable Research- Nursery & Yield Trials (Tikli, Gurgaon, HRN)
21	Vegetable Land	4.1	Lease	<b>Term: 2 Years</b> From 01.01.2022 to 31.12.2024	For tomato & okra breeding Activities R&D
22	Vegetable Land	2.5	Lease	<b>Term: 4 Years</b> From 01.01.2023 to 31.12.2027	Okra & tomato breeding activities
23	Vegetable Land/	3.43	Lease	<b>Term: 4 Years</b> From 01.07.2023 to 31.12.2027	Okra & tomato breeding activities
24	Dabilpur Building	6acres	Lease	<b>Term: 5 Years</b> From 14.04.2023 to 13.04.2028	Dabilpur Office
25	Dabilpur (Office Area) Farm Land	11 Acres	Lease	<b>Term: 5Years</b> From 14.04.2023 to 13.04.2028	Dabillpur Office & Farm land
26	Corporate office Ground floor	800 Sq ft	Lease	<b>Term: 3 Years</b> From 01.03.2022 to 28.02.2028	Corporate Office

27	1st floor	2400 Sq ft	Lease	<b>Term: 3 Years</b> From 21st Dec 2021 to 20th June 2024	Corporate Office
28	2nd floor	2400 Sq ft	Lease	<b>Term: 3 Years</b> From 01.05.2022 to 30.04.2025	Corporate Office
29	4th floor	2600 Sq ft	Lease	<b>Term: 3 Years</b> From 21.12.2021 to 31.10.2024	Corporate Office
30	Eluru Farm/ ps Rao	900 sq ft	lease	<b>Term: 10 Years</b> From 06.04.2017 to 04.04.2027	Eluru Farm Office
31	Gurgaon / Kusum Kumari	1000 sq ft	Lease	<b>Term: 5 Years</b> From 01.09.2021 to 31.08.2026	Gurgaon Farm
32	Pune Farm/ Pooja pratap	1430 sq ft	Lease	<b>Term: 11 Months</b> From 01.02.2023 to 31.12.2023	Pune farm
33	Gurgaon Farm/ Suresh Kumar	1000 Sq Ft	lease	<b>Term: 2 Years</b> From 01.09.2021 to 01.09.2023	Gurgaon Mustard Farm

*\*All the above Lease Deeds are unregistered.*

## OUR MANAGEMENT

Our Articles of Association requires us to have not less than three and not more than fifteen Directors. As on date of this Draft Letter of Offer, we have six (6) Directors on our Board, comprising of One (1) Executive Director, Two (2) Non-Executive Non Independent Directors, (3) Independent directors which includes one (1) women independent Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each Annual General Meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

No.	Name, Address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
1.	<p><b>Mr. Venkata Krishna Rau Gogineni</b></p> <p><b>Age:</b> 68</p> <p><b>Address:</b> Villa 116, The Retreat, Tarabanahalli, Bengaluru, Karnataka - 562157</p> <p><b>DIN:</b> 06775731</p> <p><b>Date of birth:</b> July 30, 1954</p> <p><b>Date of Expiration of the Current Term:</b> 5 Years (till January 27, 2026)</p> <p><b>Period of directorship:</b> From January 28, 2021 till January 27, 2026.</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality :</b> Indian</p>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li><i>CCL Products (India) Limited</i></li> </ul>
2.	<p><b>Mr. Suryanarayana Simhadri</b></p> <p><b>Age:</b> 56</p> <p><b>Address:</b> H. No. 8-2-601/B/C1, Plot No.219, Millenium House, Road No:10, Banjara Hills, Hyderabad, Telangana -500034</p> <p><b>DIN:</b> 01951750</p> <p><b>Date of birth:</b> August 24, 1966</p> <p><b>Date of Expiration of the Current Term:</b> 5 Years (till January 27, 2026)</p> <p><b>Period of directorship:</b> From February 4, 2021</p>	Non- Executive Independent Director	<ul style="list-style-type: none"> <li><i>Ekalavya Grameena Vikas Foundation</i></li> </ul>

	<p>till February 3, 2026</p> <p><b>Occupation:</b> Professional (Practicing Chartered Accountant)</p> <p><b>Nationality :</b> Indian</p>		
3.	<p><b>Mr. Srinivasa Rao Paturi</b></p> <p><b>Age:</b> 55</p> <p><b>Address:</b> 8-2-465, Flat No. 108, Road No.4, Studio Sikhamore Apartments, Banjara Hills, Hyderabad, Telangana- 500034.</p> <p><b>DIN:</b> 01220158</p> <p><b>Date of birth:</b> July 11, 1967</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Original date of appointment:</b> Since January 28, 2021</p> <p><b>Occupation:</b> Professional (Practicing Company Secretary)</p> <p><b>Nationality :</b> Indian</p>	<p>Non- Executive Non Independent Director</p>	<ul style="list-style-type: none"> <li>• <i>Bloom &amp; Blossom Projects Private Limited</i></li> <li>•</li> </ul>
4.	<p><b>Mr. Jayaram Prasad Munnangi</b></p> <p><b>Age:</b> 38</p> <p><b>Address:</b> Plot No. 342A, MLA Colony, Road No. 12, Banjara Hills, Hyderabad, Telangana, 500034, India</p> <p><b>DIN:</b> 03034183</p> <p><b>Date of birth:</b> December 3, 1984</p> <p><b>Term:</b> Liable to retire by rotation</p> <p><b>Period of directorship:</b> Since September 2, 2022</p> <p><b>Occupation:</b> Business</p> <p><b>Nationality :</b> Indian</p>	<p>Non- Executive Non Independent Director</p>	<ul style="list-style-type: none"> <li>• Ameya Products And Services Private Limited</li> </ul>

5.	<p><b>Mr. Vijay Kumar Deekonda</b></p> <p><b>Age:</b> 59</p> <p><b>Address:</b> 1-2-361/47/1, Behind Sai Vani Hospital, Domalguda, Himayathnagar, Hyderabad, Telangana, 500029</p> <p><b>DIN:</b> 06991267</p> <p><b>Date of birth:</b> September 9, 1963</p> <p><b>Period of directorship:</b> From December 27, 2021 till September 30, 2023</p> <p><b>Original date of appointment:</b> Since September 3, 2017</p> <p><b>Occupation:</b> Service</p> <p><b>Nationality :</b> Indian</p>	Whole-Time Director	<ul style="list-style-type: none"> <li>• <i>Tierra Seed Science Private Limited</i></li> <li>• <i>Tidas Agrotech Private Limited</i></li> </ul>
6.	<p><b>Ms. Neha Soni</b></p> <p><b>Age:</b> 26</p> <p><b>Address:</b> 258, MIG, Vijay Nagar, Dewas, Madhya Pradesh-455001</p> <p><b>DIN:</b> 09724152</p> <p><b>Date of birth:</b> December 13, 1996</p> <p><b>Date of Expiration of the Current Term:</b> 5 Years</p> <p><b>Period of directorship:</b> From September 2, 2022 till September 1, 2027</p> <p><b>Occupation:</b> Professional</p> <p><b>Nationality :</b> Indian</p>	Non-Executive Independent Director	<ul style="list-style-type: none"> <li>• Nil</li> </ul>



## **Brief Profile of our Directors**

### **1. Mr. Venkata Krishna Rau Gogineni (known as G V Krishna Rau)**

Mr. G V Krishna Rao, the non-executive independent director is the Chairperson of our Company. He holds Masters in Geology from the Osmania University, Hyderabad. He has worked in Geological Survey of India for a period of 04 years from 1978 and thereafter he joined the Karnataka cadre of I.A.S. in 1982. Being a member of the Indian Administrative Services, Mr. G.V. Krishna Rau has held various responsible positions in the Government of Karnataka and has served at the top management levels of various organizations including Public Sector Undertakings.

### **2. Mr. Suryanarayana Simhadri**

Mr. Suryanarayana Simhadri is a non-executive independent director of our Company. He is a Fellow member of the Institute of Chartered Accountants of India and a diploma holder in Public Policy from the Indian School of Business. He has over 25 years of experience in the matters of finance, taxation, banking and business management. He has served on the Boards of various Indian organizations, including the State Bank of Hyderabad and Rashtriya Chemicals and Fertilizers Limited. Mr. Suryanarayana presently acts as a director of Ekalavya Grameena Vikas Foundation.

### **3. Mr. Srinivasa Rao Paturi (known as P S Rao)**

Mr. P S Rao is a non-executive non-independent director of our Company. He is a Fellow member of the Institute of Company Secretaries of India. He has more than 25 years of experience in corporate secretarial matters. Mr. P.S. Rao is specialized in Company law, FEMA and other legislations, focusing mainly on mergers & acquisitions, corporate restructuring, joint ventures and foreign collaborations and capital market issues. He is the founder partner of P.S. Rao & Associates, Company Secretaries, a practicing company secretaries firm based at Hyderabad. He is also a visiting faculty at various professional institutes, associations and bodies and has served as a member on the Secretarial Standards Board of ICSI.

### **4. Jayaram Prasad Munnangi**

Mr. Jayaram Prasad Munnangi is a non-executive non independent director of our Company. He is a B. Tech Graduate in Electronics and Instrumentation from Vinayaka Mission University, Salem, Tamil Nadu and MBA (Finance and Marketing) from Cardiff University, United Kingdom(UK). He is a businessman with varied interests in the field of manufacturing, marketing and real estate. He has over 10 years' experience in the field of automobiles. Prior to this, he worked in infrastructure and manufacturing industry.

### **5. Mr. Vijay Kumar Deekonda**

Mr Vijay Kumar Deekonda is our promoter director and the whole time director of our Company. He is a Commerce graduate with Honors as well as a Law graduate from Osmania University. He has more than 10 years of experience in the field of Finance and Accounts and Management & Administration. Before joining our company, Mr. Deekonda successfully led the Finance & Accounts Department of a reputed manufacturing company, showcasing his exceptional leadership skills and financial acumen.

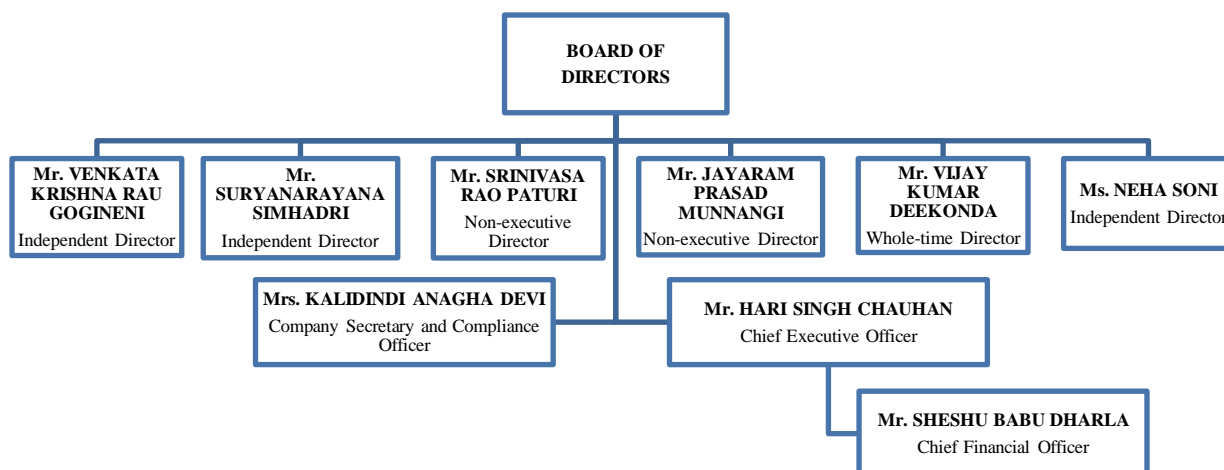
### **6. Ms. Neha Soni**

Ms. Neha Soni is an independent woman director of our Company. She is an Associate Member of the Institute of Company Secretaries of India (ICSI). She holds Bachelor's degree in Commerce and Bachelor of law (LLB) from DAVV University. She has experience of about 3 years in Corporate Secretarial matters. In addition to the compliances under the Companies Act, she has exposure in the areas of Corporate Governance, legal, secretarial, drafting, and other regulatory compliance matters, particularly in relation to the Corporate laws applicable to the capital markets. She has been associated with Nova Agritech Limited as a Company Secretary and Compliance Officer.

## Confirmations

1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the Stock Exchange in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.
3. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.
5. None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

## Management Organization Structure



## Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

### Committees of our Board

Our Board has constituted following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders' Relationship Committee
- 4) Risk Management Committee

### TERMS OF REFERENCE OF VARIOUS COMMITTEES:

#### 1) Audit Committee

Our Audit Committee was last reconstituted by our Board of Directors through circular Resolution passed on September 2, 2022 with the following members forming a part of the said Committee:

Name	Designation
1. Mr. Suryanarayana Simhadri	Chairperson
2. Mr. Venkata Krishna Rau Gogineni	Member
3. Ms. Neha Soni	Member

The Company Secretary & Compliance Officer acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
- ii) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- iv) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement; to be included in the Board's Report in terms of clause (c) of subsection (3) of Section 134

- of the Companies Act, 2013; changes, if any, in accounting policies and practices and reasons for the same;
- b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transaction;
  - g) Modified opinion(s) in the draft audit report;
- v) Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
  - vi) Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the Report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - vii) Reviewing and monitoring the Auditor's independence & performance, and effectiveness of audit process;
  - viii) Approval or any subsequent modification of transactions of the Company with related parties;
  - ix) Scrutiny of inter-corporate loans and investments;
  - x) Valuation of undertakings or assets of the Company, wherever it is necessary;
  - xi) Evaluation of internal financial controls and risk management systems;
  - xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - xiv) Discussion with internal auditors of any significant findings and follow up there on;
  - xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - xvi) Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - xviii) To review the functioning of the Whistle-Blower mechanism;
  - xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
  - xx) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  - xxi) Carrying out any other function as may be assigned to it by the board of director from time to time.

## 2) **Nomination and remuneration committee**

Our Nomination and remuneration committee was last reconstituted by our Board of Directors through circular Resolution passed on March 16, 2023 with the following members forming a part of the said Committee:

<b>Name</b>	<b>Designation</b>
1. Mr. Suryanarayana Simhadri	Chairperson
2. Ms. Neha Soni	Member
3. Mr. Munnangi Jayaram Prasad	Member

The Company Secretary & Compliance Officer acts as the secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of our Nomination and Remuneration Committee, is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations which are as follows:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel ("KMP") and other employees;

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a) Use the services of an external agencies, if required;
  - b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) Consider the time commitments of the candidates.
- (ii) Specification of manner and criteria for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the board or by an independent external agency and review its implementation and compliance.
  - (iii) Devising a policy on diversity of board of directors;
  - (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
  - (v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
  - (vi) Recommend to the board, all remuneration, in whatever form, payable to senior management.

### 3) Stakeholders Relationship Committee

Our Stakeholders Relationship Committee was last reconstituted by our Board of Directors through circular Resolution passed on March 16, 2023 with the following members forming a part of the said Committee:

Name	Designation
1. Mr. M. Jayaram Prasad	Chairperson
2. Mr. Suryanarayana Simhadri	Member
3. Mr. Vijay Kumar Deekonda	Member

The Company Secretary acts as the secretary of the Stakeholders' Relationship Committee.

The scope, functions and the terms of reference of our Stakeholders' Relationship Committee, is in accordance with Section 178 of the Companies Act, 2013 and the Regulation 20 of SEBI Listing Regulations which are as follows:

- (i) To consider and resolve the grievance of all the security holders related to transfer/ transmission of shares, non-receipts of annual reports and non-receipts of declared dividends, issue of new duplicate certificates, general meetings etc.;
- (ii) To review the measures taken for effective exercise of voting rights by shareholders

- (iii) To review the adherence to service standards adopted by the company in respect of various services being rendered by the Share Transfer Agent.
- (iv) To review various measures and initiatives undertaken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- (v) To review and act upon such other grievances as the Board of Directors delegate to the Committee from time to time.

#### 4) Risk Management Committee

Our Risk Management Committee was last reconstituted by our Board of Directors through circular Resolution passed on July 19, 2023 with the following members forming a part of the said Committee:

Name	Designation
1. Mr. Srinivasa Rao Paturi	Chairperson
2. Mr. Neha Soni	Member
3. Mr. Hari Singh Chauhan	Member

The Risk Management Committee was constituted by a Board resolution August 02, 2022.

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations. The terms of reference of the Risk Management Committee are as follows.

The Risk Management Committee shall have the following powers:

- (i) To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, environmental social and governance related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
- (ii) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (iii) To co-ordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per framework laid down by the board of directors;
- (iv) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (v) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (vi) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

- (vii) To approve major decisions affecting the risk profile or exposure and give appropriate directions;
- (viii) To consider the effectiveness of decision-making process in crisis and emergency situations;
- (ix) To balance risks and opportunities;
- (x) To generally, assist the Board in the execution of its responsibility for the governance of risk;
- (xi) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- (xii) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee and
- (xiii) Any other similar or other functions as may be laid down by Board from time to time and/or as may be required under applicable law, as and when amended from time to time, including the SEBI Listing regulations.

The quorum of the Risk Management Committee is either two members or one-third of the members of the Risk Management Committee, whichever is higher, including at least one member of the Board of Directors, being in attendance.

The Risk Management Committee is required to meet at least twice in a year and not more than 180 days may elapse between the two meetings.

The Risk Management Committee has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Our Key Managerial Personnel and Senior Management**

In addition to our Executive Directors, whose details have been provided under paragraph above titled '*Brief Profile of our Directors*', the following persons are our Key Managerial Personnel and Senior Management. All the Key Managerial Personnel and Senior Management are permanent employees of our Company. The brief profiles of our other Key Managerial Personnel and Senior Management are as set out below as on the date of filing of this Draft Letter of Offer:

#### **Mr. Hari Singh Chauhan, the Chief Executive Officer**

Mr. Hari Singh Chauhan is the Chief Executive Officer of our Company. He has been associated with the Company since 2022. He has 26 years of experience in the field of seed business. Mr. Hari Singh Chauhan holds degree in Bachelor of Science (Agriculture) from Dr. YS Parmar University of Horticulture & Forestry, Solan, Himachal Pradesh. Prior to joining our Company, he has worked as President-Sales & Marketing in Kaveri Seed Company Limited for a period of 7 years. He is responsible for overall operations of the Company.

#### **Mr. Sheshu Babu Dharla, Chief Financial Officer**

Mr. Sheshu Babu Dharla is the Chief Financial Officer of our Company. He has been associated with the Company since July 2023. He has 16 years of experience in the field of seed business. Sheshu Babu Dharla holds Bachelor's degree in Commerce from Osmania University, Hyderabad, Telangana. Prior to joining our Company, he has worked as General Manager- Finance & Accounts in Prabhat Agri Biotech Limited for a period of 2 years. He is responsible for overall financial management of the Company.

#### **Ms. Kalidindi Anagha Devi, Company Secretary and Compliance Officer**

Mrs. Kalidindi Anagha Devi is an Associate Member of the Institute of Company Secretaries of India (ICSI). She holds Bachelor's degree in Commerce from Krishna University, Andhra Pradesh. She is associated with Tierra Agrotech Limited from last 8 Months and has a decent experience in Corporate Secretarial matters. In addition to

the compliances under the Companies Act, she has ample exposure in the areas of Corporate Governance, legal, secretarial, drafting, and other regulatory compliance matters, particularly in relation to the corporate laws applicable to the capital markets.

All our Key Managerial Personnel and Senior Management are permanent employees of our Company.

None of our Key Managerial Personnel and Senior Management are entitled to receive any termination or retirement benefits.

**Relationship between Key Managerial Personnel and Senior Management**

There is no relationship amongst the Key Managerial Personnel and Senior Management



## OUR PROMOTERS

Our Promoters are Satish Kumar Tondapu, Parthasarathi Bhattacharya, Surinder Kumar Tikoo, Jayaram Prasad Munnangi, Nalluri Sai Charan, Visweswara Rao K and Suresh Atluri (collectively termed as Promoters) As on date of this Draft Letter of Offer, the Promoters hold, in aggregate of 53,74,278 Equity Shares constituting 9.61% of our issued, subscribed and paid-up equity share capital.

Our Company confirms that the permanent account number, bank account number and passport number of our Individual Promoters shall be submitted to the Stock Exchange at the time of filing this Draft Letter of Offer.

### Our Individual Promoters:

#### **Satish Kumar Tondapu**

Satish Kumar Tondapu, aged 46 years, holds 11,86,901 Equity Shares constituting 2.12% of our issued, subscribed and paid-up equity share capital. He has done Masters in Computer Applications from Bharathidasan University. His Permanent Account Number (PAN) under Indian Income Tax Act is AODPT1832L. He has around 19 years of experience in Management and Administration.

#### *Other Directorships*

The details of the directorships held by Satish Kumar Tondapu are provided below:

S. No.	Name of the venture	Nature of interest
1.	Sainaren Holdings Private Limited	Director
2.	VKR Cotex Private Limited	Director
3.	GVNS Tollway Private Limited	Director

#### **Parthasarathi Bhattacharya**

Parthasarathi Bhattacharya, aged 60 years, holds 10,00,000 Equity Shares constituting 1.79% of our issued, subscribed and paid-up equity share capital. He has done Ph.D. in Chemical Engineering from IIT, Kharagpur. His Permanent Account Number (PAN) under Indian Income Tax Act is AEFPB1849D. He has around 25 years of experience in Biotechnology.

#### *Other Directorships*

The details of the directorships held by Parthasarathi Bhattacharya are provided below:

S. No.	Name of the venture	Nature of interest
1.	Tierra Seed Science Private Limited	Director
2.	Tidas Agrotech Private Limited	Director

#### **Surinder Kumar Tikoo**

Surinder Kumar Tikoo, aged 75 years, holds 2,25,000 Equity Shares constituting 0.40% of our issued, subscribed and paid-up equity share capital. He has done Ph.D. in Botany from Bangalore University. His Permanent Account Number (PAN) under Indian Income Tax Act is AATPT1725C. He has around 4 decades of experience in Breeding and Research Management.

#### *Other Directorships*

The details of the directorships held by Surinder Kumar Tikoo are provided below:

S. No.	Name of the venture	Nature of interest
1.	Tierra Seed Science Private Limited	Director
2.	Foundation For Advanced Training Inplant Breeding	Director

### **Jayaram Prasad Munnangi**

Jayaram Prasad Munnangi, aged 39 years, holds 2,00,000 Equity Shares constituting 0.36% of our issued, subscribed and paid-up equity share capital. He has over 10 years' experience in the field of automobiles. Prior to this, he worked in infrastructure and manufacturing industry.

#### *Other Directorships*

The details of the directorships held by Jayaram Prasad Munnangi are provided below:

S. No.	Name of the venture	Nature of interest
1.	Ameya Products and Services Private Limited	Director

### **Nalluri Sai Charan**

Nalluri Sai Charan, aged 29 years, holds 1,00,000 Equity Shares constituting 0.18% of our issued, subscribed and paid-up equity share capital. He has 7 years' experience in sales & marketing of Granite blocks and finished slabs..

#### *Other Directorships*

The details of the directorships held by Nalluri Sai Charan are provided below:

S. No.	Name of the venture	Nature of interest
1.	Univac Techsystems Private Limited	Director

### **Visweswara Rao Kothapalli**

Visweswara Rao K, aged 40 years, holds 10,000 Equity Shares constituting 0.02% of our issued, subscribed and paid-up equity share capital. He has 18 years of experience in finance and other allied business activities.

#### *Other Directorships*

The details of the directorships held by Visweswara Rao Kothapalli are provided below:

S. No.	Name of the venture	Nature of interest
1.	Sainaren Properties Private Limited	Director
2.	Nerupama Marketing Private Limited	Director

### **Suresh Atluri**

Suresh Atluri, aged 62 years, holds 26,52,377 Equity Shares constituting 4.74% of our issued, subscribed and paid-up equity share capital. He has around 29 years of experience in Agri Input spreading Agro Chemicals, Field Crops and Vegetable Seeds.

#### *Other Directorships*

The details of the directorships held by Suresh Atluri are provided below:

S. No.	Name of the venture	Nature of interest
1.	Kisanwala Technologies Private Limited	Director
2.	Pronutri Foods Private Limited	Director

## Confirmations

1. None of our Promoters or members of our Promoter Group have been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.
2. Our Promoters have not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. None of our Promoters or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoters and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. Except as disclosed in the ***‘Outstanding Litigation and Defaults- Disciplinary action against our Promoters by SEBI or any stock exchange in the last five Fiscals’*** on page 207 of this Draft Letter of Offer, there is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoters.

## RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under Ind AS 24 read with SEBI ICDR Regulations and as reported in the Restated Summary Statements, see section titled "**Financial Information**" at page 116 of this Draft Letter of Offer. For details of the related party transactions, during the financial year ended March 31, 2023, as per the requirements under the Ind AS 24 and as reported in the Interim Condensed Consolidated Financial Statements, see section titled "**Financial Information**" at page 116 of this Draft Letter of Offer.

## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

We have not declared any dividend in the previous three (3) financial years immediately preceding this issue.

## SECTION V – FINANCIAL INFORMATION

### FINANCIAL STATEMENTS

#### INDEPENDENT AUDITOR’S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

To,  
**The Board of Directors,**  
Tierra Agrotech Limited,  
1st Floor, Sravana Complex, Kamalapuri Colony Lane,  
Next to LV Prasad Hospital, Road.No.2,  
Banjara Hills, Hyderabad, TG 500034.

Dear Sirs,

1. We have examined the attached restated consolidated financial information of Tierra Agrotech Limited (the “Company “or the “Issuer”) and its subsidiary (the Company and its subsidiary together referred to as the “Group”), and its joint venture, comprising the restated consolidated statement of assets and liabilities of the Group and its joint venture as at 31 March 2023,31 March 2022,31 March 2021,the restated consolidated statements of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, the restated consolidated statement of cash flows of the Group and its joint venture for the years ended 31 March 2023,31 March 2022,31 March 2021,the summary statement of significant accounting policies and other explanatory information (collectively, referred to as the “Restated Consolidated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on 22 July 2023 for the purpose of inclusion in the Draft Letter Of Offer (“DLOF”) and Letter Of Offer (“LOF”) prepared by the Company in connection with its proposed right Issue of equity shares (“Issue”) prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the “**Companies Act**”);
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**ICDR Regulations**”); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“**ICAI**”), as amended from time to time (the “**Guidance Note**”).
2. The Company’s Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DLOF and LOF to be filed with Securities and Exchange Board of India and BSE Limited and the Registrar of Companies, Hyderabad in connection with the proposed issue. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 1 to the Restated Consolidated Financial Information. The responsibility of the respective Board of Directors of the companies included in the Group and its joint venture includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The respective Board of Directors are also responsible for identifying and ensuring that the Group and its joint venture complies with the Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Consolidated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed with you vide our engagement letter dated 06 July 2023, requesting us to carry out the assignment, in connection with the proposed Right Issue of the Company;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and
  - d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the issue.
4. These Restated Consolidated Financial Information have been compiled by the management from audited consolidated Ind AS financial statements of the Group and its joint venture as at end for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 which were prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act read with Companies Act (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India ("Consolidated Financial Statements"), which have been approved by the Company's Board of Directors at their meeting held on 11 April 2023, 30 May 2022 and 20 July 2021 respectively.
5. For the purpose of our examination, we have relied on The Independent Auditor's Reports report issued by us dated 11 April 2023, 30 May 2022 and 20 July 2021 respectively on the Consolidated Financial Statements of the Group and its Joint Venture as at and for the years ended 31 March 2023, 31 March 2022 and 31 March 2021 respectively, as referred to in Paragraph 4 above.
6. As indicated in our audit reports referred above:
  - a) We did not audit the financial statements/information of joint venture whose financial statements/information reflect total assets, total revenue and whose share of loss included in the consolidated financial statements for the relevant years is tabulated below which have been audited by other auditors listed in Appendix 1, and whose reports have been furnished to us by the Company's management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these components, is based solely on the reports of the other auditors:

<b>Particulars</b>	<b>As at/for the year ended 31 March 2023</b>	<b>As at/for the year ended 31 March 2022</b>	<b>As at/for the year ended 31 March 2021</b>
Total Assets	24.36	51.77	26.92
Total Revenue from Operations	0.82	0.75	0.39
Share of (loss)/profit in joint venture	-	(2.30)	(17.19)

Our opinions on the Restated Consolidated Financial Information of the Group as at and for the years ended March 31, 2023, 2022 and 2021, were not qualified for the above matter.

The other auditor of the joint venture i.e., M/s NSVR & Associates LLP for years ended 31 March 2023, and 31 March 2022 and 31 March 2021 have examined the restated financial information and have confirmed that the restated financial information joint venture:

- b) Have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2022, and 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2023; and
- c) Have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the other auditors for the respective years, we report that the Restated Consolidated Financial Information:
- (a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2023, 31 March 2022, 31 March 2021 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at end for the year ended 31 March 2023;
- (b) there are no qualifications in the auditors' reports on the audited consolidated financial statements of the Group as at and for the years ended March 31, 2022, 2021 and 2020;
- (c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.
8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited consolidated financial statements mentioned in paragraph 4 above.
9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. Our report is intended solely for use of the Board of Directors for inclusion in the DLOF and LOF to be filed with Securities and Exchange Board of India and BSE Limited and the Registrar of Companies, Hyderabad at in connection with the proposed issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For Ramasamy Koteswara Rao and Co LLP,**  
Chartered Accountants  
FRN:010396S/S200084

Sd/-  
**C V Koteswara Rao**  
Partner  
(Membership.No.028353)  
UDIN: 23028353BGSTMB6959

Place: Hyderabad  
Date: 22/07/2023

## Appendix 1

Financial Year	Name of the Auditor	Name of the Entity	Relation
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2020-21	M/s NSVR & Associates LLP	Tidas limited	Agrotech	Private	Joint Venture
2021-22	M/s NSVR & Associates LLP	Tidas limited	Agrotech	Private	Joint Venture
2022-23	M/s NSVR & Associates LLP	Tidas limited	Agrotech	Private	Joint Venture

<p style="text-align: center;">Tierra Agrotech Limited CIN: L01119TG2013PLC090004 <b>Restated Consolidated Statement of Assets and Liabilities</b> <i>All amounts are ₹ in lakhs, except otherwise stated</i></p>				
Particulars	Note No.	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
	2	3	4	5
<b>I Assets</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	2A	101.50	91.42	67.74
(b) Right of Use Asset	2B	58.07	52.63	-
(c) Capital work in progress	2C	110.00	110.00	-
(d) Goodwill	2D	4,175.83	4,175.83	4,176.88
(e) Other Intangible Assets	2D	4,110.49	4,117.39	4,117.39
(f) Product under development	2E	380.78	303.93	150.90
(g) Financial Assets				
(i) Investments	3	-	-	59.09
(ii) Loans and advances	4	139.71	173.14	124.15
(iii) Other Financial Assets	5	57.23	43.64	36.81
(h) Deferred tax Asset (Net)	6	1,546.14	563.64	121.80
(i) Other Non-current Assets		-	-	-
<b>Total Non-Current Assets</b>		<b>10,679.76</b>	<b>9,631.61</b>	<b>8,854.76</b>
<b>Current Assets</b>				
(a) Inventories	7	3,808.44	5,111.71	5,747.19
(b) Financial Assets				
(i) Trade Receivables	8	1,633.84	1,854.37	770.97
(ii) Cash and Cash equivalents	9	281.70	51.77	147.71
(iii) Bank Balance other than (ii) above	10	332.93	332.93	320.20
(iv) Other Financial Assets	11	18.98	6.34	6.54
(c) Current Tax Assets (net)	12	28.73	26.66	24.48
(d) Other current assets	13	497.11	345.40	342.07
<b>Total Current Assets</b>		<b>6,601.72</b>	<b>7,729.17</b>	<b>7,359.17</b>
<b>Total Assets</b>		<b>17,281.50</b>	<b>17,360.78</b>	<b>16,213.93</b>
<b>II Equity and Liabilities</b>				
<b>Equity</b>				
(a) Equity Share Capital	14	2,515.52	2,515.52	2,515.52
(b) Other Equity	15	(1,008.05)	1,827.69	3,163.45
<b>Total Equity</b>		<b>1,507.46</b>	<b>4,343.21</b>	<b>5,678.97</b>
<b>Liabilities:</b>				
<b>Non - current liabilities:</b>				
(a) Financial Liabilities				
i) Borrowings	16	3,631.49	3,194.78	1,706.73
ii) Other Financial Liabilities	17	-	63.90	63.90
(b) Provisions	18	70.70	56.60	56.51
(c) Deferred tax Liabilities (Net)		-	-	-
(d) Lease Liabilities	19	35.91	37.91	-
(e) Other Non-Current liabilities	20	875.73	847.09	600.24
<b>Total Non-Current Liabilities</b>		<b>4,613.83</b>	<b>4,200.28</b>	<b>2,427.37</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	21	6,573.15	4,935.76	4,211.58
(ii) Trade payables	22			

(a) Total outstanding dues of micro enterprises and small enterprises		112.69	61.49	55.99
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		2,076.59	1,833.88	1,839.17
(iii) Lease Liabilities	23	35.61	18.41	-
(iv) Other financial liabilities	24	177.85	120.99	266.15
(b) Provisions	25	296.88	367.89	153.97
(c) Other current Liabilities	26	1,887.45	1,478.87	1,580.73
<b>Total Current liabilities</b>		<b>11,160.20</b>	<b>8,817.29</b>	<b>8,107.58</b>
<b>Total Equity and Liabilities</b>		<b>17,281.50</b>	<b>17,360.78</b>	<b>16,213.93</b>
<b>Significant Accounting Policies</b>	1			

The accompanying notes are an integral part of the restated Consolidated financial information (Note 1 to 52).  
As per our report of even date.

For **Ramasamy Koteswara Rao and Co LLP**

Chartered Accountants,  
Firm's Registration  
No:010396S/S200084

Sd/-

**C V Koteswara Rao**

Partner

M No. 028353

UDIN: 23028353BGSTMB6959

For and on behalf of the board of Directors of **Tierra Agrotech Limited**

Sd/-

**Vijay Kumar**

**Deekonda**

Wholetime Director

DIN:06991627

Sd/-

**Suryanarayana**

**Simhadri**

Director

DIN:01951750

Place: Hyderabad

Date:22.07.2023

Sd/-

**Hari Singh Chauhan**

Chief Executive Officer

Sd/-

**Sheshu Babu**

**Dharla**

Chief Financial  
Officer

Sd/-

**Kalidindi Anagha Devi**

Company Secretary &  
Compliance Officer

Tierra Agrotech Limited  
CIN: L01119TG2013PLC090004  
**Restated Consolidated Statement of Profit and Loss**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars		Note No.	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
I.	Revenue from operations	27	6,011.46	5,660.56	5,684.30
II.	Other income	28	59.80	18.30	153.15
III.	<b>Total Revenue (I + II)</b>		<b>6,071.26</b>	<b>5,678.86</b>	<b>5,837.45</b>
IV.	<b>Expenses:</b>				
	Purchases and Direct Expenses	29	4,050.56	3,455.02	2,970.47
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	30	1,303.27	635.49	599.03
	Employee benefits expense	31	1,701.54	1,425.27	1,473.25
	Finance costs	32	1,144.76	871.58	696.05
	Depreciation and amortization	33	78.30	28.45	25.43
	Other expenses	34	1,591.84	1,068.97	815.76
	<b>Total Expenses</b>		<b>9,870.27</b>	<b>7,484.79</b>	<b>6,580.00</b>
V.	<b>Profit before exceptional and extraordinary items and tax(III-IV)</b>		(3,799.01)	(1,805.93)	(742.54)
VI.	Share in net (profit)/loss of associate and joint venture		-	2.30	17.19
VII.	<b>Profit before tax (V - VI)</b>		(3,799.01)	(1,808.23)	(759.73)
VIII.	<b>Tax expense:</b>				
	<b>Current Tax</b>				
	- Current Year		-	-	-
	- Earlier Year tax		-	-	-
	- Deferred tax		(977.84)	(441.96)	(132.47)
IX.	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>(2,821.16)</b>	<b>(1,366.27)</b>	<b>(627.26)</b>
X.	<b>Other Comprehensive Income</b>				
	A. (i) Items that will not be reclassified to profit and Loss		(19.48)	30.64	36.66

	(ii) Income tax relating to items that will not be reclassified to profit or loss		4.90	(0.13)	(1.91)
	B. (i) Items that will be reclassified to profit or loss		-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-	-
	<b>Other Comprehensive Income/(loss) for the year, net of tax</b>		<b>(14.58)</b>	<b>30.50</b>	<b>34.74</b>
XI	<b>Total Comprehensive Income for the Year (IX+X)</b>		<b>(2,835.74)</b>	<b>(1,335.77)</b>	<b>(592.52)</b>
XII	Earnings per equity share:(of face value of Rs.10 each)				
	Basic		(11.22)	(5.43)	(2.49)
	Diluted		(11.22)	(5.43)	(2.49)
	Significant accounting policies	1			

The accompanying notes are an integral part of the restated Consolidated financial information (Note 1 to 52). As per our Report on even Date

For **Ramasamy Koteswara Rao and Co LLP**

Chartered Accountants,  
Firm's Registration  
No:010396S/S200084

Sd/-  
**C V Koteswara Rao**  
Partner  
M No. 028353  
UDIN: 23028353BGSTMB6959

Place: Hyderabad  
Date: 22.07.2023

For and on behalf of the board of Directors of **Tierra Agrotech Limited**

Sd/-  
**Vijay Kumar Deekonda**  
Wholetime Director  
DIN:06991627

Sd/-  
**Hari Singh Chauhan**  
Chief Executive Officer

Sd/-  
**Suryanarayana Simhadri**  
Director  
DIN:01951750

Sd/-  
**Sheshu Babu Dharla**  
Chief Financial Officer

Sd/-  
**Kalidindi Anagha Devi**  
Company Secretary & Compliance Officer

Tierra Agrotech Limited  
CIN: L01119TG2013PLC090004  
**Restated Consolidated Statement of Cash Flows**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Year Ended	Year Ended	Year Ended
	31.03.2023	31.03.2022	31.03.2021
<b>A. Cash Flows From Operating Activities:</b>			
Net profit before taxation, and extraordinary items	(3,799.01)	(1,808.23)	(759.73)
<b>Adjusted for :</b>			
Interest debited to Statement of Profit and Loss	1,127.48	864.45	679.53
Interest on Lease	6.81	1.60	-
Creditors Balances Written back	(32.19)	-	-
Gratuity and Leave encashment provision	38.59	40.31	59.89
Provision for Bad debts	93.20	-	-
Interest Income on Fixed deposits	(14.04)	(13.92)	(17.35)
Share of (Profit)/Loss in Joint venture	-	2.30	17.19
Depreciation and Amortisation	78.30	28.45	25.43
Operating profits before working capital changes	<b>(2,500.85)</b>	<b>(885.04)</b>	<b>4.96</b>
<b>Changes in current assets and liabilities</b>			
(Increase)/Decrease in inventories	1,303.27	635.49	599.03
(Increase)/Decrease in trade Receivables	127.33	(1,083.40)	2,827.98
(Increase)/Decrease in other Current assets and Financial Assets	(162.27)	2.74	(126.77)
(Increase)/Decrease in other Non Current Financial assets	19.83	(55.81)	(78.96)
Increase/(Decrease) in trade Payables	326.09	0.22	(3,505.87)
Increase/(Decrease) in other Financial Liabilities	(7.04)	(145.16)	137.48
Increase/ (Decrease) in Long term and short term Provisions	(78.42)	143.06	(44.52)
Increase/(Decrease) in other Current Liabilities	261.17	(98.31)	(327.37)
Increase/(Decrease) in other Non current Liabilities	28.64	246.85	70.79
<b>Cash generated from operations</b>	<b>(682.23)</b>	<b>(1,239.37)</b>	<b>(443.28)</b>
Income tax paid	(2.08)	(2.17)	1.43
<b>Net cash used in operating activities (A)</b>	<b>(680.15)</b>	<b>(1,237.19)</b>	<b>(444.71)</b>
<b>B. Cash Flows From Investing Activities:</b>			
Purchase of Property Plant and Equipment ,capital work in Progress	(87.19)	(154.09)	(3.00)
Proceeds from sale of Property, Plant and Equipment	-	0.46	-
Product Development Expenses	(76.84)	(153.04)	(150.90)
(Purchase)/Proceeds from Investments	-	104.95	-
Interest Income	14.04	13.92	17.35
<b>Net cash used in investing activities (B)</b>	<b>(149.99)</b>	<b>(187.80)</b>	<b>(136.54)</b>
<b>C. Cash Flows From Financing Activities:</b>			
Borrowings	1,936.52	2,321.62	(705.97)
Interest paid on Loans and others	(1,127.48)	(864.45)	(679.53)

Proceeds from issue of 9% Cumulative Non-Convertible Redeemable Preference Shares	1,800.00	-	-
Interest Paid on Lease Liabilities	(6.81)	(1.60)	-
Payment Towards Reduction of Lease Liability	(27.12)	(4.40)	-
Dividend Income	-	-	-
Increase in share capital	-	-	284.32
Securities premium	-	-	1,146.67
<b>Net cash from financing activities (C)</b>	<b>2,575.12</b>	<b>1,451.18</b>	<b>45.48</b>
<b>D. Net increase / (decrease) in cash and cash equivalents(A+B+C)</b>	<b>1,744.97</b>	<b>26.18</b>	<b>(535.77)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>(2,695.49)</b>	<b>(2,721.66)</b>	<b>(2,185.91)</b>
<b>F. Cash and cash equivalents at the end of the year (D+E)</b>	<b>(950.52)</b>	<b>(2,695.49)</b>	<b>(2,721.66)</b>
<b>Reconciliation of cash and cash equivalents</b>			
Balance with Banks in Current A/c	281.45	51.77	147.71
Cash-in-hand	0.25	-	-
Bank Overdrafts repayable on demand	(1,565.15)	(3,080.18)	(3,189.57)
Restricted cash and cash Equivalents in the form of Fixed deposits	332.93	332.93	320.20
<b>Balance as per Restated Consolidated statement of cash flows</b>	<b>(950.52)</b>	<b>(2,695.49)</b>	<b>(2,721.66)</b>

The restated consolidated statement of cash flows has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flows.

The accompanying notes are an integral part of the restated Consolidated financial information ( Note 1 to 52)

As per our report of even date

For **Ramasamy Koteswara Rao and Co LLP**

Chartered Accountants,  
Firm's Registration  
No:010396S/S200084

Sd/-  
**C V Koteswara Rao**  
Partner  
M No. 028353  
UDIN: 23028353BGSTMB6959

For and on behalf of the board of Directors of **Tierra Agrotech Limited**

Sd/-  
**Vijay Kumar Deekonda**  
Wholetime Director  
DIN:06991627

Sd/-  
**Suryanarayana Simhadri**  
Director  
DIN:01951750

Place: Hyderabad  
Date: 22.07.2023

Sd/-  
**Hari Singh Chauhan**  
Chief Executive Officer

Sd/-  
**Sheshu Babu Dharla**  
Chief Financial Officer

Sd/-  
**Kalidindi Anagha Devi**  
Company Secretary &  
Compliance Officer

## Statement of Changes in Equity

All amounts are in ₹ Lakhs, except otherwise stated

(a) Share Capital					
	Number of shares	Amount (₹)			
As at 01 April 2020	2,51,55,165	2,515.52			
Issued during the year	-	-			
Redeemed/transferred during the year	-	-			
As at 31 March 2021	2,51,55,165	2,515.52			
Issued during the year	-	-			
Redeemed/transferred during the year	-	-			
As at 31 March 2022	2,51,55,165	2,515.52			
Issued during the year	-	-			
Redeemed/transferred during the year	-	-			
As at 31 March 2023	2,51,55,165	2,515.52			
B. Other equity					
Particulars	Securities Premium	Equity Instruments through Other comprehensive Income	Other items in other comprehensive income	Retained Earnings	Total
Balance at 01.04.2020	2,402.58	(7.00)		213.72	2,609.30
Profit for the period 01.04.2020 to 31.03.2021	-	-	-	-627.26	(627.26)
Securities premium received during the year	1,146.67	-	-	0.00	1,146.67
Net change in Fair value of investments	-	29.30	-	0.00	29.30
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	5.45	-	5.45
Balance at 31.03.2021	3,549.25	22.30	5.45	(413.55)	3,163.45
Profit for the Period 01.04.2021 to 31.03.2022	-	-	-	-1,366.27	(1,366.27)
Net change in fair value of Investments and others	-	43.15	-	-	43.15
Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit.	-	-	(12.65)	-	(12.65)
Transfer of OCI to Other Equity	-	(65.45)	-	65.45	-
Balance at 31.03.2022	3,549.25	(0.00)	(7.20)	(1,714.36)	1,827.69
Profit for the Period 01.04.2022 to 31.03.2023	-	-	-	(2,821.16)	(2,821.16)
Other Comprehensive income	-	-	-	-	-
Dividend paid	-	-	-	-	-
Amount transfer to general reserve	-	-	-	-	-
Net change in fair value of FVTPL investments and others	-	-	-	-	-



Actuarial gain/(loss) on post-employment benefit obligations, net of tax benefit	-	-	(14.58)	-	(14.58)
<b>Balance at 31.03.2023</b>	<b>3,549.25</b>	<b>(0.00)</b>	<b>(21.78)</b>	<b>(4,535.53)</b>	<b>(1,008.05)</b>

## Notes forming part of the Restated Consolidated Financial Information

### Corporate information:

The Restated Consolidated financial statements (CFS) comprise financial statements of Tierra Agrotech Limited (the Holding Company) and its subsidiary (collectively, the Group) for the years ended March 31, 2023, March 31, 2022 and March 31, 2021. “Tierra Agrotech Limited (‘the Holding Company’) (formerly known as Tierra Agrotech Private Limited) is in the business of Agriculture Seed Research, Production, Processing and Marketing, Distribution and Trading of Seeds and related products. The Holding company is a Public Company incorporated under the provisions of the Companies Act, 2013 having corporate office at 1st Floor, Sravana Complex, Kamalapuri Colony, LV Prasad Hospital, Road.No.2, Banjara Hills, Hyderabad, 500034, Telangana, India. The National Company Law Tribunal Bench at Hyderabad vide order dated November 12, 2021 sanctioned the scheme of amalgamation of Grandeur Products Limited (Holding Company - Transferor Company) with Tierra Agrotech Private Limited (Subsidiary Company - Transferee Company) with effect from the appointed date i.e., April 01, 2020 and consequent to the amalgamation and upon scheme becoming effective, the name of the Company has been changed from Tierra Agrotech Private Limited to Tierra Agrotech Limited. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Equity Shares of the Holding Company are listed on Bombay Stock Exchange of India Ltd (BSE) in India on May 27, 2022.

These Restated Consolidated financial statements for the years ended March 31, 2023, March 31, 2022 and March 31, 2021 are approved by the Board of Directors and authorised for issue in their meeting held on June 30, 2023.

### 1 Significant Accounting Policies:

#### 1.1 Statement of Compliance and Basis of preparation of financial statements:

The restated consolidated financial information has been specifically prepared by the management for inclusion in the document to be filed by the Holding company with the Securities and Exchange Board of India (“SEBI”) and BSE Limited. The Restated Consolidated financial statements of the Company have been prepared in all material aspects with the requirement of SEBI Regulation 2018, as amended and in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of Companies Act, 2013, (the ‘Act’) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant schedule III), as applicable and other relevant provisions of the Act. The Restated Consolidated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the Restated Consolidated financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use. The Restated consolidated financial statements comprise the financial statements of the company and its subsidiaries for the years ended March 31, 2023, March 31, 2022 and March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with investee and has ability to affect those returns through its power over investee.

#### 1.2 Consolidation Procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the Restated consolidated financial statements at the acquisition date.

- b) Offset (eliminate) the carrying amount of the holding company's investment in each subsidiary and the holding company's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- a) Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost.
- b) Derecognises the carrying amount of any non-controlling interests.
- c) Derecognises the cumulative translation differences recorded in equity.
- d) Recognises the fair value of the consideration received.
- e) Recognises the fair value of any investment retained.
- f) Recognises any surplus or deficit in profit or loss.
- g) Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners.
- h) Reclassifies the holding company's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities"

### **Business combinations and Good will:**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- a) Deferred tax assets or liabilities, and the liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- b) Potential tax effects of temporary differences and carry forwards of an acquiree that exist at the acquisition date or arise as a result of the acquisition are accounted in accordance with Ind AS 12.

- c) Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- d) Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.
- e) Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS and shall be recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### **1.3 Functional and presentation currency:**

These Restated Consolidated financial statements are presented in Indian Rupees (INR), which is also the Parent company's functional currency.

All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest lakhs except share data or as otherwise stated.

### **1.4 Basis of measurement:**

The Restated Consolidated financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities: Measured at fair value
- Net defined benefit (asset)/ liability: Fair value of plan assets less present value of defined benefit obligations
- Borrowings: Amortised cost using effective interest rate method

#### **Use of estimates and judgements:**

In preparing these Restated Consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### **Judgements:**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Restated Consolidated financial statements is included in the following notes:

- Note 1.15 - lease classification.
- Note 1.15 - leases: whether an arrangement contains a lease and lease classification.

#### **Assumptions and estimation uncertainties:**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 1.13 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 1.20 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and
- Note 1.18 – impairment of financial assets;
- Note 1.8 - determining an asset's expected useful life and the expected residual value at the end of its life.

#### **Measurement of fair values:**

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is

available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

## **1.5 Current and non-current classification:**

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

### **Assets:**

An asset is classified as a current when it is:

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

### **Liabilities:**

A liability is classified as a current when:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- the Group does not have an unconditional right to defer settlement of liability for At least twelve months from the reporting date.
- All other liabilities are classified as non-current.
- Deferred tax assets/liabilities are classified as non-current.

### **Operating Cycle:**

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

## **1.6 Revenue recognition:**

### **Revenue from Sale of goods:**

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to its customers. The Group considers the terms of the contract and its customary business practices to determine the transaction price. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Indirect taxes. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives / discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method. The Group recognises provision for expected sales

return, based on the historical results, measured on net basis of the margin of the sale. Therefore, Trade receivables are disclosed at net off refund liability, for the products expected to be returned.

The Group classifies the right to consideration in exchange for goods as a receivable and is presented net of impairment in the Restated Consolidated Balance Sheet

### **Recognition of other Income:**

#### **Interest income:**

Interest Income mainly comprises of interest on Margin money deposit relating to bank guarantee and Deposits against Bank Overdraft with banks. Interest income should be recorded using the effective interest rate (EIR). However, the amount of margin money deposits relating to bank guarantee and Over draft are purely current in nature, hence effective interest rate has not been applied. Interest is recognized using the time-proportion method, based on rates implicit in the transactions.

### **1.7 Borrowing cost & related cost:**

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use or sale 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.

### **1.8 Property, plant and equipment & Capital work-in-progress:**

#### **Recognition and measurement:**

The items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs (Present Value) of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Restated Consolidated statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

#### **Capital work in progress:**

Capital work-in-progress is recognized at cost, net of accumulated impairment loss, if any. It comprises of property, plant and equipment that are not yet ready for their intended use at the reporting date.

### **1.9 Depreciation and Goodwill:**

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The useful lives of assets are periodically reviewed and re-determined and the unamortised depreciable amount is charged over the remaining useful life of such assets. Assets costing ₹ 5,000/-and below are depreciated over a period of one year.

### **1.10 Intangible Assets:**

Intangible assets are stated at cost less accumulated amortization and impairment if any. Intangible assets are amortized in Restated Consolidated Statement of Profit and Loss over their respective estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic

factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.  
During the year the Group has not provided any amount amortization of intangible assets.

The estimated useful lives of intangible asset are as follows:

Type of Asset	Useful life
License Fee	10 years
Other Intangible Assets	Indefinite life

#### **1.11 Inventories:**

Inventories comprise of unprocessed seeds, Processed Seeds, and traded goods. Inventories are valued at the lower of cost or the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on Average basis. Cost includes all charges in bringing the goods to their present location and condition and receiving charges. The inventories are valued at, Cost or Net Realisable Value whichever is lower.

#### **1.12 Foreign Currency Transactions:**

The Group translates all foreign currency transactions at Exchange Rates prevailing on the date of transactions. Exchange rate differences resulting from foreign exchange transactions settled during the year are recognized as income or expenses in the period in which they arise.

Monetary current assets and monetary current liabilities that are denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the Restated Consolidated profit and loss account.

#### **1.13 Employee benefits:**

##### **Short-term employee benefits:**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Restated Consolidated balance sheet.

##### **Defined contribution plans:**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Restated Consolidated statement of profit and loss in the periods during which the related services are rendered by employees.

##### **Defined benefit plans:**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the Restated Consolidated balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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 Restated Consolidated statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Restated Consolidated statement of changes in equity and in the Restated Consolidated balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Restated Consolidated profit or loss as past service cost.

#### **Termination benefits:**

Termination benefits are recognized as an expense when the Group 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 if the Group 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 Group's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the Restated consolidated statement of profit and loss in the period in which they arise.

### **1.14 Taxes on Income:**

Taxes comprises Current Tax, Deferred tax and MAT credit. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### **Current tax:**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the Financial year and any adjustment to the tax payable or receivable in respect of previous Financial years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and considers whether it is probable that a taxation authority will accept an uncertain tax treatment.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **Deferred tax:**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing



of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; Deferred tax assets are recognised for deductible temporary differences, the carry forwards of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available.

Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

#### **Minimum Alternate Tax (MAT) Credit:**

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. The Group reviews the MAT credit at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

### **1.15 Leases:**

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

#### **Group as a Lessor:**

Leases for which the Group is a lessor are classified as a finance or operating lease. Whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Rental income from operating leases is recognised on straight line basis over the term of relevant lease.

#### **Group as a Lessee:**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

#### **Right of use asset:**

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date

less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Restated Consolidated statement of profit and loss.

#### **Lease Liability:**

The Group measures the lease liability at present value of the future lease payments at the commencement date of the lease. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset in Restated Consolidated statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in Restated Consolidated statement of profit and loss.

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

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

### **1.16 Earning Per Share (EPS):**

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the financial year. Diluted earnings per share is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

### **1.17 Investments in subsidiaries:**

Investments representing equity interest in subsidiaries carried at cost less any provision for impairment. Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

### **1.18 Impairment of financial instruments:**

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract;

- it is probable that the borrower will enter bankruptcy or another financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the group is exposed to credit risk. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

#### **Measurement of expected credit losses:**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

#### **Presentation of allowance for expected credit losses in the Restated Consolidated balance sheet:**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### **Write-off:**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### **1.19 Impairment of non-financial assets:**

The Group assess at each reporting date whether there is any indication that the carrying amount from non-financial assets may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash generating unit (CGU) exceeds its estimated recoverable amount in the Restated Consolidated statement of profit and loss.

Goodwill is tested annually for impairment. For the purpose of impairment testing, goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

### **1.20 Provisions, Contingent Liabilities and Contingent Assets:**

A Provision is recognized if, as a result of past event, the Group has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the present obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at

the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also 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 recognised in Restated Consolidated financial statement. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset. Contingent Liabilities/Assets to the extent the Management is aware, are disclosed by way of notes to the Restated Consolidated financial statements.

## **1.21 Financial Instruments:**

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity of another entity.

### **Initial Recognition:**

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

### **Subsequent Measurement:**

#### **Financial assets at fair value through other comprehensive income:**

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved both by collecting contractual cash flows on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding and selling financial assets.

#### **Financial assets at fair value through Profit and Loss:**

Financial assets are measured at fair value through profit and loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs that are directly attributable to the acquisition of financial assets and liabilities at fair value through profit and loss are immediately recognised in statement of profit and loss.

### **Financial liabilities:**

Financial liabilities are classified as measured at amortised cost or Fair Value Through Profit and Loss Account (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit and loss. Any gain or loss on derecognition is also recognised in statement of profit and loss.

## **1.22 Investment in Subsidiaries:**

Investment in Subsidiaries are carried at cost as per Ind AS 27 – Separate Financial Statements

### **De-recognition:**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition as per Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

### **1.23 Cash and cash equivalents:**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdrafts and Cash Credit 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 whereas they are classified as short borrowings under current liabilities in the balance sheet.

#### **Statement of Cash Flow:**

Cash flows are reported using the indirect method in accordance with Ind AS 7, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

### **1.24 Research and Development Costs (Product Under Development):**

Research expenditure is recognized as an expense when it is incurred. Development expenditure on an individual project is recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the product.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred. Items of property, plant and equipment and acquired Intangible Assets utilized for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

### **1.25 Events after reporting date:**

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

### **1.26 Recent 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 23, 2023, MCA Issued the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

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

The amendments require companies to disclose the material accounting policies rather than 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.

#### **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 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible

temporary differences.

**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 accompanying notes are an integral part of these Restated Consolidated financial statements.**

As per our Report of even date

For **Ramasamy Koteswara Rao and Co LLP**  
Chartered Accountants,  
Firm's Registration  
No:010396S/S200084

For and on behalf of the board of Directors of **Tierra Agrotech Limited**

Sd/-  
**C V Koteswara Rao**  
Partner  
M No. 028353  
UDIN: 23028353BGSTMB6959

Sd/-  
**Vijay Kumar  
Deekonda**  
Wholetime Director  
DIN:06991627

Sd/-  
**Suryanarayana  
Simhadri**  
Director  
DIN:01951750

Place: Hyderabad  
Date: 22.07.2023

Sd/-  
**Hari Singh Chauhan**  
Chief Executive Officer

Sd/-  
**Sheshu Babu  
Dharla**  
Chief Financial  
Officer

Sd/-  
**Kalidindi Anagha Devi**  
Company Secretary &  
Compliance Officer

**Note 2A: Property, Plant and Equipment**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Computers	Furniture and	Office Equipment	Plant and Machinery	Vehicles	Land and Building	Laboratory Equipment	Software	Total
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		Fixtures	s	y					
<b>Gross Block</b>									
As at 01.04.2020	45.75	5.91	52.18	80.92	-	25.05	64.16	13.17	287.13
Additions	0.76	-	0.09	2.15	-	-	-	-	3.00
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31.03.2021	46.51	5.91	52.27	83.06	-	25.05	64.16	13.17	290.12
Additions	2.34	5.32	11.57	1.47	23.39	-	-	-	44.09
Disposals/Adjustments	-	-	0.52	-	-	-	-	-	0.52
As at 31.03.2022	48.85	11.23	63.31	84.53	23.39	25.05	64.16	13.17	333.69
Additions	12.49	1.09	15.79	15.58	-	-	-	-	44.96
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31.03.2023	61.34	12.32	79.11	100.11	23.39	25.05	64.16	13.17	378.65
<b>Accumulated Depreciation</b>									
As at 01.04.2020	32.84	4.95	40.08	18.24	-	25.05	64.14	11.65	196.95
Charge for the Year	8.35	0.38	5.25	11.41	-	-	-	0.04	25.43
Disposals/Adjustments	-	-	-	-	-	-	-	-	0.00
As at 31.03.2021	41.19	5.33	45.33	29.65	-	25.05	64.14	11.70	222.38
Charge for the Year	3.46	1.13	5.48	9.68	0.42	-	-	0.18	20.35
Disposals/Adjustments	-	-	0.46	-	-	-	-	-	0.46
As at 31.03.2022	44.64	6.46	50.36	39.33	0.42	-	-	-	242.27
Charge for the Year	8.08	1.47	9.18	8.97	7.18	-	0.02	-	34.89
Disposals/Adjustments	-	-	-	-	-	-	-	-	-
As at 31.03.2023	52.72	7.93	59.54	48.30	7.59	-	-	-	277.16
<b>Net Block</b>									
As at 31.03.2023	8.62	4.39	19.57	51.82	15.80	25.05	64.16	13.17	101.50
As at 31.03.2022	4.20	4.76	12.96	45.21	22.98	25.05	64.16	13.17	91.42
As at 31.03.2021	5.32	0.58	6.94	53.41	-	-	0.02	1.47	67.74

**Note 2B: Right of Use Assets**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Building (Floor)*	Total
<b>Gross Block</b>		
As at 01.04.2020	-	-
Additions	-	-
Disposals/Adjustments	-	-
As at 31.03.2021	-	-
Additions	60.72	60.72
Disposals/Adjustments	-	-
As at 31.03.2022	60.72	60.72
Additions	42.22	42.22

Disposals/Adjustments	-	-
As at 31.03.2023	102.95	102.95
<b>Accumulated Depreciation</b>		
As at 01.04.2020	-	-
Charge for the Year	-	-
Disposals/Adjustments	-	-
As at 31.03.2021	-	-
Charge for the Year	8.09	8.09
Disposals/Adjustments	-	-
As at 31.03.2022	8.09	8.09
Charge for the Year	36.78	36.78
Disposals/Adjustments	-	-
As at 31.03.2023	44.87	44.87
<b>Net Block</b>		
As at 31.03.2023	58.07	58.07
As at 31.03.2022	52.63	52.63
As at 31.03.2021	-	-

**Note 2C: Capital work-in-progress**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Capital work in progress(Furniture)
<b>Gross Block</b>	
As at 01.04.2020	-
Additions	-
Disposals/Adjustments	-
As at 31.03.2021	-
Additions	110.00
Disposals/Adjustments	-
As at 31.03.2022	110.00
Additions	-
Disposals/Adjustments	-
As at 31.03.2023	110.00
<b>Accumulated Depreciation</b>	
As at 01.04.2020	-
Charge for the Year	-
Disposals/Adjustments	-
As at 31.03.2021	-
Charge for the Year	-
Disposals/Adjustments	-
As at 31.03.2022	-
Charge for the Year	-
Disposals/Adjustments	-
As at 31.03.2023	-
<b>Net Block</b>	



As at 31.03.2023	110.00
As at 31.03.2022	110.00
As at 31.03.2021	-

**Note 2D: Other intangible assets**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Germ plasm	License Fee	Plant Varity	Trade Marks	Other intangible assets	Total	Goodwill on account of Merger	Goodwill on account of consolidation
<b>Gross Block</b>								
As at 01.04.2020	3,447.35	66.32	89.56	212.91	1.39	3,817.53	1,145.81	3,031.07
Additions		-	-	-	300.26	300.26		
Disposals/Adjustments	-	-	-	-	-	-	-	-
As at 31.03.2021	3,447.35	66.32	89.56	212.91	301.65	4,118.09	1,145.81	3,031.07
Additions	-	-	-	-	-	-	-	-
Disposals/Merger	-	-	-	-	-	-	-	1.05
As at 31.03.2022	3,447.35	66.32	89.56	212.91	301.65	4,118.09	1,145.81	3,030.02
Additions	-	-	-	-	-	-	-	-
Disposals/Merger	-	-	-	-	-	-	-	-
As at 31.03.2023	3,447.35	66.32	89.56	212.91	301.65	4,118.09	1,145.81	3,030.02
<b>Accumulated Depreciation</b>								
As at 01.04.2020	-	-	-	-	0.71	0.71	-	-
Charge for the Year	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-
As at 31.03.2021	-	-	-	-	0.71	0.71	-	-
Charge for the Year	-	-	-	-	-	-	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-
As at 31.03.2022	-	-	-	-	0.71	0.71	-	-
Charge for the Year	-	6.63	-	-	-	6.63	-	-
Disposals/Adjustments	-	-	-	-	-	-	-	-
As at 31.03.2023	-	6.63	-	-	0.71	7.34	-	-
<b>Net Block</b>								
As at 31.03.2023	3,447.35	59.69	89.56	212.91	300.95	4,110.49	1,145.81	3,030.02
As at 31.03.2022	3,447.35	66.32	89.56	212.91	300.95	4,117.39	1,145.81	3,030.02
As at 31.03.2021	3,447.35	66.32	89.56	212.91	300.95	4,117.39	1,145.81	3,031.07

**Note 2E: Product under development**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Project in progress	Total
<b>Gross Block</b>		

As at 01.04.2020	-	-
Additions	150.90	150.90
Disposals/Adjustments	-	-
As at 31.03.2021	150.90	150.90
Additions	153.04	153.04
Disposals/Adjustments	-	-
As at 31.03.2022	303.93	303.93
Additions	76.84	76.84
Disposals/Adjustments	-	-
As at 31.03.2023	380.78	380.78
<b>Accumulated Depreciation</b>		
As at 01.04.2020	-	-
Charge for the Year	-	-
Disposals/Adjustments	-	-
As at 31.03.2021	-	-
Charge for the Year	-	-
Disposals/Adjustments	-	-
As at 31.03.2022	-	-
Charge for the Year	-	-
Disposals/Adjustments	-	-
As at 31.03.2023	-	-
<b>Net Block</b>		
As at 31.03.2023	380.78	380.78
As at 31.03.2022	303.93	303.93
As at 31.03.2021	150.90	150.90

### Note 3-Investments (Non-current)

Notes forming part of restated consolidated Financial statements

All amounts are ₹ in lakhs, except otherwise stated

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Unquoted instruments:			
Investment in Equity instruments			
Tidas Agrotech Private Limited (Joint Venture)	-	-	2.30
Investment in Vama Industries Limited -Holding 7,71,255 shares and face value of Rs.2 each fully paid up)	-	-	56.07
Investment in Power Mech Projects limited -Holding 123 shares and face value of Rs.10 each fully paid up)	-	-	0.72
<b>Total</b>	-	-	59.09

\*Investment are valued at cost as in accordance to information available it is the fair value/ amortised cost

**Note 4 - Loans and advances (Unsecured,considered good)**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Unsecured Loans to related parties			
Tidas Agrotech Private Limited	105.21	74.34	27.26
Other Loans and Advances	34.50	98.80	96.90
<b>Total</b>	<b>139.71</b>	<b>173.14</b>	<b>124.15</b>

**Note 5-Other Financial Assets (Unsecured,considered good)**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Security Deposits	57.23	43.64	36.81
<b>Total</b>	<b>57.23</b>	<b>43.64</b>	<b>36.81</b>

**Note 6 - Deferred tax Assets (Net)**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Deferred tax Asset on account of Property Plant and Equipment	6.44	4.35	4.81
Deferred tax asset on Account of Carried forward Losses	1,524.40	600.97	136.51
Deferred tax asset on Account of ROU Asset	3.38	-	-
Deferred tax asset on Account of Employee Benefit Obligations	26.77	0.59	-1.91
Deferred tax asset on Account of MAT Credit Entitlement	46.72	46.72	46.72
<b>Deferred Tax Liability</b>			
On account of depreciation of Subsidiary's PPE	(61.57)	(64.08)	(64.33)
On account of Investments	-	(24.91)	-
<b>Total</b>	<b>1,546.14</b>	<b>563.64</b>	<b>121.80</b>

**Note 7-Inventories**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Packing Material	385.76	332.91	195.31
Seeds	3,422.67	4,778.80	5,551.88
<b>Total</b>	<b>3,808.44</b>	<b>5,111.71</b>	<b>5,747.19</b>

Note:

Inventories are valued at cost or Net realisable value which ever is lower as per Ind AS 2

Valuation of Inventories has been made as per Group's Accounting Policy No. 1.11

For Inventories hypothecated as security (refer note no. 21)

During the year ended March 31, 2023 the Group recorded inventory write-down expenses of ₹1088.76 Lakhs.

**Note 8 - Trade Receivables***All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Unsecured, considered good			
Trade Receivable	1,843.57	1,854.37	770.97
Less: Allowance for credit impaired receivables	88.48	-	-
Less: provision for expected Sales returns	121.25	-	-
<b>Total</b>	<b>1,633.84</b>	<b>1,854.37</b>	<b>770.97</b>

Note: Trade Receivables are Non-Interest Bearing. Refer note 38 for trade receivable ageing schedule

**Note 9 - Cash and Cash Equivalents***All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Cash on Hand	0.25	-	-
<b>Balances with Banks:</b>			
Current Accounts	281.45	51.77	147.71
Fixed deposit with original maturity of less than 3 Months	-	-	-
<b>Total</b>	<b>281.70</b>	<b>51.77</b>	<b>147.71</b>

**Note 10 - Bank Balances other than above***All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>Earmarked balances with banks*</b>			
Fixed deposit with original maturity of more than 3 Months but less than 12 months	332.93	332.93	320.20
<b>Total</b>	<b>332.93</b>	<b>332.93</b>	<b>320.20</b>
*Note: All Fixed deposits were kept with Scheduled banks only. Earmarked balances as at March 31, 2023 ₹ 332.93/- lakhs is held as security in relation to repayment of working capital borrowings.			

**Note 11 - Other Financial assets( Current)***All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>Unsecured, Considered good</b>			
Interest accrued but not due on deposits	18.98	6.34	6.54
<b>Total</b>	<b>18.98</b>	<b>6.34</b>	<b>6.54</b>

**Note 12 - Current tax Assets ( Net)***All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
TDS and TCS Receivable	28.73	26.66	24.48
<b>Total</b>	<b>28.73</b>	<b>26.66</b>	<b>24.48</b>

#### Note 13 - Other current assets

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>Unsecured, considered good</b>			
Prepaid Expenses	40.88	28.40	14.77
Other Advances	166.82	164.86	117.01
Advances to Suppliers	289.40	152.13	210.29
<b>Total</b>	<b>497.11</b>	<b>345.40</b>	<b>342.07</b>

#### Note 14

##### a. Equity Share Capital

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023		As at 31.03.2022		As at 31.03.2021	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
<b>Authorised</b>						
4,71,50,000 Equity Shares of ₹10/- each	4,71,50,000	4,715.00	4,71,50,000	4,715.00	3,00,00,000	3,000.00
<b>Total</b>	<b>4,71,50,000</b>	<b>4,715.00</b>	<b>4,71,50,000</b>	<b>4,715.00</b>	<b>3,00,00,000</b>	<b>3,000.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>						
2,51,55,165 Equity Shares of ₹10/- each	2,51,55,165	2,515.52	2,51,55,165	2,515.52	2,51,55,165	2,515.52
<b>Total</b>	<b>2,51,55,165</b>	<b>2,515.52</b>	<b>2,51,55,165</b>	<b>2,515.52</b>	<b>2,51,55,165</b>	<b>2,515.52</b>

##### (ii). Terms/rights attached to equity shares

The Group has only one class of equity shares having par value of Re.10/- each. Each equity share holder is entitled to one vote per equity share held. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

##### b. Reconciliation of shares Outstanding at the beginning and at the end of the Year

Particulars	As at 31.03.2023		As at 31.03.2022		As at 31.03.2021	
	No of shares	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	2,51,55,165	2,515.52	2,51,55,165	2,515.52	2,51,55,165	2,515.52
Shares Issued during the year	-	-	-	-	-	-
Shares bought back during the year	-	-	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>2,51,55,165</b>	<b>2,515.52</b>	<b>2,51,55,165</b>	<b>2,515.52</b>	<b>2,51,55,165</b>	<b>2,515.52</b>

##### a. Details of shareholding more than 5% at the end of the Year

Particulars	As at 31.03.2023		As at 31.03.2022		As at 31.03.2021	
	No of shares held	% of Holding	No of shares held	% of Holding	No of shares held	% of Holding
Suresh Atluri	26,52,377	10.54	26,52,377	10.54	26,52,377	10.54
Sailaja M	14,70,936	5.85	14,70,936	5.85	14,70,936	5.85
Challa Shanta Prasad	-	-	17,55,771	6.98	17,55,771	6.98
KRG Polychem Private Limited	18,75,000	7.45	18,75,000	7.45	18,75,000	7.45
Adhbutham Business Solutions Private Limited	18,05,000	7.18	18,05,000	7.18	18,45,000	7.33
Ramakrishna Prasad Kanuri	17,49,006	6.95	-	-	-	-
Bikkasani Puranachander Rao	13,33,333	5.30	-	-	-	-
<b>Total</b>	<b>1,08,85,652</b>	<b>43.27</b>	<b>95,59,084</b>	<b>38.00</b>	<b>95,99,084</b>	<b>38.15</b>

b. Details of shares held by Promoters at the end of the Year						
Particulars	As at 31.03.2023		As at 31.03.2022		As at 31.03.2021	
	No of shares held	% of Holding	No of shares held	% of Holding	No of shares held	% of Holding
Surinder Kumar Tikoo	2,25,000	0.89	2,25,000	0.89	2,25,000	0.89
Suresh Atluri	26,52,377	10.54	26,52,377	10.54	26,52,377	10.54
Parthsarathi Bhattacharya	10,00,000	3.98	10,00,000	3.98	10,00,000	3.98
Paturi Srinivasa Rao	5,000	0.02	5,000	0.02	5,000	0.02
Jayaramaprasad Munnangi	2,00,000	0.80	2,00,000	0.80	2,00,000	0.80
Nalluri Sai Charan	1,00,000	0.40	1,00,000	0.40	1,00,000	0.40
Satish Kumar Tondapu	11,86,901	4.72	11,86,901	4.72	11,86,901	4.72
Sailaja M	14,70,936	5.85	14,70,936	5.85	14,70,936	5.85
Visweswara Rao K	10,000	0.04	10,000	0.04	10,000	0.04
<b>Total</b>	<b>68,50,214</b>	<b>27.23</b>	<b>68,50,214</b>	<b>27.23</b>	<b>68,50,214</b>	<b>27.23</b>

*All amounts are ₹ in lakhs, except otherwise stated*

Note No. 15. Other Equity	Note no	31 March 2023	31 March 2022	31 March 2021
Securities premium	15.1	3,549	3,549.25	3,549.25
Retained earnings	15.2	(4,535.53)	(1,714.36)	(413.55)
Other Comprehensive Income	15.3	(21.78)	(7.20)	27.75
<b>Total</b>		<b>(1,008.05)</b>	<b>1,827.69</b>	<b>3,163.45</b>

15.1 Securities premium	31 March 2023	31 March 2022	31 March 2021
Opening balance	3,549.25	3,549.25	2402.58
<b>Add:</b> Additions during the year	-	-	1,146.67
<b>Total</b>	<b>3,549.25</b>	<b>3,549.25</b>	<b>3,549.25</b>

Amount received on issue of shares in excess of the face value has been classified as securities premium. This reserve will be utilised in accordance with provisions of Section 52 of the Companies Act, 2013.

*All amounts are ₹ in lakhs, except otherwise stated*

*All amounts are ₹ in lakhs, except otherwise stated*

15.2 Retained earnings	Note No.	31 March 2023	31 March 2022	31 March 2021
Opening balance		(1,714.36)	(413.55)	213.72
<b>Add:</b> Net profit/(loss) for the year		(2,821.16)	(1,300.82)	(627.26)
	(A)	<b>(4,535.53 )</b>	<b>(1,714.36)</b>	<b>(413.55)</b>
<b>Less:</b> Dividend distributed to equity shareholders	(B)	-	-	
	(A-B)	<b>(4,535.53)</b>	<b>(1,714.36)</b>	<b>(413.55)</b>
Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions to shareholders.				

*All amounts are ₹ in lakhs, except otherwise stated*

15.3 Other Comprehensive Income	Note No.	31 March 2023	31 March 2022	31 March 2021
<b>Actuarial Gain or Loss &amp; FVOCI Equity on Investments :</b>				
Opening balance	-	(7.20)	27.75	(7.00)
<b>Add:</b> Additions during the year	-	(14.58)	(34.95)	34.74
<b>Closing Balance</b>	-	<b>(21.78)</b>	<b>(7.20)</b>	<b>27.75</b>
Other Comprehensive Income (OCI) represents the amount recognised in other equity consequent to remeasurement of Defined Benefit Plan and Exchange differences arising on translation of the foreign operations				

#### Note 16 - Borrowings (Non-Current)

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
<b>a).Secured (at amortized cost)</b>			
Vehicle loans from banks			
i).HDFC Bank	10.97	15.90	-
<b>b) Unsecured Loans</b>			
i)Loans from NBFC	3,620.52	3,178.89	1,706.73

<b>Total</b>	<b>3,631.49</b>	<b>3,194.78</b>	<b>1,706.73</b>

#### Details of borrowings:

(i) Borrowings mentioned in (a) are secured by the hypothecation of respective vehicles for which loans are availed.

**Note:** Current Maturities of non-current borrowings amount of ₹4,92,891/- have been disclosed under the head Borrowings (Current) (Refer note:21)

#### Note 17 - Other Financial Liabilities

*All amounts are ₹ in lakhs, except otherwise stated*

	<b>Particulars</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Other Loans		-	63.90	63.90
	<b>Total</b>	<b>-</b>	<b>63.90</b>	<b>63.90</b>

#### Note 18 - Provisions (Non-Current)

*All amounts are ₹ in lakhs, except otherwise stated*

	<b>Particulars</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Provision for Gratuity (Refer note no 40)		44.56	33.56	32.82
Provision for Leave Encashment (Refer note no 40)		26.14	23.04	23.68
	<b>Total</b>	<b>70.70</b>	<b>56.60</b>	<b>56.51</b>

#### Note 19 - Lease Liabilities (Non-Current)

*All amounts are ₹ in lakhs, except otherwise stated*

	<b>Particulars</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Lease Liabilities		35.91	37.91	0.00
	<b>Total</b>	<b>35.91</b>	<b>37.91</b>	<b>0.00</b>

#### Note 20 - Other Non-Current Liabilities

*All amounts are ₹ in lakhs, except otherwise stated*

	<b>Particulars</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
Security Deposit		384.45	352.42	343.96
Aditya Birla Finance Ltd		491.28	494.67	256.28
	<b>Total</b>	<b>875.73</b>	<b>847.09</b>	<b>600.24</b>

#### Note 21-Borrowings (Current)

*All amounts are ₹ in lakhs, except otherwise stated*

	<b>Particulars</b>	<b>As at 31.03.2023</b>	<b>As at 31.03.2022</b>	<b>As at 31.03.2021</b>
<b>a).Secured Loans from Banks</b>				
<b><i>Repayable on Demand</i></b>				
i).HDFC Bank - Cash credit Account		486.97	1,448.50	1,493.78



ii).Kotak Mahindra Bank - Overdraft Account 1	485.08	483.52	499.37
iii).Kotak Mahindra Bank -Short Term Loan	500.00	1,000.00	1,000.00
iv).Kotak Mahindra Bank - Overdraft Account 2	93.10	148.16	196.43
v).HDFC Bank Term Loan (ECLGS Scheme)	79.95	133.36	167.00
vi).Kotak Mahindra Bank Term Loan (ECLGS Scheme)	139.88	235.40	295.00
vii).Current Maturities of Long term Borrowings	4.93	4.59	-
viii).HDFC Farmer Funding	-	500.00	500.00
<b>b).Preference shares</b>			
i).9% Cumulative Non-Convertible Redeemable Preference Share Capital at amortised cost	1,651.38	-	-
ii).Dividend accrued on 9% Cumulative Redeemable Preference shares	1.22	-	-
<b>c).Unsecured Loans from Related Parties</b>			
i).Munnangi Jayaram Prasad	351.10	-	-
ii).B. Mohana Krishna	795.78	516.67	-
iii).Paturi Srinivasa Rao	107.52	100.32	-
<b>d).Unsecured loans from others</b>			
i).Helcal Tubes & Ducts Pvt Ltd	60.00	60.00	60.00
ii).Jyoti Bio Energy Limited	473.68	254.36	-
iii).Challa Kodanda Ram	104.38	-	-
iv).Karafa Products Private Limited	212.70	-	-
v).Sai Naren Holdings Private Limited	-	50.87	-
vi).Prasad Seeds Private Limited	37.67	-	-
vi).Other Loans	77.00	-	-
vii).Ande Pratap Reddy	405.57	-	-
viii).A Shakuntala Devi	505.73	-	-
<b>Total</b>	<b>6,573.15</b>	<b>4,935.76</b>	<b>4,211.58</b>

(1) Cash Credit (CC),Overdraft(OD) and Others mentioned in (a) amounting to Rs. 571.86 lakhs (31 March 2022: Rs.2086.46) were obtained from HDFC Bank Reamaining amount mentioned in (a) amounting to Rs. 1218.06 lakhs (31 March 2022: Rs.1867.08) obtained from Kotak Bank respectively are secured by way of:

**HDFC Bank security details**

**a).Primary Security:**

i.The loan from HDFC Bank is primary secured against stock less than 180 days book debts and personal guarantee given by Mr. Ch. Rajendra Prasad and Fixed Deposit of 20% as security.

**b).Collateral Security:**

Pledge of equity shares of holding company.

**c).Guarantees: Personal guarantees of**

i).Mr.Surinder Tikoo

ii).Mr.PS Batttacharya

iii) Mr. Challa Rajendra Prasad.

**Kotak Mahindra Bank Security details**

**a).Primary Security:**

i.The loan from Kotak Mahindra Bank is primary first charge on all existing and future current assets/moveable fixed assets along with HDFC bank under MBA.

**b).Collateral Security:**

i). Pledge equity of 34,50,439 No's equity shares of holding company.

**c).Guarantees: Personal guarantees of**

- i).Mr.Suresh Atluri
- ii).Mr.Surinder Tikoo
- iii).Mr.PS Batttacharya
- iv) Mr. Challa Rajendra Prasad.

**\*2).Details of Preference shares**

i).The Group has borrowed the funds through issue of 60,00,000 No's 9% Cumulative non convertible Redeemable preference shares of face value of Re 10/- at an issue price price of Rs.30/- for an aggregate consideration Rs.1800.00/- lakhs on private placement which are repayable with in 1 year as per payments terms and the same has approved through EGM held on 26/03/2023.

**3).Details of Preference shares**

i).The Group has borrowed the funds through issue of 60,00,000 No's 9% Cumulative non-convertible Redeemable preference shares of face value of ₹ 10/- at an issue price of ₹30/- for an aggregate consideration ₹1800.00/- lakhs on private placement which are repayable within 1 year as per payments terms and the same has approved through Extra-Ordinary General Meeting held 26/03/2023.

**Note 22-Trade Payables**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Outstanding dues to micro enterprises and small enterprises	112.69	61.49	55.99
Outstanding dues to creditors other than micro enterprises and small enterprises	2,076.59	1,833.88	1,839.17
<b>Total</b>	<b>2,189.28</b>	<b>1,895.38</b>	<b>1,895.16</b>

**Refer Note 39 for Trade Payables Ageing Schedule**

**Note 23 - Lease Liabilities (Current)**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Current maturities of Lease Liabilities-Amortised Cost	35.61	18.41	-
<b>Total</b>	<b>35.61</b>	<b>18.41</b>	<b>-</b>

**Note 24 - Other financial Liabilities (current)**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021

Salary Payable	13.52	9.65	145.19
Bonus Payable	9.11	11.11	14.59
Sitting Fees Payable	1.00	-	-
Organizer Commission Payable	44.57	51.61	-
Incentives Payable	0.25	-	-
Professional charges Payable	0.48	-	-
Interest Payable	15.33	25.08	93.32
Other Expenses Payables	93.59	23.55	13.05
<b>Total</b>	<b>177.85</b>	<b>120.99</b>	<b>266.15</b>

#### Note 25 - Provisions (Current)

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Provision for Discounts	229.92	313.24	128.26
Provision for Gratuity (Refer note no 40)	36.76	21.85	-
Provision for Leave Encashment (Refer note no 40)	25.52	26.08	20.75
Provision for Income tax	4.67	4.67	4.97
Other Provisions	-	2.05	-
<b>Total</b>	<b>296.88</b>	<b>367.89</b>	<b>153.97</b>

#### Note 26 - Other Current Liabilities

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	As at 31.03.2023	As at 31.03.2022	As at 31.03.2021
Provision for Audit Fees	11.48	10.73	11.94
Provident fund payable	15.59	12.67	13.13
ESI Payable	0.31	0.34	0.38
TDS/TCS Payable	45.41	34.60	41.95
Professional Tax Payable	0.39	0.36	0.35
Advance From Customers	1,662.06	1,412.30	1,510.00
Payable on Preference shares recognised at amortised cost	147.40	-	-
GST Payable	4.81	7.86	2.97
<b>Total</b>	<b>1,887.45</b>	<b>1,478.87</b>	<b>1,580.73</b>

#### Note 27- Revenue from Operations

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the year ended 31-03- 2023	For the year ended 31-03-2022	For the year ended 31-03- 2021
Sale of Seeds	7,518.09	7,193.38	6,995.06
Less: Business Promotion Discount	1,506.63	1,532.82	1,310.76
<b>Total</b>	<b>6,011.46</b>	<b>5,660.56</b>	<b>5,684.30</b>

#### Note 28- Other Income

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022	For the year ended 31-03-2021
-------------	----------------------------------	----------------------------------	----------------------------------

Interest on Fixed deposits	14.04	13.92	17.35
Creditor Balances written Back	32.19	-	-
Interest Income on Rental deposit -Ind AS adjustment	1.07	0.19	-
Employee Notice Period Recovery	4.80	-	-
Interest Income On LIC Fund	0.38	-	-
Interest income due to fair value of Redeemable Preference shares	1.22	-	-
Other Incomes	6.11	4.20	135.80
<b>Total</b>	<b>59.80</b>	<b>18.30</b>	<b>153.15</b>

**Note 29 - Purchase and direct expenses**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022	For the year ended 31-03-2021
Packing Material & Other Purchases	418.51	456.56	476.44
Purchase of Seeds	3,160.96	2,565.06	2,177.57
Logistic Expenses	301.00	249.50	222.05
Production Expenses	170.09	183.91	94.42
<b>Total</b>	<b>4,050.56</b>	<b>3,455.02</b>	<b>2,970.47</b>

**Note 30 - Changes in inventories of finished goods, Work in Progress and Stock in trade**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the year ended 31-03-2023	For the year ended 31-03-2022	For the year ended 31-03-2021
<b>Opening stock</b>			
Packing Materials	332.91	207.40	114.28
Seeds	4,778.80	5,539.79	6,231.95
<b>Sub total (a)</b>	<b>5,111.71</b>	<b>5,747.19</b>	<b>6,346.22</b>
<b>Closing stock</b>			
Packing Materials	385.76	332.91	195.31
Seeds	3,422.67	4,778.80	5,551.88
<b>Sub total (b)</b>	<b>3,808.44</b>	<b>5,111.71</b>	<b>5,747.19</b>
<b>Total (a-b)</b>	<b>1,303.27</b>	<b>635.49</b>	<b>599.03</b>

**Note 31 - Employee Benefit expenses**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the year ended 31-03-2023	For the year ended 31-03- 2022	For the year ended 31-03-2021
Salaries, Wages & Bonus	1,527.46	1,282.79	1,295.02
Staff welfare expenses	2.68	8.12	5.90
ESI Contribution	3.16	3.66	5.90
Provident Fund & PF Admin	93.11	80.61	83.90
Insurance	36.54	9.79	22.64
Gratuity expenses	23.53	17.08	24.14
Leave encashment	15.06	23.23	35.75
<b>Total</b>	<b>1,701.54</b>	<b>1,425.27</b>	<b>1,473.25</b>

**Note 32 - Finance Cost**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the year ended 31-03-2023	For the year ended 31-03- 2022	For the year ended 31-03-2021
Interest on Loan from Banks and financial institutions	1,070.43	823.08	615.44
Interest Paid to Others	56.08	41.37	64.09
Interest on Lease	6.81	1.60	-
Loan Processing charges	6.94	5.54	16.52
Interest expense on MSME payable	0.96	-	-
9% Dividend on Cumulative Non-convertible redeemable Preference shares	1.22	-	-
Bank charges	2.31	-	-
<b>Total</b>	<b>1,144.76</b>	<b>871.58</b>	<b>696.05</b>

**Note 33. Depreciation and Amortisation**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the year ended 31-03-2023	For the year ended 31-03- 2022	For the year ended 31-03-2021
a) Depreciation and Amortisation	41.52	20.36	25.43
b) Depreciation on Right-of-use assets	36.78	8.09	-
<b>Total</b>	<b>78.30</b>	<b>28.45</b>	<b>25.43</b>

**Note 34 - Other Expenses**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the year ended 31-03-2023	For the year ended 31-03- 2022	For the year ended 31-03-2021
Audit Fee	8.00	8.75	9.50
Professional Charges	99.75	84.45	35.77
Internet Hosting Charges	1.47	4.68	-
Telephone Charges	1.34	1.61	-
Field Assistant Expenses	142.34	115.55	33.98
Field Day Expenses	3.89	14.75	-
Travelling Expenses	372.35	272.87	237.27
Internal Audit Fees	6.00	6.00	1.80
Sales and Marketing Expenses	159.05	67.05	97.34
Conveyance Expenses	6.47	5.40	-
Books & Periodicals	0.04	0.05	-

Rent	3.03	42.53	50.06
Rates & Taxes	55.24	62.29	45.29
Computer Maintenance	13.53	4.67	-
Printing & Stationery	3.40	3.78	-
Office Expenses	29.35	21.24	46.42
Bad Debts	93.20	-	-
R&D Expenses	574.46	325.59	245.06
Postage & Courier	4.45	1.27	-
Other Expenses	8.68	4.45	-
Dismantling Charges	-	6.00	-
Director's Sitting Fee	5.30	6.75	7.61
Merger Expenses	-	5.72	-
Listing fees	0.50	3.54	5.66
<b>Total</b>	<b>1,591.84</b>	<b>1,068.97</b>	<b>815.76</b>

#### Note 34.1 Audit Fees

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the year ended 31-03-2023	For the year ended 31-03- 2022	For the year ended 31-03-2021
a) For statutory audit	7.25	8.00	8.75
b). For Tax Audit	0.75	0.75	0.75
c).Reimbursement of Expenses			
<b>Total</b>	<b>8.00</b>	<b>8.75</b>	<b>9.50</b>

#### Note No. 35 - Income Tax

The major components of income tax expenses for the year ended 31 March 2023, 31 March 2022 and 31 March 2021 are as follows:

Profit or loss section	31 March 2023	31 March 2022	31 March 2021
Current tax expense	-	-	-
Adjustment of tax relating to earlier periods	-	-	-
MAT credit utilisation	-	-	-
Deferred tax	(977.84)	(441.96)	(132.47)
<b>Total income tax expense recognised in Statement of Profit and Loss</b>	<b>(977.84)</b>	<b>(441.96)</b>	<b>(132.47)</b>

OCI section	31 March 2023	31 March 2022	31 March 2021
Tax Effect on OCI items	4.90	(0.13)	(1.91)
<b>Income tax charged to OCI</b>	<b>4.90</b>	<b>(0.13)</b>	<b>(1.91)</b>

(a) The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	31 March 2023	31 March 2022	31 March 2021
Profit before tax	(3,799.01)	(1,808.23)	(759.73)

Enacted income tax rate in India	25.17%	25.17%	25.17%
Computed expected tax expense	(956.21)	(455.13)	(191.22)
<b>Add/(Less): Tax effect on account of:</b>			
Items which are not tax deductible for computing taxable income	23.46	3.23	-
Adjustments for prior periods	-	-	-
Effect of items which are not taxable for computing taxable income	-	-	-
Others	(45.09)	9.94	58.75
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>(977.84)</b>	<b>(441.96)</b>	<b>(132.47)</b>

<b>Deferred tax</b>	<b>31 March 2023</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Deferred tax asset/(liability) (net)	1499.42	516.92	75.08
MAT credit entitlement	46.72	46.72	46.72
<b>Deferred tax asset (net)</b>	<b>1546.14</b>	<b>563.64</b>	<b>121.80</b>

(b) **Deferred tax (liabilities)/assets (net) as at 31 March 2023, as detailed below reflect the quantum of tax liabilities/(assets) accrued up to 31 March 2023**

<b>2022-23</b>	<b>Opening balance</b>	<b>Recognised in Statement of profit and loss</b>	<b>Recognised in other comprehensive income</b>	<b>MAT Credit availed/(utilization)</b>	<b>Closing balance</b>
Deferred tax (liabilities) /assets in relation to:					
MAT credit	46.72	-	-	-	46.72
<b>Timing difference on:</b>					
-Property, plant and equipment	4.35	2.09	-	-	6.44
-Carried forward losses	600.97	923.43	-	-	1,524.40
-Right of use assets	-	3.38			3.38
-Remeasurement of defined benefit plans	0.59	21.28	4.90	-	26.77
-On account of depreciation of Subsidiary's PPE	(64.08)	2.51	-	-	(61.57)
-on account of Investments	(24.91)	24.91	-	-	-
<b>Deferred tax (liabilities) /assets (Net)</b>	<b>563.64</b>	<b>977.60</b>	<b>4.90</b>	<b>-</b>	<b>1,546.14</b>

(c) **Deferred tax (liabilities)/assets (net) as at 31 March 2022, as detailed below reflect the quantum of tax liabilities/(assets) accrued upto 31 March 2022**

*All amounts are ₹ in lakhs, except otherwise stated*

2021-22	Opening balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	MAT Credit availed/(utilization)	Closing balance
Deferred tax (liabilities) /assets in relation to:					
MAT credit	46.72	-	-	-	46.72
<b>Timing difference on:</b>	4.81	(0.46)	-	-	4.35
-Property, plant and equipment					
-Carried forward losses	136.51	464.46	-	-	600.97
-Right of use assets	-	-	-	-	-
-Remeasurement of defined benefit plans	(1.91)	2.63	(0.13)	-	0.59
-On account of depreciation of Subsidiary's PPE	(64.33)	0.25	-	-	(64.08)
-on account of Investments	-	(24.91)	-	-	(24.91)
<b>Deferred tax (liabilities) /assets (Net)</b>	<b>121.80</b>	<b>441.97</b>	<b>(0.13)</b>	-	<b>563.64</b>

(d) Deferred tax (liabilities)/assets (net) as at 31 March 2021, as detailed below reflect the quantum of tax liabilities/(assets) accrued upto 31 March 2021

*All amounts are ₹ in lakhs, except otherwise stated*

2020-21	Opening balance	Recognised in Statement of profit and loss	Recognised in other comprehensive income	MAT Credit availed/(utilization)	Closing balance
Deferred tax (liabilities) /assets in relation to:	46.72	-	-	-	46.72
MAT credit					
<b>Timing difference on:</b>	8.61	(3.80)	-	-	4.81
-Property, plant and equipment					
-Carried forward losses	-	136.51	-	-	136.51
-Right of use assets	-	-	-	-	-
-Remeasurement of defined benefit plans	-	-	(1.91)	-	(1.91)
-On account of depreciation of Subsidiary's PPE	(64.33)	-	-	-	(64.33)
-on account of Investments	-	-	-	-	-
<b>Deferred tax (liabilities) /assets (Net)</b>	<b>(9.00)</b>	<b>132.71</b>	<b>1.91</b>	-	<b>121.80</b>

**Note 36: Ageing Schedule for Capital work in Progress**

*All amounts are ₹ in lakhs, except otherwise stated*

**As at 31.03.2023**



Particulars	Amount in CWIP For a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Furniture	-	110.00	-	-	110.00
<b>Total</b>	-	<b>110.00</b>	-	-	<b>110.00</b>
<b>As at 31.03.2022</b>					
Particulars	Amount in CWIP For a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Furniture	110.00	-	-	-	110.00
<b>Total</b>	<b>110.00</b>	-	-	-	<b>110.00</b>
<b>As at 31.03.2021</b>					
Particulars	Amount in CWIP For a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Furniture	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

**Note 37: Ageing schedule of Product under Development**

*All amounts are ₹ in lakhs, except otherwise stated*

<b>As at 31.03.2023</b>					
Particulars	Amount in Product Under development For a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Intangibles Under Development	76.84	153.03	150.90	-	380.78
<b>Total</b>	<b>76.84</b>	<b>153.03</b>	<b>150.90</b>	-	<b>380.78</b>
<b>As at 31.03.2022</b>					
Particulars	Amount in Product Under development For a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Intangibles Under Development	153.03	150.90	-	-	303.93
<b>Total</b>	<b>153.03</b>	<b>150.90</b>	-	-	<b>303.93</b>
<b>As at 31.03.2021</b>					
Particulars	Amount in Product Under development For a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Intangibles Under Development	150.90	-	-	-	150.90
<b>Total</b>	<b>150.90</b>	-	-	-	<b>150.90</b>

**Note 38: Trade Receivable Ageing Schedule**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Trade Receivable Outstanding as on 31.03.2023					
	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed trade Receivables - Considered Good	1,352.87	283.46	117.98	89.27	-	1,843.57
Undisputed trade Receivables -which have significant increase in credit Risk	-	-	-	-	-	-

Undisputed trade receivables - Credit impaired	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit Risk	-	-	-	-	-	-
Disputed trade Receivables - Credit Impaired	-	-	-	-	-	-
<b>Total</b>	<b>1,352.87</b>	<b>283.46</b>	<b>117.98</b>	<b>89.27</b>	<b>-</b>	<b>1,843.57</b>
<b>Less: Allowance for credit impaired receivables</b>						<b>88.48</b>
<b>Less: provision for expected Sales returns</b>						<b>121.25</b>
<b>Net Trade Debtors</b>						<b>1,633.84</b>

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Trade Receivable Outstanding as on 31.03.2022					
	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed trade Receivables - Considered Good	1612.36	242.01	-	-	-	1854.37
Undisputed trade Receivables -which have significant increase in credit Risk	-	-	-	-	-	-
Undisputed trade receivables - Credit impaired	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit Risk	-	-	-	-	-	-
Disputed trade Receivables - Credit Impaired	-	-	-	-	-	-
<b>Total</b>	<b>1612.36</b>	<b>242.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1854.37</b>

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Trade Receivable Outstanding as on 31.03.2021					
	Less than 6 Months	6 Months -1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Undisputed trade Receivables - Considered Good	402.74	141.25	226.98	-	-	770.97
Undisputed trade Receivables -which have significant increase in credit Risk	-	-	-	-	-	-
Undisputed trade receivables - Credit impaired	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit	-	-	-	-	-	-

Risk						
Disputed trade Receivables - Credit Impaired	-	-	-	-	-	-
<b>Total</b>	<b>402.74</b>	<b>141.25</b>	<b>226.98</b>	<b>-</b>	<b>-</b>	<b>770.97</b>

**Note 39: Trade Payable Ageing Schedule**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Trade Payable Outstanding as on 31.03.2023					
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	112.69	-	-	-	112.69
(ii) Others	-	2,067.13	0.67	1.03	7.76	2,076.59
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2,179.82</b>	<b>0.67</b>	<b>1.03</b>	<b>7.76</b>	<b>2,189.28</b>

Particulars	Trade Payable Outstanding as on 31.03.2022					
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	61.49	-	-	-	61.49
(ii) Others	-	1,833.59	0.17	0.13	-	1,833.89
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,895.08</b>	<b>0.17</b>	<b>0.13</b>	<b>-</b>	<b>1,895.38</b>

Particulars	Trade Payable Outstanding as on 31.03.2021					
	Unbilled	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	55.99	-	-	-	55.99
(ii) Others	-	1,681.85	157.32	-	-	1,839.17
(iii) Disputed dues -MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,737.84</b>	<b>157.32</b>	<b>-</b>	<b>-</b>	<b>1,895.16</b>

**Note 40: Employee Benefit Obligations**

*All amounts are ₹ in lakhs, except otherwise stated*

**A. Expenses Recognized for Defined Contribution Plan**

Particulars	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Company's contribution to Provident Fund	93.11	82.86	85.34
Company's contribution to ESI	3.16	3.66	4.46

**B.** Below tables sets forth the changes in the projected benefit obligation and plan assets and amounts recognised in the Consolidated Balance Sheet as at March 31, 2023, March 31, 2022 and March 31, 2021, being the respective

measurement

# I. Change in Defined Benefit Obligation

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Gratuity			Leave Encashment Non Funded		
	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>Defined Benefit Obligation at the beginning</b>	<b>55.88</b>	<b>34.97</b>	<b>25.77</b>	<b>49.12</b>	<b>44.43</b>	<b>47.62</b>
Current Service Cost	21.14	14.94	11.57	11.86	20.62	20.96
Interest Expense	3.37	1.78	1.76	3.20	2.60	3.25
Benefit Payments from Employer	-19.73	-18.55	-	-10.93	-13.63	-
Remeasurements - Due to Demographic assumptions	1.02			0.21		
Remeasurements - Due to Financial Assumptions	-0.24	-0.48	-0.09	-0.15	-0.27	-0.06
Remeasurements - Due to Experience Adjustments	19.92	23.22	-4.04	-1.65	-4.62	-27.33
<b>Defined Benefit Obligation at the end</b>	<b>81.33</b>	<b>55.88</b>	<b>34.97</b>	<b>51.66</b>	<b>49.12</b>	<b>44.43</b>
<b>Discount Rate</b>	<b>7.51%</b>	<b>7.33%</b>	<b>6.91%</b>	<b>7.51%</b>	<b>7.33%</b>	<b>6.91%</b>
<b>Salary Escalation Rate</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>

# II. Components of Defined Benefit Cost

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Gratuity			Leave Encashment Non Funded		
	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Current Service Cost	21.14	14.94	11.57	11.86	20.62	20.96
Past Service Cost	-	-	-	-	-	-
(Gain) / Loss on Settlements	-	-	-	-	-	-
Reimbursement Service Cost	-	-	-	-	-	-
<b>Total Service Cost</b>	<b>21.14</b>	<b>14.94</b>	<b>11.57</b>	<b>11.86</b>	<b>20.62</b>	<b>20.96</b>
Interest Expense on DBO	3.37	1.78	1.76	3.20	2.60	3.25
Interest (Income) on Plan Assets	-0.99	-0.92				
<b>Total Net Interest Cost</b>	<b>2.39</b>	<b>0.85</b>	<b>1.76</b>	<b>3.20</b>	<b>2.60</b>	<b>3.25</b>
Reimbursement of Other Long Term Benefits						
<b>Defined Benefit Cost included in P &amp; L</b>	<b>23.53</b>	<b>15.80</b>	<b>12.47</b>	<b>15.06</b>	<b>0.83</b>	<b>0.69</b>
Remeasurements - Due to Demographic Assumptions	1.02	-	-	0.21	-	-
Remeasurements - Due to Financial Assumptions	-0.27	-0.48	-0.09	-0.15	-0.27	-0.06
Remeasurements - Due to Experience Adjustments	19.92	23.22	-4.04	-1.65	-4.62	-27.33
Changes in Asset Ceiling /		-	-	-	-	-

Onerous Liability						
(Return) on Plan Assets (Excluding Interest Income)	0.41	1.34		-		
<b>Total Remeasurements in OCI</b>	<b>21.07</b>	<b>24.08</b>	<b>-4.13</b>	<b>-1.59</b>	<b>-4.89</b>	<b>-27.39</b>
<b>Total Defined Benefit Cost recognized in P&amp;L and OCI</b>	<b>44.60</b>	<b>39.87</b>	<b>8.31</b>	<b>13.47</b>	<b>18.33</b>	<b>-3.19</b>
<b>Discount Rate</b>	<b>7.51%</b>	<b>7.33%</b>	<b>6.91%</b>	<b>7.51%</b>	<b>7.33%</b>	<b>6.91%</b>
<b>Salary Escalation Rate</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>

### III. Change in Fair value of plan assets

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Gratuity			Leave Encashment Non Funded		
	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>Fair Value of Plan Assets at the beginning</b>	<b>13.46</b>	<b>12.79</b>	-	-	-	-
Interest Income	0.99	0.92		-	-	-
Employer Contributions	-	1.09		-	-	
Employer Direct Benefit Payments	(15.96)	18.55		10.93	13.63	
Employer Direct Settlement Payments	-	-		-	-	
Benefit Payments from Plan Assets	-	-		-	-	
Benefit Payments from Employer	(15.96)	(16.06)		(10.93)	-13.63	
Settlement Payments from Plan Assets	-	-		-	-	
Settlement Payments from Employer	-	-		-	-	
Other (Employee Contribution, Taxes, Expenses)	-	-		-	-	
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-		-	-	
Increase / (Decrease) due to Plan combination	-	-		-	-	
Remeasurements - Return on Assets (Excluding Interest Income)	(0.41)	(1.34)		-	-	
<b>Fair Value of Plan Assets at the end</b>	<b>14.04</b>	<b>13.46</b>	-	-	-	-

### Weighted average change in asset allocation at the end of current Period

Particulars	Gratuity			Leave Encashment Non Funded		
	For the	For the	For the Year	For the	For the Year	For the Year

	Year Ended 31.03.2023	Year Ended 31.03.2022	Ended 31.03.2021	Year Ended 31.03.2023	Ended 31.03.2022	Ended 31.03.2021
Equities	0%	0%	0%	0%	0%	0%
Bonds	0%	0%	0%	0%	0%	0%
Gilts	0%	0%	0%	0%	0%	0%
Insurance Policies	100%	100%	100%	100%	100%	100%

#### IV. Amounts recognized in the Statement of Financial Position

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Gratuity			Leave Encashment Non Funded		
	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Defined Benefit Obligation	81.33	55.88	34.97	51.66	49.12	44.43
Fair Value of Plan Assets	14.04	14.04	14.04	0.00	0.00	0.00
<b>Funded Status</b>	67.29	42.41	22.18	51.66	49.12	44.43
Effect of Asset Ceiling / Onerous Liability	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Defined Benefit Liability / (Asset) Of which,</b>	<b>67.29</b>	<b>42.41</b>	<b>22.18</b>	<b>51.66</b>	<b>49.12</b>	<b>44.43</b>
<b>Short term Liability</b>	<b>36.77</b>	<b>22.74</b>	<b>5.18</b>	<b>25.52</b>	<b>26.08</b>	<b>20.75</b>

#### v.Net Defined Benefit Liability / (Asset) reconciliation

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Gratuity			Leave Encashment Non Funded		
	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>Net Defined Benefit Liability / (Asset) at the beginning</b>	<b>42.41</b>	<b>20.85</b>	<b>14.04</b>	<b>49.12</b>	<b>44.43</b>	<b>47.62</b>
Defined Benefit Cost included in P & L	23.53	15.80	12.47	15.06	23.22	24.21
Total Remeasurements included in OCI	21.07	24.08	(4.16)	(1.59)	(4.89)	(27.39)
Net Transfer In / (Out) (Including the effect of any business combination / divesture)	-	-	-	-	-	-
Amount recognized due to Plan Combinations	-	-	-	-	-	-
Employer Contributions	-	-	-	-	-	-
Employer Direct Benefit Payments	(19.73)	(18.55)	-	(10.93)	(13.63)	-
Employer Direct Settlement	-	-	-	-	-	-

Payments							
Credit to Reimbursements	-	-	-	-	-	-	-
<b>Net Defined Benefit Liability / (Asset) at the end</b>	<b>67.29</b>	<b>41.08</b>	<b>20.85</b>	<b>51.66</b>	<b>49.12</b>	<b>44.43</b>	

#### VI. Experience Adjustments on Present Value of DBO and Plan Assets

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	Gratuity			Leave Encashment Non Funded		
	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
(Gain) / Loss on Plan Liabilities	19.92	23.22	-4.04	-1.40	-4.62	-2.12
% of Opening Plan Liabilities	32.50%	117%	-54%	-3.65%	54%	-75%
Gain / (Loss) on Plan Assets	-0.41	-1.34	0.04	0.00	0.00	0.00
% of Opening Plan Assets	0.03	102.80%	0.32%	0.00	0.00	0.00

#### VII. Sensitivity Analysis

Discount Rate, Salary Escalation Rate and Withdrawal Rate are significant actuarial assumptions. The change in the Present Value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

As at 31.03.2023		Gratuity		Leave encashment (Unfunded)	
Particulars	Percentage Change	DBO	Percentage Change	DBO	
Under Base Scenario	0.0%	81.33	0.0%	51.66	
Salary Escalation - Up by 1%	2.5%	83.39	2.5%	52.83	
Salary Escalation - Down by 1%	-2.5%	79.34	-2.5%	50.52	
Withdrawal Rates - Up by 1%	-2.9%	78.96	-2.9%	51.58	
Withdrawal Rates - Down by 1%	0.5%	81.71	0.5%	51.74	
Discount Rates - Up by 1%	-1.8%	79.85	-1.8%	50.86	
Discount Rates - Down by 1%	1.9%	82.90	1.9%	52.51	

As at 31.03.2022		Gratuity		Leave encashment (Unfunded)	
Particulars	Percentage Change	DBO	Percentage Change	DBO	
Under Base Scenario	0.0%	55.88	0.0%	49.12	
Salary Escalation - Up by 1%	2.7%	57.36	2.0%	50.08	
Salary Escalation - Down by 1%	-2.6%	54.44	-1.9%	48.18	
Withdrawal Rates - Up by 1%	-0.6%	55.52	-0.1%	49.07	
Withdrawal Rates - Down by 1%	0.7%	56.24	0.1%	49.18	
Discount Rates - Up by 1%	-2.0%	54.77	-1.2%	48.51	
Discount Rates - Down by 1%	2.1%	57.05	1.3%	49.76	

As at 31.03.2021		Gratuity		Leave encashment (Unfunded)	
Particulars	Percentage Change	DBO	Percentage Change	DBO	
Under Base Scenario	0.0%	38.00	0.0%	44.48	
Salary Escalation - Up by 1%	3.6%	39.41	2.2%	45.47	
Salary Escalation - Down by 1%	-3.4%	36.69	-2.2%	43.51	
Withdrawal Rates - Up by 1%	-1.3%	37.53	-0.2%	44.40	
Withdrawal Rates - Down by 1%	1.4%	38.43	0.2%	44.55	
Discount Rates - Up by 1%	-3.0%	36.86	-1.6%	43.80	

Discount Rates - Down by 1%	3.2%	39.26	1.6%	45.20
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**VIII. Bifurcation of Present Value of Obligations at the end of the valuation period as per schedule III of the Companies Act, 2013**

Particulars	Gratuity			Leave Encashment Non Funded		
	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021	For the Year Ended 31.03.2023	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Current Liabilities	36.77	21.85	-	25.52	26.08	20.75
Non-Current Liabilities	44.56	33.56	32.82	26.14	23.04	23.68

**IX. Employee benefit expense**

Particulars	Financial Year Ending 31.03.2023	Financial Year Ending 31.03.2022	Financial Year Ending 31.03.2021
Salaries, Wages & Bonus	1,527.46	1,282.62	1,294.43
Employee welfare expenses	2.68	18.07	29.13
Costs defined contribution plan	96.28	84.27	89.80
Costs defined benefit plan	38.59	40.31	59.89
<b>Total</b>	<b>1,665.01</b>	<b>1,425.27</b>	<b>1,473.25</b>



**Note 41: Name of the Related Party and Related party transactions****For Financial Year 2022-23**

Sl No	Name of the related Party	Relationship
1	Tierra Seed Science Private Limited	Wholly owned subsidiary
2	Tidas Agrotech Private Limited	Joint Venture
3	Vijay Kumar Deekonda	Whole time director & CFO
4	Sridevi Dasari	Independent Director (Resignation W.e.f 02.09.2022)
5	Srinivasa Rao Paturi	Non-Executive Non Independent Director
6	Suryanarayana Simhadri	Independent Director
7	Bandi Mohan Krishna	Non-Executive Non Independent Director( Resignation w.e.f. 16.03.2023)
8	Venkata Krishna Raju Gogineni	Independent Director
9	Munnangi Jayaram Prasad	Non-Executive Non Independent Director (Appointed W.e.f 02.09.2022)
10	Neha Soni	Independent Director ( Appointed W.e.f 02.09.2022)
11	Surinder Kumar Tikoo	Director
12	Hari Singh Chauhan	Chief Executive officer
13	Y Hari priya	Company secretary ( From 08.08.2022-27.10.2022)
14	K Anagha Devi	Company secretary ( From 27.10.2022 onwards)
15	Parthasarathi Bhattacharya	Director( Wholetime Director in Tierra Seed Science Private Limited)

**For Financial Year 2021-22**

Sl No	Name of the related Party	Relationship
1	Tierra Seed Science Private Limited	Wholly owned subsidiary
2	Tidas Agrotech Private Limited	Joint Venture
3	Vijay Kumar Deekonda	Director till 27.12.2021 , Appointed as Wholetime director w.e.f 27.12.2021
4	Sridevi Dasari	Non-Executive Independent Director till 27.12.2021.
		Appointed as Independent Director 27.12.2021
5	Srinivasa Rao Paturi	Non-Executive Non Independent Director
6	Suryanarayana Simhadri	Independent director
7	Bandi Mohan Krishna	Non-Executive Non Independent Director

8	Venkata Krishna Raju Gogineni	Independent director
9	Surinderkumar Tikoo	Director
10	Hari Singh Chauhan	Chief Executive Officer (Appointed on 27.01.2022)
11	A.V Kiran	Company secretary ( Appointed on 27.12.2021 - Resigned W.e.f 14.02.2022)
12	Parthasarathi Bhattacharya	Director( Wholetime Director in Tierra Seed Science Private Limited)

#### Financial Year 2020-21

Sl No	Name of the related Party	Relationship
1	Tierra Seed Science Private Limited	Wholly owned subsidiary
2	Tidas Agrotech Private Limited	Joint Venture
3	Vijay Kumar Deekonda	Director
4	Venkata Krishna Raju Gogineni	Independent Director
5	Suryanarayana Simhadri	Independent Director
6	Ramesh Babu Nemani	Independent Director
7	Venkata Achanta	Independent Director
8	Sridevi Dasari	Non-Executive Director
9	Srinivasa Rao Paturi	Non-Executive Director
10	Bandi Mohan Krishna	Non-Executive Director
11	Suresh Atluri	Non-Executive Director
12	Renuka Gunashekar	Company secretary (From 01.10.2020 till 03.05.2021)
13	Neha Dwivedi	Company secretary (From 30.09.2020)
14	Parthasarathi Bhattacharya	Director( Wholetime Director in Tierra Seed Science Private Limited)

Sl No	Name of the related Party	Nature of Relationship	Particulars	Transactions		
				2022-23	2021-22	2020-21
1	Tidas Agrotech Private Limited	Joint Venture	Loans/Advances Given	30.87	47.09	14.20
2	Vijay Kumar Deekonda	Whole time Director	Remuneration Paid	13.80	13.80	13.80
3	Sridevi Dasari	Director	Sitting Fees Paid	1.17	1.30	1.71
4	Srinivasa Rao Paturi	Director	Sitting Fees Paid	1.13	0.65	0.11
			Loan	7.20	100.00	-
			Rent	1.44	1.44	1.44
5	Suryanarayana Simhadri	Director	Sitting Fees Paid	2.03	1.25	0.23
6	Bandi Mohan Krishna	Director	Sitting Fees Paid	1.58	0.95	0.23
			Loan	279.12	766.67	-
7	Venkata Krishna Rau Gogineni	Director	Sitting Fees Paid	1.71	1.20	0.23
8	Munnangi Jayaram Prasad	Director	Sitting Fees Paid	0.27	-	-
			Loan	350.00	-	-
9	Neha Soni	Director	Sitting Fees	0.45	-	-

			Paid			
10	Hari Singh Chauhan	Chief executive Officer	Remuneration	183.43	21.79	-
11	Haripriya	Company Secretary	Remuneration	0.67	-	-
12	K Anagha Devi	Company Secretary	Remuneration	2.30	-	-
13	AV Kiran	Company Secretary	Remuneration	-	3.96	-
14	Parthasarathi Bhattacharya	Whole Time Director.	Remuneration	62.28	59.78	-
15	Neha Dwivedi	Independent director	Remuneration	-	-	3.63
16	Renuka Gunashekar	Independent director	Remuneration	-	-	2.75
17	Surinder kumar Tikoo	Director	Remuneration	9.00	36.00	-

b).Related party outstanding balances are as follows:--

Sl No	Name of the Related Party	Nature of Relationship	Particulars	Balances outstanding as at 31 March 2023	Balances outstanding as at 31 March 2022	Balances outstanding as at 31 March 2021
1	Tidas Agrotech Private Limited	Joint Venture	Loans & Advances	(105.21)	(74.34)	(27.26)
2	Sridevi Dasari	Director	Sitting Fees Payable	-	1.17	1.56
3	Srinivasa Rao Paturi	Director	Sitting Fees Payable	0.14	0.59	0.10
			Loan	107.52	100.31	
4	Suryanarayana Simhadri	Director	Sitting Fees Payable	0.18	1.13	0.21
5	Bandi Mohan Krishna	Director	Sitting Fees Payable	0.14	0.86	0.21
			Loan	795.78	516.67	
6	Venkata Krishna Rau Gogineni	Director	Sitting Fees Payable	0.14	1.08	0.21
7	Munnanghi Jayaram Prasad	Director	Sitting Fees Payable	0.09	-	-
			Loan	351.10	-	-
8	Parthasarathi Bhattacharya	Whole Time Director	Remuneration	-	3.51	-
9	Surinder kumar Tikoo	Director	Remuneration	-	2.27	-

**Note: (-) Represents debit balances**

**Note 42: Earning Per share**

Basic EPS amounts are computed by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit/(loss) attributable to equity holders by the weighted average number of equity shares outstanding during the period/year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022	For the Year ended 31.03.2021
<b>Profit/(Loss) for the Period after tax</b>	<b>(2,821.16)</b>	<b>(1,366.27)</b>	<b>(627.26)</b>
Weighted average no of equity shares for Basic EPS	2,51,55,165	2,51,55,165	2,51,55,165
Effect of Dilution	-	-	-
Weighted average no of equity shares for Diluted EPS	2,51,55,165	2,51,55,165	2,51,55,165
<b>Basic EPS</b>	<b>(11.22)</b>	<b>(5.43)</b>	<b>(2.49)</b>
<b>Diltued EPS</b>	<b>(11.22)</b>	<b>(5.43)</b>	<b>(2.49)</b>

\*For Earning Per Share Computation, shares in (No's) were considered for Weighted average number of shares.

**Note 43: Auditor Remuneration**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the Year ended 31.03.2023	For the Year ended 31.03.2022	For the Year ended 31.03.2021
Audit Fee	7.25	8.00	8.75
Taxation	0.75	0.75	0.75
Certification and other services	-	-	-
Remibursement of expenses	-	-	-
<b>Total</b>	<b>8.00</b>	<b>8.75</b>	<b>9.50</b>

**Note 44. Disclosure pursuant to Indian Accounting Standard (Ind AS) 108 "Operating Segments"**

a). The Group's operations predominantly consist of Agriculture Sale of Agriculture Seeds. The Group's Chief Operating Decision Maker (CODM) review the operations of the Group as a single reportable segment only. Hence, there are no reportable segments under Ind AS 108. Accordingly, the disclosure requirements specified in paragraphs 22 to 30 are not applicable.

**b). Geographical information**

The Group operates in single principal geographical area i.e., India. Though the Group has operations across various geographies within India, the same are considered as a single operating segment considering the following factors

-These operating segments have similar long term gross profit margins

-The nature of the products and production processes are similar and the methods used to distribute the products to the customers are the same.

c). In view of the above mentioned classification of business and geographical segments the particulars relating to Segment revenue and results, Segment assets and liabilities, Other segment information, revenue from major products and services, geographical information are not required to be furnished.

**45. Contingencies and Commitments:**

**Claims against the company acknowledged as debts**

- i) On account of Direct tax matter\* - Rs.94.44 lakhs (March 31 2022 :Nil)
- ii) Other claims#

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

**\*Income tax**

Tierra seeds science pvt ltd (subsidiary company) has received a demand notice u/s. 156 of the Income Tax Act, 1961 demanding a penalty of Rs. 94.44 lakhs against which order was passed u/s. 271(1)(c) of the Income Tax Act directing TSSPL to pay the penalty.

Against the said order, Tierra Seed Science Private Limited has preferred an Appeal before the Commissioner of Appeals (Income Tax) u/s. 246(a) of the Income Tax Act.

**#Claims**

There are various claims against the Company, the majority of which pertain to government body investigations with regards to regulatory compliances (Regulation of Supply, Distribution, Sale and fixation of Sale Price Act, Essential Commodities Act, Andhra Pradesh Cotton Seeds Act) for seed sampling failure and consumer complaints under the consumer protection Act 1986 & 2019 regarding with this matter the amount of possible liability is not ascertainable based on the opinion given by the external legal counsel accordingly the same has disclosed in accordance with Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

**46. The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at 31.03.2023, 31.03.2022 and 31.03.2021 is as under**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	31.03.2023	31.03.2022	31.03.2021
a).The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	112.69	61.49	55.99
b).the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-
c).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 Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-
d).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	0.95	-	-

e) Dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-
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**Note: The list of undertakings covered under MSMED Act was determined by the Group on the basis of information available with the Group.**

#### **Note 47: Financial instruments**

B. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

*All amounts are ₹ in lakhs, except otherwise stated*

<b>Particulars</b>	<b>Fair Value 31.03.2023</b>	<b>Amortised cost 31.03.2023</b>	<b>Fair Value 31.03.2022</b>	<b>Amortised cost 31.03.2022</b>	<b>Fair Value 31.03.2021</b>	<b>Amortised cost 31.03.2021</b>
<b>Financial Assets</b>						
Trade Receivables	-	1,633.84	-	1,854.37	-	770.97
Loans and advances	-	139.71	-	173.14	-	147.71
Cash and cash Equivalents	-	281.70	-	51.77	-	320.20
Bank balances other than above	-	332.93	-	332.93	-	6.54
Other financial assets	-	76.21	-	49.98	-	61.29
Investments	-	-	-	-	-	342.09
<b>Total</b>	<b>-</b>	<b>2,464.38</b>	<b>-</b>	<b>2,462.19</b>	<b>-</b>	<b>1,648.81</b>
<b>Financial Liabilities</b>						
Borrowings (Non-Current)	-	3,631.49	-	3,194.78	-	1,706.73
Other financial Liabilities	-	-	-	63.90	-	63.90
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Borrowings	-	6,573.15	-	4,935.76	-	4,211.58
Trade Payables	-	2,189.28	-	1,895.38	-	1,895.16
Lease Liabilities	-	71.51	-	56.32	-	-
<b>Other financial Liabilities</b>	<b>-</b>	<b>177.85</b>	<b>-</b>	<b>120.99</b>	<b>-</b>	<b>266.16</b>
<b>Total</b>	<b>-</b>	<b>12,643.28</b>	<b>-</b>	<b>10,267.13</b>	<b>-</b>	<b>8,143.52</b>

The fair value of trade receivables, other financial assets, cash and cash equivalents, other bank balances, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

C. Measurement of fair values

#### **i). Transfer between Level 1 and 2**

There have been no transfers from Level 2 to Level 1 or vice-versa in the current year and no transfers in either direction in previous year.

#### **Note 48. Financial risk management objectives and policies**

The Group's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Group's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set

appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group is exposed to the Credit risk and Liquidity risk.

**1. Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly three types of risk:

Interest rate risk, currency risk and other price risk such as equity price risk and commodity risk.

The Group has an elaborate risk management system to inform Board Members about risk management and minimization procedures

**a) Interest Rate Risk:**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Group mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings.

The Group regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect Cost of Funding.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other before tax is affected through the impact on finance cost with respect to our borrowing, as follows: variables held constant, the Group's profit / (Loss)

**b) Commodity Price Risk and Sensitivity:**

Commodity price fluctuations can have an impact on the demand of seeds for particular crop. Therefore, we track the commodity price movements very closely and take advance production decisions accordingly. In addition to the above, Group also maintains a strategic buffer inventory to ensure that such disruptions do not impact the business significantly.

**c) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency). Considering the countries and economic environment in which the group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

Any movement in the functional currency of the various operations of the group against major foreign currencies may impact the Group's revenue in international business. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.





**i). Expenditure in Foreign exchange**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the Period Ended 31.03.2023	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
Import of Vegetable seeds	105.11	57.83	16.85
<b>Total</b>	<b>105.11</b>	<b>57.83</b>	<b>16.85</b>

**ii). Earnings in Foreign exchange**

*All amounts are ₹ in lakhs, except otherwise stated*

Particulars	For the Period Ended 31.03.2023	For the Period Ended 31.03.2022	For the Period Ended 31.03.2021
FOB Value of Exports	Nil	Nil	Nil
Interest Earned	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**2. Credit Risk:**

Credit risk is the risk that counterparty might not honour its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

**a). Trade Receivables:** Customer credit risk is managed based on Group's established policy, procedures and controls. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Group has a well-defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. Impairment analysis is performed based on historical data at each reporting date on an individual basis. However, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively.

**b). Provision for Expected Credit Losses:** The Group makes allowances for expected credit losses which is being assessed on a case to case basis in respect of dues outstanding for significant period of time i.e above 720 days as per the management estimates. Further, management believes that the unimpaired amounts that are due is collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk.

**3. Liquidity Risk:**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due. The Group relies on a mix of borrowings and operating cash flows to meet its needs for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Group 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 borrowings facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

**Note 49. Capital Management:**

Equity Share Capital and other equity are considered for the purpose of company capital Management. The Company

manages its capital so as to safeguard its ability to continue as going concern and to provide optimum return to shareholders. The Management and Board of directors monitors the return on capital. The company may take appropriate steps in order to maintain or if necessary adjust its capital structure.

#### Note 50. Additional Disclosures

- i. The Group does not have any immovable property other than Properties where company is Lessee and lease agreements are duly executed in the favour of lessee.
- ii. The Group has not revalued its Property, Plant and Equipment.
- iii. The Group did not have any Investment Property during the year.
- iv. The Group has not Revalued its Intangible assets held in the name of the Group during the year.
- v. The Group has made Loans and Advances in the nature of Loans granted to Promoters, Director's, KMP's and related parties

(₹ in lakhs)

Type of Borrower	2022-23		2021-22		2020-21	
	Amount of loan or advance in the nature of loan outstanding	% of total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	% of total loans and advances in the nature of loans
Promoters	-	-	-	-	-	-
Directors	-	-	-	-	-	-
KMPs	-	-	-	-	-	-
Related Parties	105.22	100%	76.84	100%	27.26	100%
<b>Total</b>	<b>105.22</b>	<b>100%</b>	<b>76.84</b>	<b>100%</b>	<b>27.26</b>	<b>100%</b>

- vi. No proceedings have been initiated during the year or are pending against the company at March 31, 2023, March 31, 2022 and March 31, 2021 for holding any binami property under Binami transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.
- vii. The Group has not been declared as wilful defaulter by any bank, financial Institution or other lender.
- viii. There are no Transactions with struck off companies u/s 248/250 of the Companies Act, 2013.
- ix. The Group is in compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of layers) Rules, 2017.
- x. The Group does not has any Undisclosed Income during the Year.
- xi. There are no charges or satisfaction to be registered with ROC beyond the statutory period.
- xii. There are no regulatory account balances during the year.
- xiii. The Group is not required to apply its funds to CSR u/s 135 of The Companies Act, 2013.
- xiv. The Group has not invested in Crypto Currency or Virtual Currency.

#### Note No. 51 Accounting Ratios

The following tables presents certain accounting and other ratios compared on the basis of the amounts derived from the Restated consolidated financial Statements.

Particulars	Based on Restated Consolidated Financial Statements		
	As at and for the year endend March 31,2023	As at and for the year endend March 31,2022	As at and for the year endend March 31,2021
Basic earnings per share (₹)	-11.22	-5.43	-2.49
Diluted earnings per share (₹)	-11.22	-5.43	-2.49
Return on net worth (%)	-187%	-31%	-11%
Net Asset Value per Equity	5.99	17.27	22.58

Share(₹)			
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The formulas used in the computation of the above Ratios are as follows:

Basic Earnings Per share	Net Profit after tax as per consolidated Profit and loss / Weighted average number of equity shares
Diluted Earnings Per Share	Net Profit after tax as per consolidated Profit and loss ( after adjustment for convertible securities) / Weighted average number of equity shares(after adjustment for convertible securities)
Return on net worth	Total comprehensive income for the year(attributable to owners of the parent) / Net worth at the end of the year
Net Asset Value per Equity Share(₹)	Net worth at the end of the year on consolidated basis / Number of equity shares outstanding at the end of the year
EBITDA	Profit for the year before Finance Cost, Tax, Depreciation, Amortisation, Exceptional item and other items and other incomes presented in the financial statement of Profit and Loss in the Financial statement

#### Calculation of Return on Net Worth

(in ₹ Lakhs, unless otherwise Specified)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022	For the year ended March 31,2021
Total comprehensive income for the Year (attributable to owners of the parent)	-2,821.16	-1,366.27	-627.26
Less: profit attributable to non-controlling interest Share holders	-	-	-
Profit attributable to Equity Share holders	-2,821.16	-1,366.27	-627.26
Total Equity attributable to Owner	1,507.46	4,343.21	5,678.97
Return on net worth	-187%	-31%	-11%

#### Calculation of net asset value per Equity share Specified)

(₹ in Lakhs, Except share data or as otherwise Specified)

Particulars	As at March 31,2023	As at March 31,2022	As at March 31,2021
Total Equity shares attributable to Owners	1,507.46	4,343.21	5,678.97
No of shares Outstanding	2,51,55,165	2,51,55,165	2,51,55,165
Net asset Value	5.99	17.27	22.58

#### Calculation of EBIDTA Specified)

(₹ in Lakhs, unless otherwise Specified)

Particulars	For the year ended March 31,2023	For the year ended March 31,2022	For the year ended March 31,2021
Profit/(loss) before Exceptional Items and Tax	-3,799.01	-1,805.93	-742.54
Less: other income	59.80	18.30	153.15
Add: Finance cost	1,144.76	871.58	696.05
Add: Depreciation and amortisation expenses	78.30	28.45	25.43
EBIDTA	-2,635.75	-924.19	-174.22

**Note: 52 Statement of material adjustments to Audited financials statements Reconciliation of Total Equity**

Particulars	As at March 31,2023 (₹ in Lakhs)	As at March 31,2022 (₹ in Lakhs)	As at March 31,2021 (₹ in Lakhs)
Total equity as per audited financial statements	2,515.52	2,515.52	2,515.52
Adjustments	-	-	-
Total equity as per Restated Consolidated statements of assets and liabilities	2,515.52	2,515.52	2,515.52

**Reconciliation of Profit for the Year**

Particulars	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)	As at March 31, 2021 (₹ in Lakhs)
Profit for the Year As per Audited Financial Statements	-2,821.16	-1,366.27	-627.26
Adjustments	-	-	-
Profit for the Year as per Restated Consolidated statements of Profit and Loss	-2,821.16	-1,366.27	-627.26

**Reconciliation of total comprehensive income for the Year**

Particulars	As at March 31, 2023 (₹ in Lakhs)	As at March 31, 2022 (₹ in Lakhs)	As at March 31, 2021 (₹ in Lakhs)
Total comprehensive income for the Year As per Audited Financial Statements	-2,835.74	-1,335.77	-590.60
Adjustments	-	-	-1.91
Total comprehensive income for the Year as per Restated Consolidated statements of Profit and Loss	-2,835.74	-1,335.77	-592.51

**Part A- Non Adjusting Events**

**Audit Qualifications for the respective years, which do not require adjustment to the restated financial statements are as follows**

1. There is no audit qualifications in the audit report for the financial year ended March 31, 2023, March 31, 2022, March 31, 2021

**Part B: Material Regrouping**

Appropriate Regrouping have been made in the restated financial statements of assets and liabilities ,restated statement of Profit and loss, restated statement of cash flows ,restated statement of changes in equity, wherever required by the reclassification by the corresponding items of income, expenses, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classifications as per the financial statements of the company for the year ended March 31,2023 prepared in accordance with Division iii to schedule iii of the companies act ,2013, Requirements of Ind AS 1 and other principles of Ind AS principles and the requirement of the Securities and Exchange Board of India(Issue of capital & Disclosure Requirements) regulation 2018, as amended.

In terms of our report of even date

For **Ramasamy Koteswara Rao and Co LLP**  
Chartered Accountants,  
Firm's Registration  
No:010396S/S200084

For and on behalf of the board of Directors of **Tierra Agrotech Limited**

**C V Koteswara Rao**  
Partner  
M No. 028353

**Vijay Kumar Deckonda**  
Wholetime Director  
DIN:06991627

**Suryanarayana Simhadri**  
Director  
DIN:01951750

Place: Hyderabad  
Date:22.07.2023  
UDIN: 23028353BGSTMB6959

**Hari Singh Chauhan**  
Chief Executive Officer

**Sheshu Babu Dharla**  
Chief Financial Officer

**Kalidindi Anagha Devi**  
Company Secretary & Compliance Officer

## CAPITALIZATION STATEMENT

### Statement of Capitalization

(In ₹ Lakhs)

Particulars		Pre-Issue as at March 31, 2023	As adjusted for the issue (Post Issue) *
<b>Borrowings:</b>			
Current borrowings	A	6573.55	[•]
Non-current borrowings	B	4122.77	[•]
<b>Total borrowings</b>	<b>C=A+B</b>	<b>10695.92</b>	<b>[•]</b>
<b>Shareholder's fund (Net worth)</b>			[•]
Share Capital <sup>\$</sup>	D	2515.52	[•]
Other Equity <sup>^</sup>	E	-1008.05	[•]
<b>Total shareholder's fund (Net worth)</b>	<b>F=D+E</b>	<b>1507.47</b>	<b>[•]</b>
<b>Non-current borrowing's/shareholder's fund (Net worth) ratio</b>	<b>B/F</b>	<b>2.73</b>	<b>[•]</b>
<b>Total borrowings /shareholders' funds (Net worth) ratio</b>	<b>C/F</b>	<b>7.10</b>	<b>[•]</b>

\*To be updated in the Letter of Offer

<sup>^</sup>excludes non-controlling interest

# The outstanding borrowings as at March 31, 2023 is ₹10695.92 Lakhs

<sup>\$</sup>Pursuant to extra ordinary general meeting held on May 2, 2023 Company had approved to create, offer, issue and allot up to Upto 3,10,00,000 (Three Crores Ten Lakhs only) fully paid-up equity shares of face value of ₹10/- (Rupees ten only) each, in one or more tranches, at an issue price of ₹30/- (Rupees Thirteen only) per equity share ("Equity Shares") aggregating to an amount not exceeding ₹ 93,00,00,000 (Rupees Ninety-Three Crores Only).

Further the Company in its Committee For Allotment of Securities held on May 6, 2023, May 12, 2023 and May 15, 2023 had approved the allotment of 1,03,84,214, 75,57,666 and 1,28,35,333 fully paid-up equity shares of face value of ₹10/- (Rupees ten only) each respectively, at an issue price of Rs 30/- (Rupees Thirty only) per equity share ("Equity Shares") aggregating to an amount of ₹92,33,16,390 (Rupees Ninety-Two Crores Thirty Three Lakhs Sixteen Thousand Three Hundred and Ninety).

#### Notes:

1. Non-current borrowings are considered as borrowings other than short term borrowings and include current maturities of long-term borrowings.
2. The amounts disclosed above are based on the Restated Financial Statements of the Company.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" on page 116 of this Draft Letter of Offer.*

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" on pages 21 and 16 respectively of this Draft Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our financial statements included in this Draft Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2023 included herein is based on the Restated Financial Statements and the financial information included herein for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021 is based on the Audited Financial statement for the Financial year ended March 31, 2023, March 31, 2022 and March 31, 2021, included in this Draft Letter of Offer. For further information, see "Financial Statements" on page 116 of this Draft Letter of Offer.*

*Neither we, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and other Information" on page 14 of this Draft Letter of Offer.*

### Business overview

Our Company was incorporated as "Tierra Agrotech Private Limited" on September 13, 2013 as a private limited company under the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Hyderabad, Andhra Pradesh.

The main object of our Company is to develop, grow, raise, process, manufacture, prepare, reline, extract, manipulate hydrolyze, deodorise, grind, bleach, hydrogenate, import, export or otherwise deal in all kinds of seeds and other produce or products or agriculture horticulture and forestry and to purchase, buy or otherwise acquire, develop establish, maintain improve, sell or otherwise deal in farms, green houses, seed testing laboratories, research farms, seed testing stations.

Later in the month of August, 2017, our Company became a deemed Public Company after becoming the Wholly Owned Subsidiary of a publically Listed Company, M/s. Grandeur Products Limited.

Subsequently, Our Company, Tierra Agrotech Private Limited entered into a Scheme of Amalgamation with Xylem Seeds Private Limited (Transferor Company), approved by the Hon'ble National Company Law Tribunal, Hyderabad Bench vide its Common Order dated August 20, 2019. The Certified copy of Order received by the Company on August 23, 2019.

Subsequently, Our Company, Tierra Agrotech Private Limited also entered into a Scheme of Amalgamation with Grandeur Products Limited, approved by the Hon'ble National Company Law Tribunal, Hyderabad Bench vide its Common Order dated November 12, 2021. The Certified copy of Order received by the Company on November 17, 2021. Consequently, our Company was converted into a public limited company and the name of our Company was changed to "Tierra Agrotech Limited" on December 17, 2021 and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Hyderabad, Telangana. Our Company with effect from December 17, 2021, appointed and composed a new Board of Directors and Key Managerial Personnel post the Scheme of Amalgamation.

## **OUR BUSINESS**

“Tierra” has made a humble beginning on 2nd January, 2012 as a technology centric agriculture company. The objective is set to develop superior quality hybrid seeds stacked with crop specific important traits that provides significant yield benefit and overall cost advantages to farmers and other stake holders. Tierra is headquartered in Hyderabad, the seed capital of India, founded by professionals with more than eight decades of combined seed and agribusiness industry experience and proven excellence in developing breakthrough products.

Tierra is engaged in research, development, production, processing and commercialization of superior products in major crops like Cotton, Rice, Corn, Mustard, Tomato and Okra. During 2017- 18, Tierra has attracted global attention after their acquisition of Monsanto’s India cotton seed business and DuPont – Pioneers Cotton company ‘Xylem Seeds Private Limited ’ thereby became one of the top cotton germplasm enriched company in the country.

Tierra has established a state-of-the-art R&D unit in Hyderabad with 10,000 sq. ft. laboratory space with several green houses, more than 50 acres of breeding farms supported with drip irrigation and other essential facilities. Besides its Breeding and Biotechnology R&D centres in Hyderabad, Tierra has also established three more R&D units, one in Bangalore and the other two in Pune and Gurgaon. It has also about 30 product trailing centres across the country.

In 2018, Tierra expanded its Cotton portfolio in the market by acquiring the India Cotton seed businesses of Monsanto and Xylem Seeds Private Limited (a DuPont Pioneer company). The rich and diverse germplasm collected and developed by the experienced breeders of Tierra and the two acquired programs has given the organization a very strong platform in Cotton breeding. Tierra’s efforts are aimed at developing upmarket products with big boll size, easy pick ability, earliness, good fibre qualities with strong tolerance to pests and diseases. Our special efforts are to breed cotton for suitability to high density planting system (HDPS), sympodial type, easy pick ability, short stature with synchronous maturity to help harvest the crop in one or two pickings. Special emphasis is also on utilizing male sterility trait for efficient seed production and very high genetic purity.

Our focus is to introduce value added - differentiated products and technologies in the market, while protecting them under suitable Intellectual Property (IP) and Plant Variety Protection (PVP) laws. Our business model follows strict compliance with all regulatory guidelines including Freedom to Operate (FTOs).

Tierra ventured into vegetable seeds sale from the year 2020-21, thereby spreading its portfolio from cotton, paddy, corn, mustard, maize and vegetable seeds.

The Company has an extensive marketing network with loyal and committed distributors and dealers in Andhra Pradesh, Telangana, Orissa, Karnataka, Tamil Nadu, Maharashtra, Bihar, Madhya Pradesh, Jharkhand, Chhattisgarh, Gujarat, Uttar Pradesh, Punjab, Haryana, West Bengal, Assam and Rajasthan.

The Company’s focus is to be a leading provider of crop solutions to the farmers by supplying high yielding hybrid seeds and crop management namely micronutrients and plant growth promoters. For achieving this, the Company is engaging in R&D efforts in the areas of superior breeding programmes and biotechnology tools that will enable it to develop highly effective and differentiated hybrid seeds.

## **OUR BUSINESS STRATEGIES**

The company's major Objectives are to develop superior Hybrid seeds and evaluate their performance in different Agro climatic conditions. The identified high performing Hybrid seeds will be produced, conditioned, processed and marketed by Tierra to the farmers. Tierra continuously engages itself to provide Agronomic support and services to help the farmers to increase productivity and profitability through education and training on the scientific methods of crop cultivation in varied Agro-climatic zones.



### **Product Strategy:**

**Cotton:** Tierra is considered as Asia's largest Cotton Germplasm holding company and poised to leverage the same to produce labour efficient cotton plants that can be harvested just once, thereby reducing input costs, produce multiple resistant hybrids to reduce spraying costs, develop naturally coloured cotton hybrids to reduce use of dyes that pollute. By collaboration with CSIR-NBRI, Tierra is sequencing 320 cotton lines. For the first time in India, which will help discover several economically important, trait linked molecular markers for drought, root traits, boll size, fiber quality etc., and speed up novel product deliveries in near future.

**Corn:** Major objectives of our corn research program are geared to develop Hybrids suitable to various seasons and agro-climatic zones.

**Paddy:** Rice occupies highest acreage of > 42 million hectares in India. Tierra has used mutation breeding to develop proprietary traits that improves yields in commercial seed plots thereby increasing incomes of seed producers. A collaboration with KeyGene, Netherlands, is going on to help develop trait linked molecular markers.

**Mustard:** India accounts for 6.34 million hectares (19.29 %) and 7.82 million tons (11.12 %) of the total acreage and production of rapeseeds and mustard in the world with third position after Canada and China. Rapeseeds and mustard group of crops are the second important edible oilseeds after groundnut in India. At Tierra, the research program is geared to release stress tolerant hybrids that have an oil content of 40-42 percent. Molecular breeding project to introduce white rust resistance using molecular markers licensed from Delhi University is in progress.

**Tomato:** Tomato is one of the top cash crops in vegetables giving excellent returns to our farmers. At Tierra, we have geared our breeding to deliver hybrids for year round cultivation in both round and square round segments. Breeding multiple disease resistant hybrids carrying strong resistances to TLCV (Virus), Fusarium & Verticillium wilts, TMV, Bacterial Wilt, foliar diseases and a few with high heat tolerance are key targets. We are the first in the world to develop dreaded GBNV (Tospo) virus disease.

**Okra:** In the last five years Okra cultivation (500,000 ha) in India and its demand has significantly increased. Tierra has focused its breeding program to deliver hybrids that are not only resistant to both the prevailing viruses (YVMV & OLCV) but also have wide adaptability over seasons & geographies. We are also working on traits to improve labour efficient harvesting and developing hybrids for better nutritional quality, heat & cold tolerance.

**Hot Peppers:** Hot Pepper is cultivated on 850,000 ha in India and the red dry peppers are huge export earners for the country. At Tierra we breed for meeting the needs of the farmers in different segments besides delivering resistance to powdery mildew, CMV & leaf curl virus (LCV), water use efficiency and anthracnose resistance. We are coming up with new plant type that will ease harvesting, thereby improving labour efficiency.

### **Marketing strategy**

Marketing strategy is a set of business tactics which help companies grow in the market through effective research, marketing, promotion & advertising. Marketing strategy defines the company's marketing & advertising strategies based on business goals. The development of a marketing strategy involves the identification of target market segment, setting of short-term and long-term goals, pre-requisite consumer research, and the implementation of ideas to get the attention of people. Marketing strategy helps to increase sales, improve brand equity, bring new customers, increase customer loyalty, increase market share.

### **Importance of Marketing Strategy**

Marketing strategy is an important business concept for a company and its marketing management. A right marketing strategy is very important for a company. It helps the company to grow and gain industry dominance through competitive strategy. An effective marketing strategy is used to compete with your competitors and to increase the customer base. It helps communicating the vision, culture, values and purpose of the company to the customers and have a strong brand strategy & brand management.

Be it a small business or a large business, the main aim of the companies is to sell their products or services for which they need effective promotion using a good advertising strategy, so that their product or service can reach out to large number of people. Every company has a different business strategy which is customized according to the needs of the company. An effective marketing strategy should offer a connection, need of the product and a real content in the advertisement to attract the right customers

### **Tierra Marketing Strategy Stages:**

#### **1. Analyse market**

The first step in marketing strategy & marketing planning is to analyse, study, understand and evaluate the market. We are mapping the market potential based on the acreages, targeting market, identifying product need and aligning our breeding.

#### **2. Analyse competition**

We keenly analyse the existing competitors as well as potential competitors, and also any indirect competitors. Understanding competition gives us insights into the product and pricing strategies which are currently present in the market, based on which we identify potential markets and strategize our pricing.

#### **3. Market Research**

Market research plays a crucial role in the seed industry, helping companies and stakeholders understand market dynamics, identify opportunities, make informed decisions, and develop effective strategies. Here are some key aspects of market research in the seed industry:

**Market Size and Growth:** Market research helps determine the current size and potential growth of the seed industry. It involves analyzing historical data, market trends, and future projections to estimate market size, value, and growth rates. This information assists companies in understanding the market's overall potential and identifying areas for expansion.

**Competitive Analysis:** Market research enables companies to assess the competitive landscape within the seed industry. It involves analyzing competitors' market share, product portfolios, pricing strategies, distribution channels, and customer preferences. This information helps companies identify their competitive advantages, target specific market segments, and differentiate their products.

**Customer Insights:** Understanding customer needs, preferences, and purchasing behavior is crucial in the seed industry. Market research helps gather customer insights through surveys, focus groups, and interviews. These insights provide valuable information about farmers' preferences for specific seed traits, preferred crop varieties, and buying criteria. Such knowledge helps companies develop tailored marketing strategies and product offerings.

**Crop and Regional Analysis:** Market research involves analyzing specific crops and regional markets within the seed industry. It includes studying crop-specific trends, demand patterns, and market dynamics. Additionally, it assesses regional factors such as climatic conditions, regulatory frameworks, and agricultural practices that influence seed demand and adoption. This analysis helps companies tailor their product portfolios and distribution strategies to meet specific crop and regional requirements.

**Technology and Innovation:** Market research helps identify emerging technologies, innovations, and trends within the seed industry. It enables companies to stay updated on advancements in breeding techniques,

biotechnology, digital agriculture, and other areas of research and development. This information guides companies in making strategic decisions about investing in new technologies, partnerships, and product development.

**Regulatory and Policy Analysis:** The seed industry is subject to various regulations and policies related to seed quality control, intellectual property rights, biotechnology, and international trade. Market research helps companies understand and stay informed about these regulations and their impact on the industry. It also assists companies in navigating the complexities of compliance and identifying potential opportunities or challenges arising from regulatory changes.

**Market Entry and Expansion Strategies:** For companies looking to enter new markets or expand their presence, market research provides valuable insights. It helps assess market potential, competitive intensity, customer needs, and regulatory frameworks in target markets. This information guides companies in developing effective market entry and expansion strategies, including product positioning, pricing strategies, distribution channels, and marketing campaigns.

**Industry Outlook and Future Trends:** Market research provides insights into the future outlook of the seed industry, including emerging trends, challenges, and opportunities. It helps companies anticipate market shifts, technological advancements, and regulatory changes that may impact the industry. This information assists in strategic planning, resource allocation, and decision-making for long-term growth and sustainability.

Market research in the seed industry is typically conducted by market research firms, consulting companies, industry associations, and government agencies. It involves a combination of primary research (surveys, interviews, observations) and secondary research (data analysis, industry reports, literature review).

#### **4. Define marketing mix**

We strategies about product, price, place, promotion etc. This is a time tested framework which has helped formulate the marketing strategy.

#### **5. Financial analysis**

We evaluate and forecast the financials based on sales forecasting to the target market. Any marketing research or analysis is incomplete without understanding the financial impact and implications. This helps in understanding the revenue potential, profitability and viability of company and the market.

#### **6. Review and revise**

A continuous revision of marketing strategies is required as it is a continuous process. The strategy once devised is constantly revisited and improved or even changed to cater to changing customer behaviour and market dynamics.

#### **7. Understand customers**

The most important step in any marketing strategy is to constantly understand customer needs & requirements and adapt business accordingly. Our entire breeding team is aligned for breeding based on the farmer needs.

## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled ‘Risk Factors’ on page 19 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- adverse changes in central or state government policies
- trends in the Seeds Industry Sector;
- adverse development that may affect our operations
- performance of our key clients;
- adverse effect of competition on our market share and profits;
- any qualifications or other observations made by our future statutory auditors which may affect our results of operations;
- Any adverse development that may affect the operations of our manufacturing unit;
- changes in technology and our ability to manage any disruption or failure of our technology systems;
- our ability to:
  - manage our growth effectively;
  - manage our credit risk;
  - manage our quality of services;
  - hire and retain senior management personnel and other skilled manpower;
  - manage cost of compliance with labor laws or other regulatory developments;
  - manage our operating costs;
  - manage breakdown or failure of equipment, power supply or processes, natural disasters and accidents;
  - successfully implement our business strategies and expansion plans;
  - maintain effective internal controls;
- adequate and timely supply of equipment and raw materials necessary for our operations;
- Our ability to attract and retain qualified personnel;
- changes in general, political, social and economic conditions in India and elsewhere;
- general levels of GDP growth, and growth in employment and personal disposable income; and
- economic uncertainties, fiscal crises or instability in India

## **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “Restated Financial Information” on page 116 of this Draft Letter of Offer.

## **CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS**

Except as mentioned in the Notes to the Accounts in the chapter “Restated Financial Information” on page 116 of this Draft Letter of Offer has been no change in accounting policies in last 3 years.

## **RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS**

The Examination Report issued by our Statutory Auditors has no reservations, qualifications and adverse remarks.

## **FACTORS AFFECTING OUR RESULTS OF OPERATIONS**

We are a company engaged in the business of manufacturing, trading and dealing in garments and textiles, ventured into dealing, trading of agricultural commodities, life necessities, items of basic human needs, organic and natural products and processed foods etc. and other essential goods, infrastructural products. Our results of operations have been, and will continue to be, affected by a number of events and actions, some of which are beyond our control including the performance of the Indian economy and the business in which we are involved.

However, there are some specific items that we believe have impacted our results of operations, and in some cases, may continue to impact our results of operations on a consolidated level and at our individual projects in future. In this section, we discuss some of the significant factors that we believe have or could have an impact on our revenue and expenditure.

Please also see the section titled "**Risk Factors**" on page 21 of this Draft Letter of Offer

## RESULTS OF OPERATIONS

### COMPARISON OF FY2023 WITH FY 2022

The following table sets out selected data from the Restated Financial Statements for Financial Year 2023 and Financial Year 2022, together with the percentage that each line item represents of our total revenue for the periods presented.

(₹In Lakhs)(Restated Consildated)

Particulars	FY 2023		FY 2022	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
<b>Income</b>				
Revenue from operations	6011.46	99.02	5660.56	99.68
Other Income	59.8	0.98	18.3	0.32
<b>Total Income</b>	<b>6071.26</b>	<b>100.00</b>	<b>5678.86</b>	<b>100.00</b>
<b>Expenses</b>				
Purchase and Direct Expenses	4050.56	66.72	3455.02	60.84
Changes in Inventories in finished goods , work-in progress and stock-in-trade	1303.27	21.47	635.49	11.19
Employee Benefit Expenses	1701.54	28.03	1425.27	25.10
Finance Cost	1144.76	18.86	871.58	15.35
Depreciation and amortization expense	78.30	1.29	28.45	0.50
Other Expenses	1591.84	26.22	1068.97	18.82
<b>Total Expenses</b>	<b>9870.27</b>	<b>162.57</b>	<b>7484.79</b>	<b>131.80</b>
Profit / (Loss) before exceptional items and Tax	<b>(3799.01)</b>	<b>(62.57)</b>	<b>(1805.93)</b>	<b>(31.80)</b>
Exceptional Items /Share of JV		-	2.30	0.04
Restated Profit /(Loss) before tax loss		-	(1808.93)	(31.85)
<b>Tax Expense</b>		-		-
Current Tax		-		-
Deferred Tax	(977.84)	(16.11)	(441.96)	(7.78)
Prior Period Tax Adjustments		-		-
<b>Profit / (Loss) After Tax</b>	<b>(2821.16)</b>	<b>(46.47)</b>	<b>(1366.27)</b>	<b>(24.06)</b>
<b>Other Comprehensive Income/(Loss)</b>	<b>(14.58)</b>	<b>(0.24)</b>	<b>30.50</b>	<b>0.54</b>
<b>Total Comprehensive Income /(Loss)for the Year</b>	<b>(2835.74)</b>	<b>(46.71)</b>	<b>(1335.77)</b>	<b>(23.52)</b>
Earnings per Share (Basic) (in ₹)	(11.22)	(11.22)	(5.43)	(5.43)
Earnings per Share (Diluted) (in ₹)	(11.22)	(11.22)	(5.43)	(5.43)

## PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT REVENUE

The following descriptions set forth information with respect to the key components of the Financial Statements for the year ended March 31, 2023.

### Total income

## Revenue from operations

Our revenue from operations comprises of revenue from sale of seeds.

## Other Income

Other income comprises of interest on fixed deposits, creditor balances written back, employee notice period recovery and other income.

## Total Expenses

Our expenses consist of purchases and direct expenses, changes in inventories, employee benefit expense, finance cost, depreciation and amortisation expenses and other expenses.

## Purchases and direct expenses

Our purchase and direct expenses include the cost of purchase of seeds, packing expenses, logistic expenses and other production expenses

## Employee benefit expenses

Employee benefit expense consists of salaries, wages, bonus, contribution to provident and other funds, insurance, gratuity, leave encashment and other staff welfare expenses.

## Finance Costs

Finance Costs consists of interest on loans from banks and financial institutions, interest on lease, interest payable to others, interest on MSME payable, 9% dividend payable on Non Convertible Redeemable Preference Shares and bank charges

## Depreciation and amortisation expenses

Depreciation and amortization expenses consist of depreciation on tangible and intangible assets and depreciation on right to use assets.

## Other expenses

Other expenses include expenses on audit fees, professional charges, internet hosting charges, telephone charges, field assistant expenses, field day expenses, travelling expense, internal audit expenses, sales and marketing expenses, conveyance expenses, books and periodicals, rent, rates and taxes, computer maintenance, printing and stationery, office expenses, bad debts, R & D Expenses, postage and courier, other expenses, dismantling charges, director's sitting fees and listing fees.

## Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

## **COMPARISON OF HISTORICAL RESULTS OF OPERATIONS FOR FINANCIAL YEAR 2023 COMPARED TO FINANCIAL YEAR 2022**

### **Revenue from operations**

Revenue from Operations increased by 6% from ₹ 5660.56 Lakhs in FY 2021-22 to ₹ 6011.46 Lakhs in FY 2022-23 due to increase in sales from field crop division.

### **Other Income**

Our other income increased by 326% from ₹18.30 Lakhs in FY 2021-22 to ₹59.80 Lakhs in FY 2022-23. Interest and other income is received more in comparison to previous year and there was also a significant increase in creditor balance written back during the FY 2022-23 which has resulted in increase in Other income for FY 2022-23.

### **Expenditure**

Out total expenses increased from ₹7484.79 lakhs for the financial year ended March 31, 2022 to ₹ 9870.27 lakhs for the financial year ended March 31, 2023 which was an increase of ₹2385.48 lakhs or 31.97 % This was due to an increase in purchase and direct expenses, changes in inventories, employee benefit expenses, finance costs, depreciation and other expenses.

### **Purchases and Direct Expenses**

Our purchase and direct expenses increased from ₹ 3455.02 lakhs for the financial year ended March 31, 2022 to ₹ 4050.56 lakhs for the financial year ended March 31, 2023 which was an increase of ₹595.54 lakhs or 17.24 %. This was due to an increase in purchase of seeds and logistic expenses during the financial year ending March 31, 2023.

### **Employee Benefit Expenses**

Employee benefits expense for the year ended March 31 2023 was ₹ 1701.54 lakhs compared to ₹ 1425.27 lakhs for the year ended March 31, 2021. This was an increase of ₹276.27 lakhs or 19.38 % over the previous year. This was due to an increase in salaries and other associated benefits.

### **Finance Cost**

Finance Cost increased by ₹273.18 lakhs or 31.34% from ₹871.58 Lakhs in financial year FY 2021-22 to ₹1144.76 Lakhs in FY 2022-23 due to increase in borrowings, issuance of Non Convertible Redeemable Preference Shares by the Group and the payment of dividend there on as comparison to previous year.

### **Depreciation**

Depreciation increased by ₹ 49.85 lakhs or 175.22% from ₹ 28.45 lakhs to ₹78.30 Lakhs in FY 2022-23 due to increase in right to use assets.

### **Other Expenses**

Our other expenses has increased by ₹ 522.87 Lakhs or 48.91% from ₹ 1068.97 Lakhs in financial year 2021-22 to ₹ 1591.84 Lakhs in FY 2022-23. Other expense increased in comparison to previous year due to increase in field assistant expenses, sales and marketing expenses and Research& Development expenditure, increase in bad debts and travelling expenses.

### **Profit/(Loss) before Tax**

The loss for the year ended March 31, 2023 was ₹ (3799.01) lakhs as compared to ₹ (1805.93) Lakhs for the year ended March 31, 2022, an increase of ₹ 1993.08 lakhs or 110.36% . This was due to an increase in total expenses and a marginal increase in total revenues

## Taxation

Our deferred tax expense for the year ended March 31, 2023 was ₹ (977.84) Lakhs as compared to ₹ (441.96) lakhs for the year ended March 31, 2022.

## Profit/Loss after Tax

As a result of the aforesaid, our Company made a loss of ₹ (2821.16) lakhs for the year ended March 31, 2023 as compared to ₹ (1366.27) lakhs for the financial year ended March 31, 2022.

## COMPARISON OF FY2022 WITH FY 2021

The following table sets out selected data from the Restated Financial Statements for Financial Year 2022 and Financial Year 2021, together with the percentage that each line item represents of our total revenue for the periods presented.

(Rs. in Lakhs) (Restated Consolidated)

Particulars	FY 2022		FY 2021	
	₹ in Lakhs	% of total income	₹ in Lakhs	% of total income
<b>Income</b>				
Revenue from operations	5660.56	99.68	5,684.30	97.38
Other Income	18.3	0.32	153.15	2.62
<b>Total Income</b>	<b>5678.86</b>	<b>100.00</b>	5,837.45	100.00
<b>Expenses</b>				
Purchase and Direct Expenses	3455.02	60.84	2,970.47	50.89
Changes in Inventories in finished goods , work-in progress and stock-in-trade	635.49	11.19	599.03	10.26
Employee Benefit Expenses	1425.27	25.10	1,473.25	25.24
Finance Cost	871.58	15.35	696.05	11.92
Depreciation and amortization expense	28.45	0.50	25.43	0.44
Other Expenses	1068.97	18.82	815.76	13.97
<b>Total Expenses</b>	<b>7484.79</b>	<b>131.80</b>	<b>6,580.00</b>	112.72
Profit / (Loss) before exceptional items and Tax	<b>(1805.93)</b>	<b>-31.80</b>	<b>(742.54)</b>	<b>-12.72</b>
Exceptional Items /Share of JV	2.3	0.04	17.19	0.29
Restated Profit /(Loss) before tax loss	(1808.93)	-31.85	(759.73)	-13.01
<b>Tax Expense</b>		-		
Current Tax		-		
Deferred Tax	(441.96)	-7.78	(132.47)	-2.27
Prior Period Tax Adjustments		-	-	
<b>Profit / (Loss) After Tax</b>	<b>(1366.27)</b>	-24.06	(627.26)	-10.75
<b>Other Comprehensive Income/(Loss)</b>	<b>30.5</b>		<b>34.74</b>	
<b>Total Comprehensive Income /(Loss)for the Year</b>	<b>(1335.77)</b>		<b>(592.52)</b>	
Earnings per Share (Basic) (in ₹)	(5.43)		(2.49)	
Earnings per Share (Diluted) (in ₹)	(5.43)		(2.49)	



## **PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT REVENUE**

The following descriptions set forth information with respect to the key components of the Financial Statements for the financial year ended March 31, 2022.

### **Total income**

#### ***Revenue from operations***

Our revenue from operations comprises of revenue from sale of seeds.

#### ***Other Income***

Other income comprises of interest on fixed deposits, creditor balances written back, employee notice period recovery and other income.

#### ***Total Expenses***

Our expenses consist of purchases and direct expenses, changes in inventories, employee benefit expense, finance cost, depreciation and amortisation expenses and other expenses.

#### ***Purchases and direct expenses***

Our purchase and direct expenses include the cost of purchase of seeds, packing expenses, logistic expenses and other production expenses

#### ***Employee benefit expenses***

Employee benefit expense consists of salaries, wages, bonus, contribution to provident and other funds, insurance, gratuity, leave encashment and other staff welfare expenses.

#### ***Finance Costs***

Finance Costs consists of interest on loans from banks and financial institutions, interest on lease and interest payable to others.

#### ***Depreciation and amortisation expenses***

Depreciation and amortization expenses consist of depreciation on tangible and intangible assets and depreciation on right to use assets.

#### ***Other expenses***

Other expenses include expenses on audit fees, professional charges, internet hosting charges, telephone charges, field assistant expenses, field day expenses, travelling expense, internal audit expenses, sales and marketing expenses, conveyance expenses, books and periodicals, rent, rates and taxes, computer maintenance, printing and stationery, office expenses, R & D Expenses, postage and courier, other expenses, dismantling charges, director's sitting fees and listing fees.

#### ***Tax expenses***

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

## **Comparison of Historical Results of Operations**

### **Financial Year 2022 compared to Financial Year 2021**

#### ***Revenue from operations***

Revenue from Operations decreased by ₹ 23.74 lakhs or 0.42% from ₹ 5684.30 lakhs in FY 2020-21 to ₹ 5660.56 Lakhs in FY 2021-22. The reason was a due to decrease in sales on account of the ongoing pandemic Covid -19 and the lock-downs and other restrictions that were imposed.

#### ***Other Income***

Our other income also decreased by ₹134.85 lakhs or 88.05% from ₹153.15 lakhs in FY 2020-21 to ₹18.30 Lakhs in FY 2021-22. This was due to an overall reduction in other income on account of the ongoing pandemic Covid -19.

#### ***Expenditure***

Out total expenses increased from ₹6580.00 lakhs in the financial year ended March 31, 2021 to ₹ 7484.79 lakhs for the financial year ended March 31, 2022 which was an increase of ₹ 904.79 lakhs or 13.75%. This was due to an increase in purchase and direct expenses, changes in inventories, employee benefit expenses, finance costs, depreciation and other expenses.

#### ***Purchases and Direct Expenses***

Our purchase and direct expenses increased from ₹ 2970.47 Lakhs for the financial year ended March 31, 2022 to ₹ 3455.02 lakhs for the financial year ended March 31, 2022 which was an increase of ₹484.55 lakhs or 16.34 %. This was due to an increase in the cost of purchase of during the financial year ending March 31, 2022.

#### ***Employee Benefit Expenses***

Employee benefits expense for the year ended March 31, 2022 was ₹ 1473.25 lakhs as compared to ₹ 1425.27 lakhs for the year ended March 31, 2021. This was a decrease of ₹ 47.98 lakhs or 3.26 % over the previous year. This was due to a decrease in salaries and other associated benefits.

#### ***Finance Cost***

Finance Cost increased by ₹175.53 lakhs or 25.22% from ₹ 696.05 lakhs in financial year 2021-22 to ₹871.58 Lakhs in financial year FY 2021-22 due to increase in borrowings.

#### ***Depreciation***

Depreciation increased by ₹ 3.02 lakhs or 11.88% from ₹ 25.23 lakhs in financial year 2020-21 to ₹ 28.45 lakhs in financial year 2021-22 due to increase in right to use assets.

#### ***Other Expenses***

Our other expenses has increased by ₹ 253.21 Lakhs or 31.04% from ₹ 815.76 lakhs in financial year 2020-21 to ₹ 1068.97 Lakhs in financial year 2021-22 Other expense increased in comparison to previous year due to increase in field assistant expenses, professional charges, internet hosting charges Research& Development expenditure and travelling expenses.

#### ***Profit/(Loss) before Tax***

The loss for the year ended March 31, 2022 was ₹ (1805.93) Lakhs as compared to ₹(742.54) for the year ended March 31, 2021, an increase of ₹ 1063.29 lakhs or 143.21% . This was due to an increase in total expenses and a reduction in revenues

## ***Taxation***

Our deferred tax expense for the year ended March 31, 2021 was ₹ (132.57) Lakhs as compared to ₹ (441.96) lakhs for the year ended March 31, 2022.

## ***Profit/Loss after Tax***

As a result of the aforesaid, our Company made a loss of ₹ (627.26) lakhs for the year ended March 31, 2021 as compared to a loss of ₹ (1366.27) lakhs for the financial year ended March 31, 2022

## ***CASH FLOWS***

The following table sets forth certain information relating to our cash flows:

(₹ in Lakhs)			
Particulars	March 31, 2023	March 31, 2022	March 31, 2021
Net Cash Flow generated from/ (used in) Operating Activities (A)	(680.15)	(1237.19)	(444.71)
Net Cash Flow (used) in Investing Activities (B)	(149.99)	(187.80)	(136.54)
Net Cash Flow used in Financing Activities (C)	2575.12	1451.18	45.48
<b>Net increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>1744.97</b>	<b>26.18</b>	<b>(535.77)</b>
Cash and cash equivalents at the beginning of the year/period	(2695.49)	(2721.66)	(2185.91)
<b>Cash and cash equivalents at year/ period end</b>	<b>(950.52)</b>	<b>(2,695.48)</b>	<b>(2,721.67)</b>

### ***Cash generated / used from Operating Activities***

Net cash used from operating activities for the year ended March 31, 2023 was ₹ (680.15) lakhs as compared to the (loss) before tax of ₹ (3799.01) Lakhs for the same period. This difference is primarily on account of Depreciation, bad debts, creditor balances written back, Interest debited to P&L account, finance cost, trade and other receivables, trade payables and inventories.

Net cash used in operating activities for the year ended March 31, 2022 was ₹ (1237.19) lakhs as compared to the (loss) before tax of ₹(1808.23) Lakhs for the same period. This difference is primarily on account of Depreciation, Interest debited to P& L Account, finance cost, trade and other receivables, trade payables and inventories.

Net cash used in operating activities for the year ended March 31, 2021 was ₹ (44.71) lakhs as compared to the (loss) of ₹ (759.73) lakhs for the same period. This difference is primarily on account of Depreciation, Interest debited to P&L account, finance cost, trade and other receivables, trade payables and inventories.

### ***Net Cash used in Investing Activities***

Net cash used in investing activities for the year ended March 31, 2023 was ₹ (149.99) lakhs. This was on account of purchase of plant and machinery and product development expenses.

Net cash generated in investing activities for the year ended March 31, 2022 was ₹ (187.80) lakhs. This was on account of purchase of plant and machinery and product development expenses and , proceeds from investments.

Net cash used in investing activities for the year ended March 31, 2021 was ₹ (136.54) lakhs. This was on account of product development expenses and interest income.

### ***Net Cash flow generated in Financing Activities***

Net cash flows used in financing activities for the year ended March 31, 2023 was ₹ 2575.12 lakhs. This was on account of increase in borrowings and proceeds from the issue of Non Convertible Redeemable Preference Shares.

Net cash flows used in financing activities for the year ended March 31, 2022 was ₹ 1451.18 lakhs This was on account of increase in borrowings

Net cash flows used in financing activities for the year ended March 31, 2020 was ₹ 45.48 lakhs. This was on account of increase in share capital and share premium.

### **Contingent Liabilities**

We have no contingent liabilities as on March 31, 2023.

### ***Off-Balance Sheet Arrangements***

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

### **Quantitative and Qualitative Disclosure About Market Risk**

**1. Market Risk:** Market risk is the risk of loss of future earnings, fair values or future cash flows that may results from change in the price of a financial instrument. The value of a financial instrument may change as result of change in the interest rates, foreign currency exchange rates, equity prices and other market changes may affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments and deposits, foreign currency receivables, payables and loans and borrowings. Market risk comprises mainly three types of risk:

Interest rate risk, currency risk and other price risk such as equity price risk and commodity risk.

The Group has an elaborate risk management system to inform Board Members about risk management and minimization procedures

**a) Interest Rate Risk:**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Group mitigates this risk by maintaining a proper blend of Fixed & Floating Rate Borrowings.

The Group regularly scans the Market & Interest Rate Scenario to find appropriate Financial Instruments & negotiates with the Lenders in order to reduce the effect Cost of Funding.

Interest Rate Sensitivity: The following table demonstrates the sensitivity to a reasonably possible change in interest rates on financial assets affected. With all other before tax is affected through the impact on finance cost with respect to our borrowing, as follows: variables held constant, the Group's profit / (Loss)

**b) Commodity Price Risk and Sensitivity:**

Commodity price fluctuations can have an impact on the demand of seeds for particular crop. Therefore, we track the commodity price movements very closely and take advance production decisions accordingly. In addition to the above, Group also maintains a strategic buffer inventory to ensure that such disruptions do not impact the business significantly.

**c) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is

denominated in a foreign currency). Considering the countries and economic environment in which the group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

Any movement in the functional currency of the various operations of the group against major foreign currencies may impact the Group's revenue in international business. The group evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

**Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the section titled “**Risk Factors**” and chapter titled “**Management's Discussion and Analysis of Financial Conditions and Results of Operations**” on page 21 and page 181 respectively of this Draft Letter of Offer, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

**OTHER MATTERS**

**1. Unusual or infrequent events or transactions**

Except as described in this Draft Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

**2. Significant economic changes that materially affected or are likely to affect income from continuing operations**

Other than as described in this Draft Letter of Offer to our knowledge there are not any significant economic changes that materially affected or are likely to affect income from continuing operations

**3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as disclosed in the section titled “**Risk Factors**” on page 21 of this Draft Letter of Offer to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**4. Future relationship between Costs and Income.**

Our Company’s future costs and revenues will be determined by demand/supply situation, government policies, subsidies available and prices of raw material.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

The Company business of research, development, production, processing and commercialization of superior products in major crops like Cotton, Rice, Corn, Mustard, Tomato and Okra. Relevant industry data, as available, has been included in the chapter titled “**Industry Overview**” on page 54 of this Draft Letter of Offer.

**5. Status of any publicly announced new products/projects or business segments.**

Our Company has not announced any new products/projects or business segments, other than disclosed in the Draft Letter of Offer.

**6. The extent to which the business is seasonal**

Our Company's business is seasonal in nature.

**7. Any significant dependence on a single or few suppliers or customers**

There is no significant dependence on a single or few suppliers or customers

**8. Competitive Conditions**

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "***Our Business***" on page 69 of this Draft Letter of Offer.

**STATEMENT OF MATERIAL DEVELOPMENTS**

**SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Draft Letter of Offer, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

1. Company at its extra ordinary general meeting held on May 2, 2023 had approved to create, offer, issue and allot up to Upto 3,10,00,000 (Three Crores Ten Lakhs only) fully paid-up equity shares of face value of ₹10/- (Rupees ten only) each, in one or more tranches, at an issue price of ₹30/- (Rupees Thirty only) per equity share ("Equity Shares") aggregating to an amount not exceeding ₹ 93,00,00,000 (Rupees Ninety-Three Crores Only);
2. Company is in receipt of the "In-principle approval" from BSE Ltd for issue and allotment of 3,10,00,000 equity shares on a preferential basis under Regulation 28(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2018 on May 3, 2023.
3. Company in its Committee For Allotment of Securities held on May 6, 2023, May 12, 2023 and May 15, 2023 had approved the allotment of 1,03,84,214, 75,57,666 and 1,28,35,333 fully paid-up equity shares of face value of ₹10/- (Rupees ten only) each respectively, at an issue price of Rs 30/- (Rupees Thirty only) per equity share ("Equity Shares") aggregating to an amount of ₹92,33,16,390 (Rupees Ninety-Two Crores Thirty Three Lakhs Sixteen Thousand Three Hundred and Ninety);
4. Company is in receipt of the "Listing approval" from BSE Ltd for the allotment of 3,07,77,213 equity shares on a preferential basis under Regulation 28(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2018 on June 14, 2023.

## FINANCIAL INDEBTEDNESS

Set forth below, is a brief summary of our Company's borrowings as on June 30, 2023 together with a brief description of certain significant terms / material covenants of the relevant financing arrangements

(₹ in Lakhs)

Nature of Borrowings	Principal Amount outstanding as on June 30, 2023
<b>Unsecured Loan</b>	
• Redeemable preference shares	1800.00

\* As certified by the Statutory auditors vide certificate dated July 21, 2023

### Details of Secured Loans

Name of Lender	Type of Loan	Date of Sanction	Principal amount outstanding as on June 30, 2023 (₹ in Lakhs)	Interest per annum (%)	Security	Tenor / Repayment Schedule
HDFC Bank	Cash credit a/c	20-06-2023	67.66	9.8%p. a	Primary: Stock Less Than 180 Days, Book Debts, Fixed deposit (FD) of 20% As Security, PG of Mr.Ch. Rajendra Prasad. Mr.Ch. Rajendra Prasad. Collateral: Pledge of Shares of Tierra Agrotech, FD Of 20% As Security.	Working capital facility (Repayable on demand),3 months.
HDFC Bank	Working Capital Term Loan - Guaranteed Emergency Credit Line (GECL)	20-06-2023	65.94	9.8%p. a	Primary: Stock Less Than 180 Days, Book Debts, FD of 20% As Security, PG of Mr.Ch. Rajendra Prasad. Mr.Ch. Rajendra Prasad. Collateral: Pledge of Shares of Tierra Agrotech, FD Of 20% As Security.	Facility availed for Working capital purpose,3 months.
HDFC Bank	Guarantor Recourse	20-06-2023	--	9.8%p. a	Primary: Stock Less Than 180 Days, Book Debts, FD of 20% As Security, PG of Mr.Ch. Rajendra Prasad. Mr.Ch. Rajendra Prasad. Collateral: Pledge of Shares of Tierra Agrotech, FD Of 20% As Security.	Working capital facility (Repayable on demand),3 months.
HDFC Bank	Seasonal cash credit	20-06-2023	--	9.8%p. a	Primary: Stock Less Than 180 Days, Book Debts, FD of 20% As Security, PG of Mr.Ch. Rajendra Prasad. Mr.Ch. Rajendra Prasad. Collateral: Pledge of Shares of Tierra Agrotech, FD Of 20% As	Working capital facility (Repayable on demand),3 months.

					Security.	
HDFC Bank	Seasonal cash credit	20-06-2023	--	9.8% p. a	Primary: Stock Less Than 180 Days, Book Debts, FD of 20% As Security, PG Of Mr.Ch. Rajendra Prasad. Mr.Ch. Rajendra Prasad. Collateral: Pledge of Shares of Tierra Agrotech, FD Of 20% As Security.	Working capital facility (Repayable on demand),3 months.
HDFC Bank	Term Loan	07-03-2022	14.70	7.10% p. a	Hypothecation of the vehicle.	48 months
Kotak Bank	Cash Credit	17-06-2022	278.37	11.00% p. a	Pari-passu first charge on all existing and future current assets/moveable fixed assets of the company along with HDFC bank under MBA. Pledge of equity shares of 34,50,439 shares whose face value of Rs. 10/- each as per LAS norms. Personal Guarantees: - 1. Mr. Suresh Atluri 2. Mr. Surinder Tikoo 3. Mr. P.S Battacharya 4. Mr. Challa Rajendra Prasad	12 months and Revolving.
Kotak Bank	Drop Line Overdraft	17-06-2022	87.69	11.00% p. a	Paripassu first charge on all existing and future current assets/moveable fixed assets of the company along with HDFC bank under MBA. Pledge of equity shares of 34,50,439 shares whose face value of Rs. 10/- each as per LAS norms. Personal Guarantees: - 1. Mr. Suresh Atluri 2. Mr. Surinder Tikoo 3. Mr. P.S Battacharya 4. Mr. Challa Rajendra Prasad	12 months and Revolving.
Kotak Bank	Short Term Loan	17-06-2022	--	11.00% p. a	Paripassu first charge on all existing and future current assets/moveable fixed assets of the company along with HDFC bank under MBA. Pledge of equity shares of 34,50,439 shares whose face value of Rs. 10/- each as per LAS norms. Personal Guarantees: - 1. Mr. Suresh Atluri 2. Mr. Surinder Tikoo 3. Mr. P.S Battacharya 4. Mr. Challa Rajendra Prasad	12 Months
Kotak Bank	Guaranteed Emergency Credit Line (GECL)	17-06-2022	114.80	8.00% p. a	Paripassu first charge on all existing and future current assets/moveable fixed assets of the company along with HDFC bank under MBA. Pledge of equity shares of 34,50,439 shares whose face value of Rs. 10/- each as per LAS norms.	48 months



					Personal Guarantees: - 1. Mr. Suresh Atluri 2. Mr. Surinder Tikoo 3. Mr. P.S Battacharya 4. Mr. Challa Rajendra Prasad	
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#### **Terms of the unsecured Loan**

60,00,000, 9% Cumulative Non-Convertible Redeemable Preference Shares of face value of Re 10/- each at an issue price of Rs.30/- for an aggregate consideration Rs.1800 lacs which are repayable within 1 year as per payments terms, issued by Tierra Seed Science Private Limited (wholly owned subsidiary of Tierra Agrotech Limited).

## MARKET PRICE INFORMATION

The Equity Shares are listed on the BSE

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case maybe;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of two days with the same high/low/closing price, the date with higher volume has been considered.

### Stock Market Data of the Equity Shares

The following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded.

FY	BSE						
	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (No. of Equity Shares)	Average (₹)
2023	270.95	May 30, 2022	1,333	101.4	March 31, 2023	4,083	186.17
2022*	-	-	-	-	-	-	-
2021*	-	-	-	-	-	-	-

(Source: [www.bseindia.com](http://www.bseindia.com))

\*No records are available on the BSE website as the Company was listed on May 27<sup>th</sup>, 2022.

The total number of days trading during the past six months was 114. The average volume of Equity Shares traded on the BSE was 1,758 Equity Shares per day.

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Draft Letter of Offer are as follows:

BSE							
FY	High (₹)	Date of High	Volume on date of high (No. of Equity Shares)	Low (₹)	Date of Low	Volume on date of low (No. of Equity Shares)	Average (₹)
June, 2023	126.4	6-Jun-23	624	114.80	14-Jun-23	1,035	120.60
May, 2023	142.15	12-May-23	1,107	117.52	30-May-23	321	129.84
April,	124.95	10-Apr-	70	116.70	6-Apr-23	925	120.83

2023		23					
March, 2023	131.85	2-Mar-23	75	108.80	31-Mar-23	4,083	120.33
February, 2023	139	10-Feb-23	1,602	120.35	27-Feb-23	4,184	129.63

(Source: [www.bseindia.com](http://www.bseindia.com))

The Board of our Company has approved the Issue at their meeting held on July 05, 2023. The high and low prices of our Company's shares as quoted on the BSE on June 30, 2023, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume (No of equity Shares)	High Price (₹)	Low price (₹)
<b>BSE</b>			
July 5, 2023	924	127.00	117.00

## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Draft Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Draft Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is 5% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above.

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

#### I. LITIGATION INVOLVING OUR COMPANY

##### i. Litigation against our Company

- |    |                                                                                                        |       |
|----|--------------------------------------------------------------------------------------------------------|-------|
| 1. | Criminal Proceedings                                                                                   | : 9   |
| 2. | Actions taken by Statutory/Regulatory                                                                  | : Nil |
| 3. | Tax Proceedings                                                                                        | : Nil |
| 4. | Other Material Civil Litigations                                                                       | : 3   |
| 5. | Disciplinary action against our Company by SEBI or any stock exchange in the last five Financial Years | : Nil |

#### DETAILS OF THE CASES FILED AGAINST OUR COMPANY:

##### 1. CRIMINAL PROCEEDINGS

###### a. State of Maharashtra Vs. Bhalchandra Rajeshwar Kulkarni, Representative of Tierra Agrotech Limited and Anr. (S.C.C. Sum. Case- 219/2022)

The said Criminal Case is filed by the State of Maharashtra against our Company u/s. Sec 6b, 7c, 2(viii), 2(X), 13(2) of Seeds Act, 1966 for the seed sampling failure before the Chief Judicial Magistrate, Buldhana (4-J.M.F.C. I Buldhana). Though as per the case order dated 06/06/2023, summons were issued but our Company has not received any summons till date. As per the court order dated 06/06/2023, the next date of hearing is 18/08/2023 and the stage of the case is "Order for Exhibit".

###### b. The State of Maharashtra through Nitendra Vasant Panpatil Vs. M/s. Tierra Agrotech Limited (S.C.C. Sum. Case- 2010/2022)

The said Criminal Case is filed by the State of Maharashtra through Nitendra Vasant Panpatil against our Company u/s. Sec 7(b), 19(a) of The Seeds Act, 1966 for the seed sampling failure before the Civil Court Junior Division Dondaicha (1- Civil Judge J.D. and J.M.F.C.

Dondaicha). As per the court daily orders, the stage of the case is “Lok Nyayalaya”. The purpose of hearing was to refer the parties to Lok Nyayalaya in case there is a settlement. The next date of hearing is 26/07/2023.

**c. The State of Maharashtra Thr, Quality Control Inspector, Wardha Vs. Tierra Agrotech Limited and Ors. (S.C.C. Summons/ Summary Case No. 7587/2018)**

The said Criminal Case is filed by the State of Maharashtra Thr, Quality Control Inspector, Wardha against our Company u/s. Sec 19 of The Seeds Act, 1966 for the seed sampling failure before the Chief Judicial Magistrate, Wardha (2-JT.CJJD JMFC Wardha). The summons for the said case are yet to be received by our Company. As per the court order dated 19/06/2023, the next date of hearing is 13/09/2023 and the stage of the case is “Awaiting Summons”.

**d. The State of Maharashtra Vs. Tierra Agrotech Pvt. Ltd. and Anr. (RCC No. 1347/2021)**

The said Criminal Case is filed by the State of Maharashtra against our Company u/s. Section 13(1) and (2) of Maharashtra Cotton Seeds (Regulation of Supply, Distribution, Sale and fixation of Sale Price Act. for the seed sampling failure before the Chief Judicial Magistrate, Akola (1- Chief Judicial Magistrate, Akola). The summons for the said case are yet to be received by our Company. As per the court order dated 29/05/2023, the next date of hearing is 16/08/2023 and the stage of the case is “Awaiting Summons”.

**e. The State of Maharashtra Vs. Tierra Agrotech Pvt. Ltd. and Anr. (RCC No. 1277/2022)**

The said Criminal Case is filed by the State of Maharashtra against our Company u/s. Section 13(1),(2), 2(1),(i),(iii)(xi),12 of Maharashtra Cotton Seeds (Regulation of Supply, Distribution, Sale and fixation of Sale Price Act. for the seed sampling failure before the Chief Judicial Magistrate, Akola (1- Chief Judicial Magistrate, Akola). The summons for the said case are yet to be received by our Company. As per the court order dated 23/06/2023, the next date of hearing is 21/09/2023 and the stage of the case is “Awaiting Summons”.

**f. The State of Maharashtra Vs. Tierra Agrotech Pvt. Ltd. and Anr. (RCC No. 1278/2022)**

The said Criminal Case is filed by the State of Maharashtra against our Company u/s. Section 13(1),(2), 2(1),(i),(iii)(xi),12 of Maharashtra Cotton Seeds (Regulation of Supply, Distribution, Sale and fixation of Sale Price Act. for the seed sampling failure before the Chief Judicial Magistrate, Akola (1- Chief Judicial Magistrate, Akola). The summons for the said case are yet to be received by our Company. As per the court order dated 23/06/2023, the next date of hearing is 21/09/2023 and the stage of the case is “Awaiting Summons”.

**g. Mahesh Gorakh Vispute Vs. Tierra Agrotech Private Limited and Anr. (RCC No. 277/2021)**

The said Criminal Case is filed by Mahesh Gorakh Vispute against our Company u/s. Section 7(b) and Section 13(1)(c) of Seeds Act, 1966 and punishable under sec 7(1)(a) of Essential Commodities Act for the seed sampling failure before the Chief Judicial Magistrate, Nandurbar District (28-2nd Jt. Civil Judge S.D. and Addl. C.J.M., Nandurbar). The next date of hearing is 18/08/2023 and the stage of the case is “Evidence before charge”.

**h. Govt. of Telangana Rep.by Asst. Director of Agriculture, Bellampally Vs. Hanuman Fertilizers and Ors (Respondent no. 3) (CC 207/2019)**

The said Criminal Case is filed by h. Govt. of Telangana Rep.by Asst. Director of Agriculture, Bellampally u/s. Sec 19(i) of Andhra Pradesh Cotton Seeds Act before the Jr.

Civil Court, Adilabad (1-Prl. Junior Civil Judge-cum-Judicial Magistrate of First Class Judge, Adilabad). Vide order dated 31/03/2023, the said case was transferred from Adilabad Court to Addl. JFCM, Asifabad Court of PS, Chintalamanepalli of K.B., Asifabad District. The matter was listed on 22/06/2023. The next date of hearing is yet to be updated on the website of the respective Court.

**i. Asst. Agriculture, Gajwel Vs. K. Someshwar Rao, Authorised representative of Tierra Agrotech limited and Anr. (STC 10/2022)**

The said Criminal case is filed by Asst. Director of Agriculture, Gajwel Vs. K. Someshwar Rao, Authorised representative of Tierra Agrotech limited and Anr. alleging that our Company is punishable for contravention of u/s. 7(b) read with Section 19 of the Seeds Act, 1966. Punchnama dated 19/07/2021 was issued by the Mandal Agricultural Officer, Gajwel. Our Company is contesting the said case and has also filed its appearance before the Forum.

**2. ACTIONS TAKEN BY STATUTORY/REGULATORY AUTHORITIES**

NIL

**3. TAX PROCEEDINGS**

NIL

**4. OTHER MATERIAL LITIGATION**

**a. Shaik Yakub Ayub Vs. State of Maharashtra and Ors (Our Company is arrayed as Respondent no. 8) Writ Petition No. 7445/2020**

The said Writ Petition is filed by Farmer Shaik Yakub Ayub arraying our Company as Respondent no. 8. The notice to was issued to our Company. Our Company is yet to enter appearance in the said matter. The next date of hearing is unknown and the stage is “Pre-Admission”.

**b. Compliant before the District Consumer Redressal Forum, Sirsa is filed by Mr. Sujeet Singh.**

The aforementioned complaint is filed by the Company on 28/02/2023 under section 35 of the Consumer Protection Act, 2019 in relation to the unresolved manufacturing defects and deficiencies observed in the goods purchased. The matter is still pending for adjudication.

**c. Compliant before the District Consumer Redressal Forum, Bhiwani is filed by Mr. Jai Kumar**

The aforementioned complaint is filed by the Company on 28/02/2023 under section 35 of the Consumer protection Act, 2019 in relation to the unresolved manufacturing defects and deficiencies observed in the goods purchased. The matter is still pending for adjudication.

*As on date of this Draft Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.*

**ii. Litigation by our Company**

1. *Criminal Proceedings* : **13**
2. *Actions taken by Statutory/Regulatory* : *Nil*
3. *Tax Proceedings* : *Nil*
4. *Other Material Civil Litigations* : *Nil*
5. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Financial Years* : *Nil*

**DETAILS OF THE CASES FILED BY OUR COMPANY:**

**1. CRIMINAL PROCEEDINGS:**

**There are 13 Criminal cases filed by our company under Sec 138 of The Negotiable Instruments Act,1881. The details are as follows:**

Case No.	Forum	Name of the Respondents/ Accused	Case Stage	Next Date of Hearing
CC-NI 3963/2022	Spl. JFCM for Excise Cases Hyderabad – MSJ (VI Metropolitan Magistrate)	1) Sri Someshwara Fertilizers, Proprietary Concern, 2) Mr. Guggila Sampat Kumar,	Summons	05.10.2023
CC-NI 7792/2022	Spl. JFCM for Excise Cases Hyderabad – MSJ (VI Metropolitan Magistrate)	1) Veer Teja Krishi Seva Kendra., 2) Mr. Deva Ram	Summons	05.10.2023
CC-NI 4894/2022	Spl. JFCM for Excise Cases Hyderabad – MSJ (VI Metropolitan Magistrate)	1) Venkaateshwara Fertilizers, 2) Mr. Nagaraju Telugu,	Summons	28.08.2023
CC-NI 7753/2022	Spl. JFCM for Excise Cases Hyderabad – MSJ (VI Metropolitan Magistrate)	1) Shree Ram Beej Bhandar Proprietary Concern 2) Mr. Dinesh Chander Jat	Summons	27.07.2023
CC-NI 7782/2022	Spl. JFCM for Excise Cases Hyderabad – MSJ (VI Metropolitan Magistrate)	1) Maha Sai Ganesh Enterprises, 2) Mr. Akula Harender, 3) Mr. Chevva Sampath Kumar	Summons	26.07.2023
CC-NI 7752/2022	Spl. JFCM for Excise Cases Hyderabad – MSJ (VI Metropolitan Magistrate)	Shriji Agro Trading, Proprietary Concern, 2) Ms. Parul D. Patel, Sole proprietor of Shriji Agro Trading	Summons	21.08.23
CC-NI 7794/2022	Spl. JFCM for Excise Cases Hyderabad –	1) Lakshmi Narasimha Traders,	Summons	16.08.2023

	MSJ (VI Metropolitan Magistrate)	2) Mr. Pulkuri Sundaramaiah		
CC-NI 7793/2022	Spl. JFCM for Excise Cases Hyderabad – MSJ (VI Metropolitan Magistrate)	1) New Ganapati Krushi Seva Kendra- 2) Mr. Naresh Baburao Dehadrai	Summons	16.08.2023
CC-NI 7795/2022	Spl. JFCM for Excise Cases Hyderabad – MSJ (VI Metropolitan Magistrate)	1) Ramalingeswara Fertilizers, 2) Mr. Kara Mallikarjuna Reddy	Summons	16.08.2023

**Note: The above mentioned cases are in summon stage. The company pursuing for issuance of summons.**

S.R. No	Forum	Name of the Respondents/Accused	Date of filing
2000/2023	Metropolitan Magistrate Court, Kukatpally, Hyderabad (XV Addnl. Metropolitan Magistrate)	Satyanarayana Swamy Fertilizers, Chittimali Sridhar (Proprietor)	11.07.2023
1999/2023	Metropolitan Magistrate Court, Kukatpally, Hyderabad (XV Addnl. Metropolitan Magistrate)	Sri Sai Shiva Fertilizers, Sandeep Reddy Chethi Reddy (Proprietor)	11.07.2023
2001/2023	Metropolitan Magistrate Court, Kukatpally, Hyderabad (XV Addnl. Metropolitan Magistrate)	Sannidhi Agro Traders, Mallikarjun (Proprietor)	11.07.2023
2002/2023	Metropolitan Magistrate Court, Kukatpally, Hyderabad (XV Addnl. Metropolitan Magistrate)	Lovely Khad Beej Bhandar, Virendra Ram (Proprietor)	11.07.2023

**Note: Since the above mentioned cases are recently filed the same is not numbered and are in the scrutiny stage**

**Note: Our Company, in the ordinary course of business, initiated 13 proceedings against certain defaulting vendors under section 138 of the Negotiable Instruments Act, 1881 for dishonour of cheques due to insufficiency of funds in the customer's account aggregating to ₹50.67 lakhs as on 21st July, 2023. The matters are pending before various stages of adjudication as mentioned above.**

**iii. LITIGATION INVOLVING OUR PROMOTERS / PROMOTER GROUP: NIL**



***Cases filed against our Promoters / Promoter Group***

1. Criminal Proceedings : Nil
2. Actions taken by Statutory/Regulatory : Nil
3. Tax Proceedings : Nil
4. Other Material Civil Litigations : Nil
5. Disciplinary action against our Company by SEBI or any stock exchange in the last five Financial Years : Nil

***Cases filed by our Promoters / Promoter Group***

1. Criminal Proceedings : Nil
2. Other Material Civil Litigations : Nil

**iv. LITIGATION INVOLVING OUR DIRECTORS (Excludes Promoter Directors)**

***Cases filed against our Directors***

Except for the proceedings disclosed under the head Company and who are the directors authorized on behalf of the Company, there are no cases filed against any of our other Directors.

1. Criminal Proceedings : Nil
2. Actions taken by Statutory/Regulatory : Nil
3. Tax Proceedings : Nil
4. Other Material Civil Litigations : Nil
5. Disciplinary action against our Company by SEBI or any stock exchange in the last five Financial Years : Nil

***Cases filed by our Directors***

1. Criminal Proceedings : Nil
2. Other Material Civil Litigations : Nil

**v. LITIGATION INVOLVING OUR SUBSIDIARIES**

***A. Cases filed against our Subsidiaries***

1. Criminal Proceedings : Nil
2. Actions taken by Statutory/Regulatory : Nil
3. Tax Proceedings : 1

Tierra Seed Science Pvt. Ltd (TSSPL) has received a demand notice u/s. 156 of the Income Tax Act, 1961 demanding a penalty of Rs. 94,44,046/- Order was passed u/s. 271(1)(c) of the Income Tax Act directing TSSPL to pay the penalty of Rs. 94,44,046/-. Against the said order, TSSPL has preferred an appeal before the Joint Commissioner (Appeals) or the Commissioner of Income-tax on 17/03/2022.

4. *Other Material Civil Litigations* : Nil
5. *Disciplinary action against our Company by SEBI or any stock exchange in the last five Financial Years* : Nil

**B. Cases filed by our Subsidiaries**

1. *Criminal Proceedings* : Nil
2. *Tax Proceedings*

TSSPL has preferred an Appeal before the Commissioner of Appeals (Income Tax) u/s. 246(a) of the Income Tax Act on 17/03/2022 vide Form-35 having Acknowledgment 384759770170322 against the Assessment Order dated 03/02/2022 for the AY 2016-2017.

3. *Other Material Litigations* : Nil

**vi. OUTSTANDING DUES TO SMALL SCALE UNDERTAKINGS OR ANY OTHER CREDITORS : NA**

**Outstanding dues to creditors**

Details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2023 and as at June 30, 2023, by our Company, are set out below:

(₹ in lakhs)

Type of creditors	Number of creditors As on March 31, 2023	Amount involved As on March 31, 2023	Number of creditors As on June 30, 2023	Amount involved As on June 30, 2023
Material creditors	36	105.78	25	118.93
Micro, Small and Medium Enterprises	59	108.97	45	112.69
Other creditors	380	1974.52	281	1,948.04
<b>Total</b>		<b>2,189.28</b>		<b>2,179.66</b>

**DISCLOSURES PERTAINING TO WILFUL DEFAULTERS**

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

#### **MATERIAL DEVELOPMENTS**

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Material Developments Subsequent to March 31, 2023*" on page 196 of this Draft Letter of Offer, there have not arisen, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.



## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled "*Objects of the Issue*" at page 47 of this Draft Letter of Offer.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Board, pursuant to its resolution dated July 05, 2023 authorised the Issue under Section 62(1)(a) of the Companies Act, 2013

Our Board at its meeting held on July 05, 2023 has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹ 4,990.00 lakhs. The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company to the Issue prior to determination of the Record Date.

The Draft Letter of Offer was approved by the Rights Issue Committee (duly constituted by the Board in their meeting on July 05, 2023) pursuant to its resolution dated July 22, 2023.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, vide letters dated [●] issued by BSE Limited, for listing of the Rights Equity Shares to be Allotted pursuant to the Issue.

### **Prohibition by SEBI or other Governmental Authorities**

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

### **Prohibition by RBI**

Neither our Company, nor our Promoter, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

### **Compliance with Companies (Significant Beneficial Ownership) Rules, 2018**

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

### **Eligibility for the Issue**

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause 3(b) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

### **Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

### **DISCLAIMER CLAUSE OF SEBI**

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of the issue is less than ₹5000 lakhs.

### **Disclaimer from our Company and our Directors**

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information including our website [www.tierraagrotech.com](http://www.tierraagrotech.com) or the respective website of our associates and subsidiaries would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding center.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

### **Disclaimer in respect of Jurisdiction**

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Hyderabad only.

### **Disclaimer Clause of BSE**

BSE Limited ("**the Exchange**") has given *vide* its letter dated [●] permission to this Company to use the Exchange's name in this Draft Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- ii. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- iii. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **Designated Stock Exchange**

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

### **Listing**

Our Company will apply to BSE Limited for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

### **Selling Restrictions**

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer, , Letter of Offer , Abridged Letter of Offer, Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights



Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

#### **NO OFFER IN THE UNITED STATES**

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Draft Letter of Offer, Draft Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Draft Letter of Offer,

- (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and
- (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

## **NO OFFER IN ANY JURISDICTION OUTSIDE INDIA**

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, SAUDI ARABIA, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

## **Filing**

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the Stock Exchange and not with SEBI. However, the Draft Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchange.

## **Mechanism for Redressal of Investor Grievances**

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Venture Capital and Corporate Investments Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

**Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the**

**acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" on page 219 of this Draft Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:**

**Registrar to the Company:**

**Venture Capital and Corporate Investments Private Limited**

**CIN:** U65993TG1986PTC006936

Aurum, 4th & 5th Floors, Plot No.57, Jayabheri Enclave, Phase - II,  
Gachibowli, Hyderabad-500032, Telangana.

**Telephone:** +91 40 35164940

**Email:** [investor.relations@vccipl.com](mailto:investor.relations@vccipl.com)

**Contact Person:** Mr. ESK Prasad

**Website:** [www.vccipl.com](http://www.vccipl.com)

**SEBI Registration No.:** INR000001203

**Validity of Registration:** Permanent

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/ Refund Orders etc.

Mrs. Kalidindi Anagha Devi,  
Company Secretary and Compliance Officer of our Company.

Her contact details are set forth hereunder:

**Telephone:** +91 040-48506656, 9494132466

**E- mail:** [cs@tierraagrotech.com](mailto:cs@tierraagrotech.com)

**Consents**

Consents in writing of our Directors, Company Secretary and Compliance Officer, Chief Executive Officer, Chief Financial Officer, legal advisor to the Issue the Registrar to the Issue and the Bankers to the Issue/ to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

Our Company has received written consent dated July 06, 2023 from our Statutory and Peer Reviewed Auditor, Ramasamy Koteswara Rao & Co., Chartered Accountants for inclusion of their Examination Report, dated July 22, 2023 on our Restated Financial Information for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021 in this Draft Letter of Offer and to include their name in this Draft Letter of Offer and as an 'Expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated July 21, 2023 in the form and context in which it appears in this Draft Letter of Offer. Such consent has not been withdrawn up to the date of this Draft Letter of Offer.

**Expert Opinion**

Our Company has received written consent dated July 06, 2023 from our Statutory Auditor to include their name as required in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to its examination report, dated July 22, 2023 on the Restated Financial Information and the Statement of Tax Benefits dated July 21, 2023 and such consent has not been withdrawn as of the date of this Draft Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

**Performance vis-à-vis objects – Public/Rights Issue of our Company**

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

**Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates**

Our Subsidiary is not listed and has not made any rights issues or public issues during the five years immediately preceding the date of this Draft Letter of Offer.

**Stock Market Data of the Equity Shares**

Our Equity Shares are listed on BSE. Our Equity Shares are Infrequently traded on BSE. For details in connection with the stock market data of the Stock Exchange, please refer to the chapter titled "*Market Price Information*" on page 200 of this Draft Letter of Offer.

## SECTION VII – OFFERING INFORMATION TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Draft Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Draft Letter of Offer. Investors who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI master circular number SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023 all investors (including renouncee) shall make an application for a rights issue only through ASBA facility.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Draft Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

### OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Draft Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice.

### Important:

#### Dispatch and availability of Issue materials

In accordance with the SEBI ICDR Regulations, our Company will send, only through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Draft Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to our Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Investors can also access the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company at [www.tierraagrotech.com](http://www.tierraagrotech.com)
- the Registrar to the Issue at [www.vccipl.com](http://www.vccipl.com)
- the Stock Exchange at [www.bseindia.com](http://www.bseindia.com)

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at [www.vccipl.com](http://www.vccipl.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company. (i.e. [www.tierraagrotech.com](http://www.tierraagrotech.com)). Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither, our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number.

The distribution of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

**Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Letter of Offer, Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid e-mail address and an Indian address to our Company.**

**The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard**

## **I. PROCESS OF MAKING AN APPLICATION IN THE ISSUE**

***In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.***

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense account, as applicable. For further details on the Rights Entitlements and demat suspense account, please see “*Terms of Issue—Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*” on page 231 of this Draft Letter of Offer

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense account in case of resident Eligible Equity Shareholders holding shares in physical form as at Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or
- ii) the requisite internet banking.

**Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, please see “*Terms of Issue—Grounds for Technical Rejection*” on page 228 of this Draft Letter of Offer. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, - please see “*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 222 of this Draft Letter of Offer.

### ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- v) renounce its Rights Entitlements in full.

***Making of an Application through the ASBA process***

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, their directors, their employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

***Do's for Investors applying through ASBA:***

- a. Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- b. Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialised form only.
- c. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.



- d. Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- e. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- f. Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- g. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- h. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- i. Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

*Don'ts for Investors applying through ASBA:*

- a. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- b. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- c. Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- d. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- e. Do not submit Application Form using third party ASBA account.

***Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process***

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or the Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilise the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Tierra Agrotech Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date)/DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;
5. Number of Equity Shares held as at Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹[●] per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
16. An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at investor.relations@vccipl.com; and
17. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in “**Restrictions on Foreign Ownership of Indian Securities**” on page 247 of this Draft Letter of Offer, and shall include the following:

*“I/ We hereby make representations, warranties and agreements set forth in “**Restrictions on Foreign***

***Ownership of Indian Securities” on page 247 of the Letter of Offer.***

*I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”*

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.vccipl.com](http://www.vccipl.com).

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

***Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form***

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in ***“Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process”*** on page 222 of this Draft Letter of Offer.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as at the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialised Rights Entitlements are transferred from the suspense demat account to the respective demat accounts within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

***Application for Additional Rights Equity Shares***

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment,

the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Terms of Issue—Basis of Allotment*” on page 241 of this Draft Letter of Offer.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.**

*Additional general instructions for Investors in relation to making of an Application*

a) Please read the Draft Letter of Offer carefully to understand the Application process and applicable settlement process.

b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regards to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under “*Terms of Issue—Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 222 of this Draft Letter of Offer.

d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

e) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.

f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. The investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as at Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- m) Investors are required to ensure that the number of Rights Equity Shares applied by them do not exceed the prescribed limits under the applicable law.
- n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- q) Do not pay the Application Money in cash, by money order, pay order or postal order.
- r) Do not submit multiple Applications.
- s) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.
- t) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

#### ***Grounds for Technical Rejection***

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appear to our Company or its agents to have been executed in, electronically transmitted from or dispatched from jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States, and is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records.

#### ***Multiple Applications***

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the

Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, please see ***“Terms of Issue—Procedure for Applications by Mutual Funds”*** on page 230 of this Draft Letter of Offer.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of our Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in ***“Capital Structure”*** on page 45 of this Draft Letter of Offer.

#### ***Procedure for Applications by certain categories of Investors***

##### ***Procedure for Applications by FPIs***

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates (i.e., 100% under automatic route).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to, inter alia, the following conditions:

- a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

##### ***Procedure for Applications by AIFs, FVCIs, VCFs and FDI route***

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment

restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any Allotments made by relying on such approvals.

#### ***Procedure for Applications by NRIs***

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Circular 2020 has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

#### ***Procedure for Applications by Mutual Funds***

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

#### ***Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)***

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.



### ***Last date for Application***

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], 2023, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in **“Terms of Issue—Basis of Allotment”** on page 241 of this Draft Letter of offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### ***Withdrawal of Application***

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

### ***Disposal of Application and Application Money***

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

## **II. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS**

### ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as at the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar [www.vccipl.com](http://www.vccipl.com) by entering their DP ID and Client ID or folio number (for Eligible Equity

Shareholders who hold Equity Shares in physical form as at Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., [www.tierraagrotech.com](http://www.tierraagrotech.com)).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialised form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar [www.vccipl.com](http://www.vccipl.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense account (namely, “[●] RE Suspense Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., by [●], 2023 to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

### III. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

#### **Renouncees**

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

#### ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchange or through an off-market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form as at Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

#### ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the “**On Market Renunciation**”); or (b) through an off-market transfer (the “**Off Market Renunciation**”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

#### **Payment Schedule of Rights Equity Shares**

₹[●] per Rights Equity Share (including premium of ₹[●] per Rights Equity Share) shall be payable on Application.

₹[●] per Rights Equity Share (including premium of ₹[●] per Rights Equity Share) shall be payable on one or more calls as per the decision of the Board of Directors or Rights Issue committee.

Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

***a) On Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialised form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] 2023 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] Number indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

***b) Off Market Renunciation***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

**IV. MODE OF PAYMENT**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorising the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalisation of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### ***Mode of payment for Resident Investors***

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

#### ***Mode of payment for Non-Resident Investors***

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

## **V. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE**

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, please see “**The Issue**” on page 37 of this Draft Letter of Offer.

### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to 1 Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to ‘Zero’ Rights Equity Share under this Issue shall be dispatched an Application Form with ‘Zero’ entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

### **Ranking**

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

### **Mode of payment of dividend**

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

### **Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue**

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. [●] for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE05CY01014 on BSE (Scrip Code: 543531). Investors shall be able to trade their Rights Entitlements either through On Market Renunciation

or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter dated. Our Company will apply to the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

In case our Company fails to obtain listing or trading permission from the Stock Exchange, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law

#### **Subscription to the Issue by our Promoters and Promoter Group**

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see “*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*” on page 45 of this Draft Letter of Offer.

#### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

#### **Rights of holders of Equity Shares**

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

#### **General terms of the Issue**

##### **Market Lot**

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in

dematerialized mode is one Equity Share.

#### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

#### **Nomination**

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

**Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.**

#### **Arrangements for Disposal of Odd Lots**

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

#### **New Financial Instruments**

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

#### **Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository.

#### **Notices**

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Mumbai, where our Registered Office is located).

**This Draft Letter of Offer, Letter of Offer the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website**



## **PROCEDURE FOR APPLICATION**

- a) Application should be made only through the ASBA facility.

### **Underwriting**

The Issue is not underwritten.

### **Withdrawal of Application**

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor may withdraw their Application post the Issue Closing Date.

### ***Offer to Non-Resident Eligible Equity Shareholders/Investors***

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at [www.vccipl.com](http://www.vccipl.com). It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Further, Application Forms will be made available at Registered Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognised as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI

Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to [www.vccipl.com](mailto:www.vccipl.com)

## **ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALISED FORM**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 226 OF THIS DRAFT LETTER OF OFFER.**

### **Issue schedule**

<b>Last date for credit of Rights Entitlements</b>	<b>[●]</b>
<b>Issue Opening Date</b>	<b>[●]</b>
<b>Last date for On Market Renunciation*</b>	<b>[●]</b>
<b>Issue Closing Date</b>	<b>[●]</b>
<b>Finalising the basis of allotment with the Designated Stock Exchange</b>	<b>[●]</b>
<b>Date of Allotment (on or about)</b>	<b>[●]</b>
<b>Date of credit (on or about)</b>	<b>[●]</b>
<b>Date of listing or Commencement of Trading (on or about)</b>	<b>[●]</b>

*Note: Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

*\*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date*

*\*\*Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as at Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [●], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., [www.vccipl.com/](http://www.vccipl.com/)). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., [www.vccipl.com/](http://www.vccipl.com/)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company.

### **Basis of Allotment**

Subject to the provisions contained in the Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Securities. Allotment under this head shall be considered if there are any unsubscribed Rights Securities after allotment under (a) above. If number of Rights Securities required for Allotment under this head are more than the number of Rights Securities available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.
- e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

#### **Allotment Advices/Refund Orders**

Our Company will issue and dispatch Allotment advice, refund instructions or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialised form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

### **Payment of Refund**

#### ***Mode of making refunds***

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

- a. **Unblocking amounts blocked using ASBA facility-** The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.
- b. **NACH – National Automated Clearing House** is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“MICR”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- c. **National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar, to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- d. **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- e. **RTGS** – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- f. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

- g. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

***Refund payment to Non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

**Allotment advice or Demat Credit**

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 4 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

**Option to receive Right Equity Shares in Dematerialised Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.**

Investors shall be Allotted the Rights Equity Shares in dematerialised (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates:

- a) Tripartite agreement dated [●] amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated [●] amongst our Company, CDSL and the Registrar to the Issue.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

**Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 239 of this Draft Letter of Offer.**

### **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub section 38(1) of the Companies Act, 2013 which is reproduced below:

*"Any person who:*

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447. "*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹50 lakhs or with both.

### **Utilization of Issue Proceeds**

Our Board of Directors declares that:

- All monies received out of the Issue shall be transferred to a separate bank account;
- Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate

- head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

### **Undertakings by our Company**

Our Company undertakes the following:

- a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- c) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- f) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- g) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- i) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- j) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

### **Important**

Please read the Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "**Risk Factors**" on page 21 of this Draft Letter of Offer.

All enquiries in connection with this Draft Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**TIERRA AGROTECH LIMITED**" on the envelope to the Registrar at the following address:

#### **Venture Capital and Corporate Investments Private Limited**

**CIN:** U65993TG1986PTC006936

Aurum, 4th & 5th Floors, Plot No.57, Jayabheri Enclave, Phase - II, Gachibowli, Hyderabad-500032

**Telephone:** +91 40 35164940

**Email:** : investor.relations@vccipl.com

**Contact Person:** Mr. ESK Prasad

**Website:** www.vccipl.com

**SEBI Registration No.:** INR000001203

**Validity of Registration:** Permanent

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar [www.vccipl.com](http://www.vccipl.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 040 23818475/35164940.

The Issue will remain open for a minimum period of 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).



## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (**FIFP**) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "**Competent Authority**") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The DIPP, has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 ("**FDI Policy 2020**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the **FIFP**.

The transfer of shares between an Indian resident and a non-resident does not need prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA, and the transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been derecognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non-institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including the exemption under Regulation S ("**Regulation S**") of the U.S. Securities Act.

*The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

## **SECTION VIII – STATUTORY AND OTHER INFORMATION**

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

*The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at [www.tierraagrotech.com](http://www.tierraagrotech.com) in from the date of this Draft Letter of Offer until the Issue Closing Date.*

### 1. Material Contracts for the Issue

- (i) Registrar Agreement dated [●] entered into amongst our Company and the Registrar to the Issue.
- (ii) Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

### 2. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Certificate of incorporation dated September 13, 2013.
- (iii) Scheme of Amalgamation between Grandeur Products Limited (Transferor Company) And Tierra Agrotech Private Limited (Transferee Company) And Their Respective Shareholders and Creditors.
- (iv) Order copy dated November 12, 2021 of Hon'ble National Company Law Tribunal, Hyderabad Bench, approving the Scheme of Amalgamation.
- (v) Fresh certificate of incorporation dated December 17, 2021 upon conversion of our Company from Private Limited to Public Limited.
- (vi) Fresh certificate of incorporation dated December 17, 2021 consequent upon change of name of our Company to 'Tierra Agrotech Limited'.
- (vii) Letter of listing of 2,51,55,165 equity shares of ₹10/- each fully paid-up dated May 25 2022.
- (viii) Letter of listing of 3,07,77,213 equity shares of ₹10/- each fully paid-up dated June 14, 2023.
- (ix) Resolution of the Board of Directors dated July 05, 2023 in relation to the Issue.
- (x) Resolution of the Right Issue Committee dated July 22, 2023 approving and adopting the Draft Letter of Offer.
- (xi) Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in this Draft Letter of Offer in their respective capacities.
- (xii) Copies of Annual Reports of our Company for Fiscals 2022, 2021, and 2020.

- (xiii) The examination reports dated July 22, 2023 of the Statutory Auditor, on our Company's Restated Consolidated Summary Statements for the year ended March 31, 2023, March 31, 2022 and March 31, 2021, included in this Draft Letter of Offer.
- (xiv) Report on Statement of Special Tax Benefits dated July 21, 2023 from the Statutory Auditor included in this Draft Letter of Offer.
- (xv) Tripartite Agreement dated [●] between our Company, NSDL and the Registrar to the Issue.
- (xvi) Tripartite Agreement dated [●] between our Company, CSDL and the Registrar to the Issue.
- (xvii) In principle listing approval dated [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

\_\_\_\_\_  
**Vijay Kumar Deekonda**  
(Wholetime Director)  
DIN: 06991267

Sd/-

\_\_\_\_\_  
**Venkata Krishna Rau Gogineni**  
(Non-Executive Independent Director)  
DIN: 06775731

Sd/-

\_\_\_\_\_  
**Suryanarayana Simhadri**  
(Non-Executive Independent Director)  
DIN: 01951750

Sd/-

\_\_\_\_\_  
**Srinivasa Rao Paturi**  
(Non-Executive Non Independent Director)  
DIN: 01220158

Sd/-

\_\_\_\_\_  
**Jayaram Prasad Munnangi** (Non-Executive Non Independent Director)  
DIN: 03034183

Sd/-

\_\_\_\_\_  
**Neha Soni**  
(Non-Executive Independent Director)  
DIN: 09724152

### SIGNED BY THE CFO and COMPANY SECRETARY OF OUR COMPANY:

Sd/-

\_\_\_\_\_  
**Hari Singh Chauhan**  
(Chief Executive Officer)

Sd/-

\_\_\_\_\_  
**Sheshu Babu Dharla**  
(Chief Financial Officer)

Sd/-

\_\_\_\_\_  
**Kalidindi Anagha Devi**  
(Company Secretary and Compliance Officer)  
Membership No : A70068

**Date:** July 22, 2023

**Place:** Hyderabad

