

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Nature Bio Foods BV

Report on the Audit of the Special Purpose Standalone IND AS Financial Statements

Opinion

We have audited the accompanying Special Purpose Standalone IND AS Financial Statements of **Nature Bio Foods BV**, (hereinafter referred to as the "Company") which comprise the Special Purpose Standalone Balance Sheet as at March 31, 2023, Special Purpose Standalone Statement of Profit and Loss, Special Purpose Standalone Statement of Change in Equity and the Special Purpose Standalone Cash Flow Statement for the year then ended, and notes to the Special Purpose Standalone IND AS financial statements, including a summary of significant accounting policies and other explanatory information and disclosures ("Special Purpose Standalone IND AS Financial Statements"). The Special Purpose Standalone IND AS Financial Statements have been prepared by the Management of the Company in accordance with Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their Standalone state of affairs of the company as at March 31, 2023, of Standalone loss and other comprehensive income, Standalone changes in equity and its Standalone cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special purpose Standalone IND AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the special purpose Standalone IND AS financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the Special Purpose Standalone IND AS Financial Statements, which describe the basis of accounting. The Special Purpose Standalone IND AS financial statements are prepared to assist the Company in complying with the financial reporting provisions of Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India. As a result, the special purpose Standalone IND AS financial statements may not be suitable for another purpose.

Our report is intended solely for the use of consolidation with parent company i.e., Nature Bio Foods Limited and should not be distributed to or used by any other parties. M S K A & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. 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.



MSKA & Associates

Chartered Accountants

Other Matter

The comparative financial information for the year ended March 31, 2022, in the Standalone Financial Statements are unaudited. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those charged with Governance for Special Purpose Standalone IND AS Financial Statements

Management of Company is responsible for the preparation and fair presentation of these special purpose Standalone Ind AS financial statements in accordance with the financial reporting provisions of Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India; and this includes design, implementation and maintenance of such internal control as management determines is necessary to enable the preparation of special purpose Standalone IND AS financial statement that are free from material misstatement whether due to fraud or error.

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

Those Charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Standalone IND AS Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Special purpose Standalone IND AS financial statements.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Monish Sharma
Partner

Membership No. 505381
UDIN: 23505381BGXUVQ8170



Place: Gurugram

Date: December 18, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE STANDALONE IND AS FINANCIAL STATEMENTS OF NATURE BIO FOODS BV

Auditor's Responsibilities for the Audit of the Special Purpose Standalone IND AS Financial Statements

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

- Identify and assess the risks of material misstatement of the special purpose Standalone IND AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the company has adequate internal financial controls with reference to special purpose Standalone IND AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose Standalone IND AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose Standalone IND AS financial statements, including the disclosures, and whether the special purpose Standalone IND AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the special purpose Standalone IND AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the special purpose Standalone IND AS financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

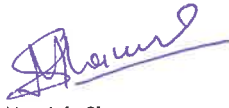


MSKA & Associates

Chartered Accountants

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

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Monish Sharma
Partner
Membership No. 505381
UDIN: 23505381BGXUVQ8170



Place: Gurugram
Date: December 18, 2023

Nature Bio Foods B.V.
Special Purpose standalone Balance sheet as at March 31, 2023
(All amount in Euro thousands, unless otherwise stated)

| | Notes | March 31, 2023 | March 31, 2022 |
|--|-------|------------------|------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, Plant and Equipment | 2 | 831.13 | 481.38 |
| Capital work-in-progress | 2 | - | 15.31 |
| Right of Use Assets | 3 | 802.58 | 975.92 |
| Financial assets | | | |
| Investments | 4 | 361.75 | 89.54 |
| Other non current assets | 5 | - | 270.00 |
| Total non-current assets | | 1,995.46 | 1,832.15 |
| Current assets | | | |
| Inventories | 6 | 9,440.52 | 6,905.23 |
| Financial assets | | | |
| Trade receivables | 7 | 2,834.56 | 1,727.80 |
| Other current assets | 8 | 1,398.24 | 512.68 |
| Total current assets | | 13,673.32 | 9,145.70 |
| Total assets | | 15,668.78 | 10,977.86 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 10 | 0.01 | 0.01 |
| Other equity | 11 | 4,761.68 | 3,155.64 |
| Total equity | | 4,761.69 | 3,155.65 |
| Non-Current liabilities | | | |
| Financial Liabilities | | | |
| Lease Liabilities | 12 | 644.54 | 815.68 |
| Total non-current liabilities | | 644.54 | 815.68 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 13 | 2,610.20 | 1,955.98 |
| Trade payables | 14 | - | - |
| -Total outstanding dues of micro enterprises and small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 6,963.44 | 4,408.95 |
| Lease Liabilities | 15 | 172.69 | 168.67 |
| Other current liabilities | 16 | 178.72 | 190.81 |
| Current tax liabilities (net) | 17 | 337.51 | 282.13 |
| Total current liabilities | | 10,262.56 | 7,006.54 |
| Total equity and liabilities | | 15,668.78 | 10,977.86 |

Statement of significant accounting policies 1

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the special purpose standalone financial statements.

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number : 105047W


Monish Sharma

Partner
Membership Number: 505381



For and on behalf of the Board of Directors of
Nature Bio Foods B.V.


Abitya Arora
Director


Rohan Grover
Director

Place : Gurugram
Date : 18/12/2023

Place: R'dam Place:
Date : 18/12/2023 Date : 18/12/2023

Nature Bio Foods B.V.

Special purpose standalone Statement of Profit and Loss for the year ended March 31, 2023

(All amount in Euro thousands, unless otherwise stated)

| | Notes | March 31, 2023 | March 31, 2022 |
|--|-------|------------------|------------------|
| Income | | | |
| Revenue from operations | 18 | 35,385.35 | 22,896.46 |
| Other income | 19 | 68.78 | 145.63 |
| Total Income | | 35,454.13 | 23,042.09 |
| Expenses | | | |
| Purchase of stock-in-trade | 20 | 29,216.52 | 21,833.55 |
| Change in inventories Traded Goods | 21 | (2,535.29) | (4,115.48) |
| Employee benefits expense | 22 | 1,093.54 | 684.03 |
| Finance costs | 23 | 163.66 | 67.15 |
| Depreciation and amortisation expense | 24 | 328.13 | 261.60 |
| Other expenses | 25 | 5,080.58 | 2,691.64 |
| Total Expenses | | 33,347.14 | 21,422.49 |
| Profit before tax | | 2,106.99 | 1,619.60 |
| Tax expense | | | |
| Current tax | 27 | 500.95 | 380.41 |
| Total tax expense | | 500.95 | 380.41 |
| Profit for the year | | 1,606.04 | 1,239.19 |
| Other Comprehensive Income | | | |
| 1) Items that will not be reclassified to statement of Profit and Loss | | - | - |
| 2) Items that will be reclassified to statement of Profit and Loss | | - | - |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year | | 1,606.04 | 1,239.19 |
| Earnings per equity share of € 1 each | | | |
| Basic (€) | 18 | 160.60 | 123.92 |
| Diluted (€) | 18 | 160.60 | 123.92 |

Statement of significant accounting policies

1


The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the Standalone financial statements.

As per our report of even date

For M S K A & Associates

Chartered Accountants

Firm Registration Number : 105047W

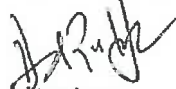


Monish Sharma
 Partner
 Membership Number: 505381



Place : Gurugram
 Date : 18/12/2023

For and on behalf of the Board of Directors

Nature Bio Foods B.V.

 
Aditya Arora **Rohan Grover**
 Director Director

Place: *Ridam* Place :
 Date : 18/12/2023 Date : 18/12/2023

Nature Bio Foods B.V.
Special Purpose standalone Statement of Cash Flow For the Year ended March 31, 2023
(All amount in Euro thousands, unless otherwise stated)


| | | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|-----------|------------------------------|------------------------------|
| Cash flow from operating activities: | | | |
| Profit before tax | | 2,106.99 | 1,619.62 |
| Non-cash adjustment to reconcile profit before tax to net cash flows: | | | |
| Finance cost | | 157.95 | 52.46 |
| Depreciation and amortization expense | | 328.13 | 125.34 |
| Operating profit before working capital changes | | 2,593.07 | 1,797.41 |
| Changes in: | | | |
| Increase/(decrease) in trade payables | | 2,554.49 | 2,193.98 |
| Increase/(decrease) in other current liabilities | | (12.09) | 465.52 |
| (Increase)/decrease in trade receivables | | (1,106.76) | (187.57) |
| (Increase)/decrease in inventories | | (2,535.29) | (4,115.48) |
| (Increase)/decrease in other current assets | | (887.77) | (175.58) |
| Cash generated from/ (used in) operations | | 605.65 | (21.71) |
| Income taxes paid (net of refunds) | | (445.58) | (182.85) |
| Net cash generated from/ (used in) operating activities | A | 160.07 | (204.57) |
| Cash flow from investing activities | | | |
| Purchase of property, plant equipment and intangible assets (including capital work-in-progress) | | (489.24) | (61.43) |
| Lease rent paid | | (188.69) | (148.83) |
| Net cash generated from investing activities | B | (677.93) | (210.26) |
| Cash flow from financing activities | | | |
| Proceeds from Borrowings (net) | | 654.22 | 439.30 |
| Interest paid | | (136.36) | (24.47) |
| Net cash generated from/ (used in) financing activities | C | 517.86 | 414.83 |
| Net increase in cash and cash equivalents | A + B + C | - | - |
| Exchange difference on translation of foreign currency cash and cash equivalents | | | |
| Cash and cash equivalents at the beginning of the year * | | - | - |
| Cash and cash equivalents at the end of the year * | | - | - |

* Cash and cash equivalent balances are Nil as at March 31, 2023 and March 31, 2022 as company does not maintain Cash and bank balances and all funds requirement met from overdraft limit with banks

Statement of significant accounting policies

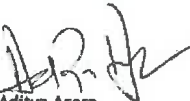
The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the Special purpose Standalone financial statements.
This is the cash flow statement referred to in our report of even date

For M S K A & Associates Chartered Accountants
Firm Registration Number : 105047W


Monish Sharma
Partner
Membership Number: 505381



For and on behalf of the Board of Directors
Nature Bio Foods B.V.


Aditya Arora
Director


Rohan Grover
Director

Place : Gurugram
Date : 18/12/2023

Place: *Rotterdam* Place: Gurugram
Date : 18/12/2023 Date : 18/12/2023

Nature Bio Foods B.V.
 Special Purpose standalone Statement of Changes in Equity for the year ended March 31, 2023
 (All amount in Euro thousands, unless otherwise stated)

A. Equity share capital

| | Notes | |
|------------------------------------|-------|-------|
| As at April 01, 2021 | 10 | 10.00 |
| Add: Shares issued during the year | | - |
| As at March 31, 2022 | 10 | 10.00 |
| Add: Shares issued during the year | | - |
| As at March 31, 2023 | 10 | 10.00 |

B. Other equity

| | Notes | Retained Earnings |
|---|-------|-------------------|
| Balance as at April 1, 2021 | 11 | 1,916.45 |
| Profit for the year | | 1,239.19 |
| Total comprehensive income for the year | | 1,239.19 |
| Balance as at March 31, 2022 | 11 | 3,155.64 |
| Balance as at April 1, 2022 | 11 | 3,155.64 |
| Profit for the year | | 1,606.04 |
| Total comprehensive income for the year | | 1,606.04 |
| Balance as at March 31, 2023 | 11 | 4,761.68 |

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For M S K A & Associates
 Chartered Accountants
 Firm Registration Number : 105047W



Monish Sharma
 Partner
 Membership Number: 505381



Place : Gurugram
 Date : 18/12/2023

For and on behalf of the Board of Directors of
 Nature Bio Foods B.V.



Aditya Arora
 Director



Rohan Grover
 Director

Place: R'dam
 Date : 18/12/2023

Place :
 Date : 18/12/2023

NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

General Information

Nature Bio-Foods BV ('the Company') was incorporated on November 6, 2017 under the provisions of erstwhile Dutch Civil Code. The Company is a subsidiary of Nature Bio Foods Limited. A company incorporated in India.

The Company is in the business of milling, processing and marketing of branded and non-branded organic rice and trading of organic food products in the domestic and overseas market. Its operations include procurement, storage, processing, packaging and distribution of food products.

1. Significant accounting policies

The principal accounting policies applied in the preparation of Special Purpose Standalone financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

(i) Basis of Preparation

a. Compliance with Ind AS

These Special Purpose Standalone Financial Statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. These Special Purpose Standalone Financial Statements prepared for the purpose of consolidation with its holding company an ultimate holding company.

The Special purpose standalone financial statement have been prepared on a historical cost basis except for the following assets and liabilities which have been measured at fair value :

- a. Contingent consideration
- b. Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), and

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

b. Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or



NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(ii) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Company has identified its Whole Time Directors as Chief Operating Decision Maker (CODM), who assesses the financial performance of the Company and makes strategic decisions.

The Company has structured its operations into the following two segments:

Rice: Organic rice processing and marketing by the Company.

Soyabean : Organic soyabean is traded by Company.

Others: Organic pulses, organic flour, organic oil and oilseeds, organic nuts, organic spices and herbs, organic millets, etc. traded by the Company.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/ expenses/ assets / liabilities".

(iii) Foreign currency transactions

Effective April 1, 2018, the Company has adopted Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on account of adoption of this amendment is insignificant.

Items included in the Special Purpose Standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Special Purpose Standalone financial statements are presented in Euro, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.



NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iv) Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The Company recognizes revenue when it transfers control of a product or service to a customer.

Sale of goods:

Revenue from sale of goods is recognized when it transfers control of the product to a customer i.e. when customers are billed (in case of ex-works) or when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. The Company considers, whether there are other promises in the contract in which there are separate performance obligations, to which a portion of the transaction price needs to be allocated. When payments received from the customers exceed revenue recognized to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

Customer has a right to return for defective goods. Since the quantity of goods returned has been minimal for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur.

In order to determine if it is acting as a principal or as an agent, the Company assesses whether it has exposure to the significant risks and rewards associated with the sale of goods. Revenue from such transactions where the Company is acting as an agent is recognized on net basis i.e. after deducting the amount contractually payable to vendor out of the total consideration received and is recognized once the facilitation of such service is done as the Company does not assume any performance obligation.

Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily rice and other products under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Therefore, revenue from the sale of goods is recognized when the Company transfers control at the point in time the customer takes undisputed delivery of the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.



NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-180 days. No element of financing is deemed present as the sales are made with a credit term of 180 days, which is consistent with market practice.

(v) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Special Purpose Standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all taxable temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in Other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(vi) Leases

As a lessee

The Company's lease asset classes primarily consist of leases for machines. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct



NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(vii) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(viii) Investments in Subsidiaries/associates

Investment in subsidiaries/associates are carried at cost less provision for impairment, if any. Investment in subsidiaries are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of investments exceeds its recoverable amount.

(ix) Trade receivables

Trade receivables are recognised initially amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Trade receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment.



NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

(x) Inventories

Traded goods

Traded goods are valued at lower of cost and net realisable value. Traded goods comprises cost of purchases, unloading charges and milling cost. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the basis of the 'Weighted average method'. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision for inventory obsolescence is made based on the best estimates of management.

(xi) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

a. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and;
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and contractual terms of the cash flow.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

b. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:



NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instruments that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ (expenses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss within other income in the period in which it arises. Interest income from these financial assets is included in other income.

c. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

d. De-recognition of financial assets

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset continues to be recognised to the extent of continuing involvement in the financial asset.



NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

(xii) Derecognition Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency.

(xiii) Property, plant and equipment

All items of property, plant and equipment are carried at historical cost less accumulated depreciation /amortisation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 Company 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 profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is recognised so as to write off the cost of assets less their residual values over the useful lives, using the written down value method. The useful life have been determined by the management basis on technical evaluation considering the nature of assets.

Estimated useful life as given below:

| Class of Property, plant and equipment | Useful life |
|--|-------------|
| Leasehold Buildings | 7/6Years |
| Plant and Equipment | 6 Years |
| Office Equipment | 7/5 Years |
| Electrical Installations | 7 Years |
| Temporary Buildings | 6.5 Years |

The residual values are not more than 5% of the original cost of the asset.

The useful lives and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

Cost of leasehold land is amortized over the period of the lease. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within Other Income/Other Expense in Statement of Profit and loss.



NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

(xiv) Capital work in Progress

Capital work in progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises purchase cost, related acquisition expenses and other direct expenses.

(xv) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(xvi) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

(xvii) Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(xviii) Provisions, Contingent Liabilities and Contingent Assets Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.



NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

(xix) Earnings per share (EPS)

a. Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit or loss for the period attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year, if any.

b. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(xx) Fair Value measurement

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

- 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



NOTES FORMING PART OF THE SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS

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

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

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

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

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

For assets and liabilities that are recognized in the Special Purpose Standalone financial statements on a recurring basis the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

(xxi) Cash flow statement

Cash flows are reported using the indirect method, whereby profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xxii) Rounding off

All amounts disclosed in the Special Purpose Standalone financial statements and notes have been rounded off to the nearest thousands (in euro) as per the requirements of Schedule III, unless otherwise stated.

2. Critical estimates and judgements

The preparation of Special Purpose Standalone financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Special Purpose Standalone financial statements.

Critical estimates and judgements:

The areas involving critical estimates or judgements are:

- Estimated useful life of tangible assets - Note 2

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



Nature Bio Foods BV
Notes forming part of the financial statements for the year ended March 31, 2023
(All amount in Euro thousands, unless otherwise stated)

Note 2 : Property, Plant & Equipment

| Particulars | Plant & Machinery | Office Equipments | Leasehold Building | Electrical Installations | Racking System | Total |
|-------------------------------------|-------------------|-------------------|--------------------|--------------------------|----------------|----------|
| Year ended March 31, 2022 | | | | | | |
| Gross carrying amount | | | | | | |
| Opening gross carrying amount | 347.83 | 2.97 | 105.80 | 104.00 | - | 560.60 |
| Additions during the year | - | - | 79.74 | 24.18 | 138.50 | 242.42 |
| Disposals during the year | (196.30) | - | - | - | - | (196.30) |
| Closing gross carrying amount | 151.53 | 2.97 | 185.54 | 128.18 | 138.50 | 606.72 |
| Accumulated depreciation | | | | | | |
| Opening accumulated depreciation | - | - | - | - | - | - |
| Depreciation charge during the year | 45.11 | 1.03 | 26.51 | 27.19 | 25.50 | 125.34 |
| Disposals during the year | - | - | - | - | - | - |
| Closing accumulated depreciation | 45.11 | 1.03 | 26.51 | 27.19 | 25.50 | 125.34 |
| As at March 31, 2022 | 106.42 | 1.94 | 159.03 | 100.99 | 113.00 | 481.38 |
| Year ended March 31, 2023 | | | | | | |
| Gross carrying amount | | | | | | |
| Opening gross carrying amount | 151.53 | 2.97 | 185.54 | 128.18 | 138.50 | 606.72 |
| Additions during the year | 456.08 | 6.30 | 2.25 | 39.92 | - | 504.54 |
| Disposals during the year | - | - | - | - | - | - |
| Closing gross carrying amount | 607.61 | 9.27 | 187.79 | 168.10 | 138.50 | 1,111.26 |
| Accumulated depreciation | | | | | | |
| Opening accumulated depreciation | 45.11 | 1.03 | 26.51 | 27.19 | 25.50 | 125.34 |
| Depreciation charge during the year | 54.00 | 5.70 | 26.66 | 26.39 | 42.04 | 154.79 |
| Disposals during the year | - | - | - | - | - | - |
| Closing accumulated depreciation | 99.11 | 6.73 | 53.17 | 53.58 | 67.54 | 280.13 |
| Net carrying amount | | | | | | |
| As at March 31, 2023 | 508.50 | 2.54 | 134.63 | 114.53 | 70.96 | 831.13 |

| Capital work-in-progress | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Capital work-in-progress | - | 15.31 |
| | - | 15.31 |
| Movement in capital work in progress: | | |
| Capital work-in-progress as at April 01, 2021 | | - |
| Add: Additions during the year | | 257.73 |
| Less: Capitalization/Leased during the year | | 242.42 |
| Capital work-in-progress as at March 31, 2022 | | 15.31 |
| Add: Additions during the year | | 489.24 |
| Less: Capitalization/Leased during the year | | 504.54 |
| Capital work-in-progress as at March 31, 2023 | | - |

* Capital work-in-progress as at March 31, 2022 mainly comprises of plant and machinery and Building etc.

| As at March 31, 2023 | | | | | |
|-------------------------------|------------------------------|----------|----------|-------------|-------|
| CWIP | Amount of CWIP of the Period | | | | Total |
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 | |
| Project In Progress | - | - | - | - | - |
| Project temporarily Suspended | - | - | - | - | - |

| As at March 31, 2022 | | | | | |
|-------------------------------|------------------------------|----------|----------|-------------|-------|
| CWIP | Amount of CWIP of the Period | | | | Total |
| | Less than 1 year | 1-2 year | 2-3 year | More than 3 | |
| Project In Progress | 15.31 | - | - | - | 15.31 |
| Project temporarily Suspended | - | - | - | - | - |

(i) Details of depreciation expense are stated in Note 24 on Depreciation and amortisation expense.

(ii) Critical Judgement:

Management reviews its estimate of useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economy obsolescence that may change the utility of property, plant and equipment.



Nature Bio Foods BV

Notes forming part of the financial statements for the year ended March 31, 2023

(All amount in Euro thousands, unless otherwise stated)

Note 3 : Right of use assets (ROU)

Following are the changes in the carrying value of right to use of the assets for the year ended March 31, 2023:

| Particulars | Category of Assets | Total |
|-------------------------------------|--------------------|---------------|
| | Plant & Machinery | |
| Balance as at April 1, 2021 | | |
| Additions | 1,112.18 | 1,112.18 |
| Deletion | - | - |
| Depreciation | (136.26) | (136.26) |
| Balance as at March 31, 2022 | 975.92 | 975.92 |

| Particulars | Category of Assets | Total |
|-------------------------------------|--------------------|---------------|
| | Plant & Machinery | |
| Balance as at April 1, 2022 | 975.92 | 975.92 |
| Additions | - | - |
| Deletion | - | - |
| Depreciation | (173.34) | (173.34) |
| Balance as at March 31, 2023 | 802.58 | 802.58 |

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expenses in statement of profit and loss.

There is not any intangible asset under development.

The following is the breakup of Current and Non Current lease liabilities as at March 31, 2023:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Current lease liabilities (Refer Note 15) | 172.69 | 168.67 |
| Non Current lease liabilities(Refer Note 12) | 644.54 | 815.68 |

The following is the movement in lease liability during the year ended March 31, 2023:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------|-------------------------|-------------------------|
| Balance at the beginning | 984.35 | - |
| Additions | - | 1,112.90 |
| Finance cost accrued there on | 21.58 | 20.28 |
| Deletions | - | - |
| Payment of lease liability | (188.69) | (148.83) |
| Balance at the end | 817.24 | 984.35 |

The table provides details regarding the contractual maturities of Lease liabilities as at March 31, 2023 on undiscounted basis:

| Particulars | As at March 31, 2023 | As at March 31, 2022 |
|--------------------|-------------------------|-------------------------|
| Less than one year | 188.69 | 188.69 |
| One to five years | 671.77 | 860.45 |
| Total | 860.46 | 1,049.14 |

The Company does not face a significant liquidity risk to its lease liabilities as the current assets are sufficient to meet the obligations related to lease as and when they fall due.

Note

(i) Details of amortisation expense are stated in Note 24 on Depreciation and amortisation expense.



Nature Bio Foods B.V.

Notes forming part of the financial statements for the year ended March 31, 2023

(All amount in Euro thousands, unless otherwise stated)

| | March 31, 2023 | March 31, 2022 |
|--|-----------------------|-----------------------|
| 4 Investment | | |
| Investment in equity instruments (fully paid up) | | |
| Subsidiaries: | | |
| 100,000 (March 31, 2022 : 100,000) equity shares 1 Euro of Nature Bio Foods Inc. | 91.75 | 89.54 |
| Investment in Other Companies: | | |
| 5,400 equity shares 50 euro each of Leeu Nu BV | 270.00 | - |
| Total (equity instruments) | 361.75 | 89.54 |
| | | |
| 5 Other non-current assets | March 31, 2023 | March 31, 2022 |
| Advance Given against Investment | - | 270.00 |
| | - | 270.00 |
| | | |
| 6 Inventories | March 31, 2023 | March 31, 2022 |
| Traded goods (including goods in transit of March 31,2023 Euro 3,909 thousands, Previous year Euro 3,550 thousands)* | 9,440.52 | 6,905.23 |
| | 9,440.52 | 6,905.23 |

* Includes Rice amounting to Euro 3,667 thousands, Pulses 52 thousands and Oilseeds Euro 190 thousands
Previous year Rice amounting to Euro 2,551 thousands, Oil seeds Euro 237 thousands, Pulses Euro 162 thousands
and Soyabean Euro 600 thousands



Nature Bio Foods B.V.

Notes forming part of the financial statements for the year ended March 31, 2023
(All amount in Euro thousands, unless otherwise stated)

7 Trade receivables

| | March 31, 2023 | March 31, 2022 |
|--|-----------------|-----------------|
| Trade receivables | 2,698.20 | 1,727.80 |
| Receivables from related parties (refer note 29) | 136.36 | - |
| | <u>2,834.56</u> | <u>1,727.80</u> |
| Break-up of Trade Receivable | | |
| Trade receivables considered good - Secured | - | - |
| Trade receivables considered good - Unsecured | 2,834.56 | 1,727.80 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit impaired | - | - |
| Total | <u>2,834.56</u> | <u>1,727.80</u> |
| Loss allowance | - | - |
| Total trade receivables | <u>2,834.56</u> | <u>1,727.80</u> |

| Ageing as on March 31, 2023 Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|-----------------|--|-------------------|-----------|-----------|-------------------|-----------------|
| | | Less than 6 Months | 6 Months- 1 Years | 1-2 Years | 2-3 Years | More than 3 Years | |
| Undisputed Trade Receivable - Considered Good | 1,590.76 | 1,229.71 | 14.09 | - | - | - | 2,834.56 |
| Undisputed Trade Receivable - Credit Impaired | - | - | - | - | - | - | - |
| Disputed Trade Receivable - Considered Good | - | - | - | - | - | - | - |
| Disputed Trade Receivable - Credit Impaired | - | - | - | - | - | - | - |
| Total | 1,590.76 | 1,229.71 | 14.09 | - | - | - | 2,834.56 |

| Ageing as on March 31, 2022 Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---------------|--|-------------------|-----------|-----------|-------------------|-----------------|
| | | Less than 6 Months | 6 Months- 1 Years | 1-2 Years | 2-3 Years | More than 3 Years | |
| Undisputed Trade Receivable - Considered Good | 898.60 | 733.02 | 96.18 | - | - | - | 1,727.80 |
| Undisputed Trade Receivable - Credit Impaired | - | - | - | - | - | - | - |
| Disputed Trade Receivable - Considered Good | - | - | - | - | - | - | - |
| Disputed Trade Receivable - Credit Impaired | - | - | - | - | - | - | - |
| Total | 898.60 | 733.02 | 96.18 | - | - | - | 1,727.80 |

8 Other current assets

| | March 31, 2023 | March 31, 2022 |
|-----------------------------------|-----------------|----------------|
| Security Deposit | 61.29 | 39.75 |
| Prepaid Expenses | 7.36 | 6.81 |
| Capital Advance | 7.76 | - |
| Balance With Government Authority | 218.82 | 333.66 |
| Advance to vendors | 1,091.77 | 131.27 |
| Advance to Employees | 11.24 | 1.19 |
| | <u>1,398.24</u> | <u>512.68</u> |



Nature Bio Foods B.V.

Notes forming part of the financial statements for the year ended March 31, 2023

(All amount in Euro thousands, unless otherwise stated)

| | Number of shares March 31, 2023 | Amount March 31, 2023 |
|--|------------------------------------|--------------------------|
| 10 Equity share capital | | |
| Authorised share capital (par value of Euro 1) | | |
| As at April 01, 2021 | 10.00 | 0.01 |
| Increase during the year | - | - |
| As at March 31, 2022 | 10.00 | 0.01 |
| Increase during the year | - | - |
| As at March 31, 2023 | 10.00 | 0.01 |

(a) Movements in equity share capital

| | Number of shares March 31, 2023 | Amount March 31, 2023 |
|---|------------------------------------|--------------------------|
| Issued, subscribed and paid-up equity share capital (par value of Euro 1) | | |
| As at April 01, 2021 | 10.00 | 0.01 |
| Add: Share capital issued during the year | - | - |
| As at March 31, 2022 | 10.00 | 0.01 |
| Add: Share capital issued during the year | - | - |
| As at March 31, 2023 | 10.00 | 0.01 |

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having the par value of Euro 1 per share. Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholder.

Shares of Company held by its holding company

| Particulars | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| | No. | No. |
| Ordinary equity shares of Euro 1 each | | |
| Nature Bio Foods Limited (the holding company) | 10 | 10 |
| Holding % | 100% | 100% |

Details of shareholders holding more than 5% shares in the Company

| Particulars | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| | No. | No. |
| Ordinary equity shares of Euro 1 each | | |
| Nature Bio Foods Limited (the holding company) | 10 | 10 |
| Holding % | 100% | 100% |

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Promotor shareholding Details

| Particulars | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| | No. | No. |
| Nature Bio Foods Limited (the holding company) | 10 | 10 |

(f) The Company has not issued any equity shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back since inception.

11 Other equity

Retained earnings

| | March 31, 2023 | March 31, 2022 |
|--------------------------------------|----------------|----------------|
| Balance at the beginning of the year | 3,155.64 | 1,916.45 |
| Net profit for the year | 1,606.04 | 1,239.19 |
| Balance at the end of the year | 4,761.68 | 3,155.64 |



Nature B.V. Foods B.V.
 Notes forming part of the financial statements for the year ended March 31, 2023
 (All amount in Euro thousands, unless otherwise stated)

12 Other non-current financial liabilities

March 31, 2023 March 31, 2022

Fixed liability payable beyond 12 months

| | |
|---------------|---------------|
| 644.54 | 815.68 |
| 644.54 | 815.68 |

13 Financial liabilities

March 31, 2023 March 31, 2022

Borrowings

| | |
|-----------------|-----------------|
| 2,610.20 | 1,955.98 |
| 2,610.20 | 1,955.98 |

The Company has the following credit facilities taken from Rabobank

a) The maximum borrowing sanctioned limits in respect of credit facilities

| | |
|-----------|----------|
| 10,000.00 | 5,000.00 |
|-----------|----------|

b) Carrying Interest Rate

March 31, 2023 and March 31, 2022

1 Interest charge of Euribor +120 bps for euro and SOFR+140 bps for dollar

2 2% RA shall be payable if maximum of the facility is exceeded

3 Interest shall be calculated on the amount by which facility is exceeded and will be charged from the date on which the excess arose up to and including the date on which it is paid off

4 If Company fails to pay any Unpaid Sum on the due date, it shall be liable for default interest at a rate of 2% (two per cent) per annum on the amount overdue, from the due date up to and including the date of actual payment

c) Nature of security provided to said Bank

Corporate Guarantee given by LT Foods Europe B.V., LT Foods Americas Inc and LT Foods USA LLC

d) It is repayable as per the applicable terms of the Bank

e) The Company has not defaulted on repayment of loans and interest during the year



Nature Bio Foods B.V.
Notes forming part of the financial statements for the year ended March 31, 2023
(All amount in Euro thousands, unless otherwise stated)

14 Trade payables

| | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Total outstanding dues of micro enterprises and small enterprises (refer note 1 below) | | |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,254.17 | 2,957.21 |
| - from related parties (refer note 29) | 1,709.22 | 1,451.74 |
| - from others | 6,963.44 | 4,408.95 |

* Trade payables to related parties
Nature Bio Foods Limited (Holding Company)
Fenore (Holding Subsidiary)
T Foods Limited (Ultimate Holding)
LT Foods Europe BV (Fellow Subsidiary)

| | |
|----------|----------|
| 4,893.15 | 1,169.18 |
| 274.48 | 1,769.52 |
| 176.54 | 13.50 |

Ageing for trade payable from due date of payment for each of the category as at March 31, 2023

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|--------------------------|----------|--|-----------|-----------|-------------------|-----------|
| | | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Other | 3,909.11 | 2,997.58 | - | - | - | 6,906.69 |
| (iii) Disputed Due- MSME | - | - | - | - | - | - |
| (iv) Disputed Due- Other | - | - | - | - | - | - |
| | 3,909.11 | 2,997.58 | - | - | - | 6,906.69 |
| Add: Unbilled dues | - | - | - | - | - | 56,753.00 |
| Total trade payables | 3,909.11 | 2,997.58 | - | - | - | 63,659.69 |

Ageing for trade payable from due date of payment for each of the category as at March 31, 2022

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|--------------------------|----------|--|-----------|-----------|-------------------|----------|
| | | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | |
| (i) MSME | - | - | - | - | - | - |
| (ii) Other | 3,647.60 | 406.26 | - | - | - | 4,053.86 |
| (iii) Disputed Due- MSME | - | - | - | - | - | - |
| (iv) Disputed Due- Other | - | - | - | - | - | - |
| | 3,647.60 | 406.26 | - | - | - | 4,053.86 |
| Add: Unbilled dues | - | - | - | - | - | 355.08 |
| Total trade payables | 3,647.60 | 406.26 | - | - | - | 4,408.94 |



Nature Bio Fonds B.V.
Notes forming part of the financial statements for the year ended March 31, 2023
(All amount in Euro thousands, unless otherwise stated)

Note 1. Details of dues to micro and small enterprises as defined under the MSME Act, 2006
The Micro and Small Enterprises have been identified by management from the available information. On the basis of the information and records available with the management, following are outstanding to the Micro and Small Enterprises

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year | | |
| Principal amount due to micro and small enterprises | | |
| Interest due on above | | |
| The amount of interest paid by the buyer in terms of section 16 of the MSME Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year | | |
| The amount of interest due and payable in the period of delay in making payment which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act 2006. | | |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | | |
| The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act 2006 | | |

15 Other current financial liabilities

Lease liability payable within 12 months

| March 31, 2023 | March 31, 2022 |
|----------------|----------------|
| 172.69 | 168.67 |
| 172.69 | 168.67 |

16 Other current liabilities

Advance from customers
Other liabilities
Employee Benefit Payable
Statutory Dues

| March 31, 2023 | March 31, 2022 |
|----------------|----------------|
| 43.56 | 128.34 |
| 61.10 | 12.31 |
| 49.55 | 26.93 |
| 24.51 | 23.23 |
| 178.72 | 190.81 |

17 Current tax liabilities

Provision for tax (Net of Advance tax Euro 159.52 thousands (previous year Euro 182.86 thousands))

| March 31, 2023 | March 31, 2022 |
|----------------|----------------|
| 337.51 | 282.13 |
| 337.51 | 282.13 |



Nature Bio Foods B.V.

Notes forming part of the financial statements for the year ended March 31, 2023
(All amount in Euro thousands, unless otherwise stated)

18 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

Significant changes in contract assets and liabilities

There has been no significant changes in contract assets/contract liabilities during the year.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

| Description | Year ended | Year ended |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Amounts included in contract liabilities at the beginning of the year | 128.34 | 195.23 |
| Performance obligations satisfied in current year | (128.34) | (195.23) |
| Amount received in the current year having outstanding performance obligations | 43.56 | 128.34 |
| Amounts included in contract liabilities at the end of the year | 43.56 | 128.34 |

Timing of revenue recognition

| Description | Year ended | Year ended |
|-------------------------------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Revenue recognised over time | - | - |
| Revenue recognised at point in time | 35,417.40 | 22,932.43 |
| | 35,417.40 | 22,932.43 |

Reconciliation of revenue recognised with contract price

| Description | Year ended | Year ended |
|--------------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Contract price | 35,417.40 | 22,932.43 |
| Adjustment for: | | |
| Refunds/Adjustment | (32.05) | (35.97) |
| | 35,385.35 | 22,896.46 |

Revenue from operations

Sale of products

| | Year ended | Year ended |
|----------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Export | 26,841.53 | 17,343.79 |
| Domestic | 8,543.82 | 5,552.67 |
| | 35,385.35 | 22,896.46 |

19 Other Income

| Description | Year ended | Year ended |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Service Charges | 54.11 | 145.63 |
| Net gain/(loss) on foreign currency transaction and translations | 14.67 | - |
| | 68.78 | 145.63 |



Nature Bio Foods B.V.

Notes forming part of the financial statements for the year ended March 31, 2023

(All amount in Euro thousands, unless otherwise stated)

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| 20 Purchase of Stock in Trade | | |
| Rice | 22,431.86 | 18,102.07 |
| Soyabean | 2,271.10 | 702.88 |
| Dry Fruits | 382.67 | 125.88 |
| Pulses | 615.32 | 1,484.68 |
| Seeds | 3,515.57 | 1,416.44 |
| Others | - | 1.60 |
| | 29,216.52 | 21,833.55 |
| 21 Changes in inventories of stock-in-trade | | |
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Inventories at the beginning of the year | | |
| Traded goods | | |
| Rice | 5,230.25 | 2,420.21 |
| Seed | 561.98 | 215.53 |
| Dry Fruits | 4.20 | 5.74 |
| Pulses | 508.80 | 138.10 |
| Others | - | 10.16 |
| Soyabean | 600.00 | - |
| Total inventories at the beginning of the year | 6,905.23 | 2,789.74 |
| Inventories at the end of the year | | |
| Traded goods | | |
| Rice | 7,928.66 | 5,230.25 |
| Seeds | 1,051.99 | 561.98 |
| Dry Fruits | 19.81 | 4.20 |
| Pulses | 419.64 | 508.80 |
| Soyabean | - | 600.00 |
| Other | 20.41 | - |
| Total inventories at the end of the year | 9,440.52 | 6,905.23 |
| Net (increase)/decrease | (2,535.29) | (4,115.48) |
| 22 Employee benefits expense | | |
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Salaries, wages and bonus | 851.06 | 553.17 |
| Contribution to social security premium and other funds | 203.61 | 117.05 |
| Staff welfare expenses | 38.87 | 13.81 |
| | 1,093.54 | 684.03 |
| 23 Finance costs | | |
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Bank charges | 5.72 | 14.69 |
| Interest on Borrowings | 136.36 | 32.18 |
| Interest on Lease Liability | 21.58 | 20.28 |
| | 163.66 | 67.15 |



Nature Bio Foods B.V.

Notes forming part of the financial statements for the year ended March 31, 2023

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| 24 Depreciation and amortisation expense | | |
| (i) Depreciation of property, plant and equipment | 154.79 | 125.34 |
| (ii) Amortisation on Right to use asset | 173.34 | 136.26 |
| | <u>328.13</u> | <u>261.60</u> |
| 25 Other expenses | | |
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Milling Charges and other process charges | 855.69 | 177.32 |
| Storage Rent | 797.92 | 560.19 |
| Quality Claim | 25.00 | 33.98 |
| Consumption of stores and spares parts | 240.21 | 104.64 |
| Packing expenses | 192.30 | 90.93 |
| Loading Expenses | 498.54 | 218.78 |
| Insurance Charges | 27.57 | 35.51 |
| Fumigation Expense | 109.77 | 88.75 |
| Telephone and Communication Expenses | 11.06 | 2.71 |
| Legal and Professional Charges | 400.76 | 247.98 |
| Membership Fee & Subscription | 27.74 | 24.10 |
| Conveyance | 50.09 | 25.62 |
| Postage and Courier Expenses | 13.43 | 12.23 |
| BL Fees/Export Expenses | 2.60 | 1.93 |
| Guest House Expenses | 36.23 | - |
| Testing, Inspection and Certification | 99.56 | 54.33 |
| Freight Outward | 1,344.43 | 681.19 |
| Business Promotion | 85.95 | 7.08 |
| Brokerage and Commission | 11.36 | 6.54 |
| Repair and Maintenance Expenses | 209.93 | 179.87 |
| Demurrage Charges | - | 58.01 |
| Rent Expenses | 13.01 | - |
| Net gain/(loss) on foreign currency transaction and translations | - | 11.76 |
| Computer Expenses | 8.18 | - |
| Other Selling Expenses | 19.25 | 68.19 |
| | <u>5,080.58</u> | <u>2,691.64</u> |



Nature Bio Foods B.V.

Notes forming part of the financial statements for the year ended March 31, 2023
(All amount in Euro thousands, unless otherwise stated)

26 Earnings per share

| | March 31, 2023 | March 31, 2022 |
|---|----------------|----------------|
| a) Net profit after tax available for equity shareholders | 1,606.04 | 1,239.19 |
| b) Numbers of weighted average equity share outstanding at the year end for Basic | 10 | 10 |
| c) Numbers of weighted average equity share outstanding at the year end for Diluted | 10 | 10 |
| d) Nominal value per share | 1 | 1 |
| Earnings per equity share | | |
| Basic earnings per share (in euros) (a/b) | 160.60 | 123.92 |
| Diluted earnings per share (in euros) (a/c) | 160.60 | 123.92 |

27 Income tax Expenses

The income tax expense consists of the following :

| | March 31, 2023 | March 31, 2022 |
|-------------------------------------|----------------|----------------|
| Current tax on profits for the year | 500.95 | 380.41 |
| Tax related to earlier years | - | - |
| Deferred tax * | - | - |
| Total current tax expense | 500.95 | 380.41 |

The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the statement of profit and loss is as follows:

| | | |
|---|---------------|---------------|
| Profit before income taxes | 2,106.99 | 1,619.60 |
| Netherlands's statutory income tax rate is 15.00% upto Euro 395 thousands and 25.80 % thereafter (previous year 15% upto Euro 245 thousands and 25% thereafter) | 500.95 | 380.41 |
| Total income tax expense | 500.95 | 380.41 |

* As per applicable jurisdiction of Netherlands law, tax is payable based on Net Profit of the Corporate amounting to Euro 500.95 thousands (25% upto Net profit of Euro 395 thousands and 25.8% above Net profit of Euro 395 thousands). There is no timing difference hence no deferred tax.



Nature Bio Foods B.V.
Notes forming part of the financial statements for the year ended March 31, 2023
(All amount in Euro thousands, unless otherwise stated)

29 Related party disclosures

The Company's related party transactions and outstanding balances are with its Holding Company, fellow subsidiary, key management and others as described below.

A. Relationships

a) Holding Company

Nature Bio-Foods Limited

b) Fellow subsidiaries (with whom transactions have taken place during the current year or previous year)

LT Foods Europe B.V.
LT Foods Americas Inc
Nature Bio Foods Inc
Ecopure Specialities Ltd

c) Joint venture (with whom transactions have taken place during the current year or previous year)

Leev BV

B. Key management personnel and Directors

| Name | Relationship |
|------------------|--------------|
| Mr. Rohan Grover | Director |
| Mr. Aditya Arora | Director |

b. Details of transactions with the above related parties in the ordinary course of business

Transactions with the holding company

| Particulars | March 31, 2023 | March 31, 2022 |
|---------------------------------|----------------|----------------|
| Purchases of stock-in-trade | 14,996.62 | 9,875.24 |
| Reimbursement Received | 51.63 | - |
| Reimbursement of Expenses Paid | 107.71 | 48.79 |
| Quality claim charges recovered | - | 109.32 |

Transactions with fellow subsidiaries

| Particulars | March 31, 2023 | March 31, 2022 |
|-------------------------------------|----------------|----------------|
| LT Foods Europe BV | | |
| Purchases of stock-in-trade | 15.94 | 207.64 |
| Sales | 2,339.27 | - |
| Rental Income | - | 146.32 |
| Reimbursement of Expenses Paid | - | 460.18 |
| Warehouse rent paid | 396.25 | 401.81 |
| Legal and professional charges paid | - | 58.05 |
| LT Foods Americas Inc | | |
| Sales | 409.39 | 70.10 |
| Ecopure Specialities Ltd | | |
| Purchases of stock-in-trade | 8,002.16 | 8,148.24 |
| Reimbursement of Expenses Paid | 14.80 | - |
| LT Foods Ltd | | |
| Expenses Paid | 156.54 | - |
| Leev BV | | |
| Sales | 728.58 | - |

Director Salary

| Particulars | March 31, 2023 | March 31, 2022 |
|--------------|----------------|----------------|
| VK Arora | 117.45 | 48.60 |
| Rohan Grover | 58.88 | 58.88 |

Balance at the year end Trade receivable

| Particulars | March 31, 2023 | March 31, 2022 |
|--------------------|----------------|----------------|
| Leev BV | 128.34 | - |
| LT Foods Europe BV | 8.03 | - |

Balance at the year end Trade payable

| Particulars | March 31, 2023 | March 31, 2022 |
|--------------------------|----------------|----------------|
| Trade Payable | | |
| Nature Bio Foods Limited | 4,823.15 | 1,169.18 |
| LT Foods Europe BV | - | 18.50 |
| LT Foods Limited | 156.54 | - |
| Ecopure Specialities Ltd | 274.48 | 1,769.52 |

Note 1. Joint gurantee issued by LT Foods Europe B.V., LT Foods Americas Inc. and LT Foods USA LLC amounting to Euro 2,610.20 thousands (previous year Euro 1,955.98 thousands)



Nature Bio Foods B.V.

Notes forming part of the financial statements for the year ended March 31, 2023

(All amount in Euro thousands, unless otherwise stated)

Note 30 : Fair value measurements

i) Financial instruments by category

| Particulars | March 31, 2023 | | | March 31, 2022 | | |
|------------------------------------|----------------|-------|------------------|----------------|-------|-----------------|
| | FVTPL | FVOCI | Amortised cost | FVTPL | FVOCI | Amortised cost |
| Financial assets | | | | | | |
| Trade receivables | - | - | 2,834.56 | - | - | 1,727.80 |
| Cash and cash equivalents | - | - | - | - | - | - |
| Investment | - | - | 361.75 | - | - | 89.54 |
| Total financial assets | - | - | 3,196.31 | - | - | 1,817.34 |
| Financial liabilities | | | | | | |
| Borrowings | - | - | 2,610.20 | - | - | 1,955.98 |
| Trade payables | - | - | 6,963.44 | - | - | 4,408.95 |
| Lease Liability | - | - | 817.24 | - | - | 984.35 |
| Total financial liabilities | - | - | 10,390.88 | - | - | 7,349.28 |

ii) Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. For example, unlisted equity securities, etc.

There are no transfers among levels 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Fair value of financial assets and liabilities measured at amortized cost

| Particulars | Notes | March 31, 2023 | | | March 31, 2022 | | |
|------------------------------|---------|----------------|---------|----------|----------------|---------|----------|
| | | Level 1 | Level 2 | Level 3 | Level 1 | Level 2 | Level 3 |
| Financial assets | | | | | | | |
| Trade receivables | 7 | - | - | 2,834.56 | - | - | 1,727.80 |
| Cash and cash equivalents | | - | - | - | - | - | - |
| Investment | 4 | - | - | 361.75 | - | - | 89.54 |
| Financial liabilities | | | | | | | |
| Borrowings | 13 | - | - | 2,610.20 | - | - | 1,955.98 |
| Trade payables | 14 | - | - | 6,963.44 | - | - | 4,408.95 |
| Lease Liability | 12 & 15 | - | - | 817.24 | - | - | 984.35 |

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and lease liability are considered to be the same as their fair values, due to their short term nature.

The fair value for borrowings was calculated based on cash flow discounted using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk.



Nature Bio Foods B.V.
Notes forming part of the financial statements for the year ended March 31, 2023
(All amount in Euro thousands, unless otherwise stated)

Note 31 : Financial Risk Management

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

| Risk | Exposure arising from | Measurement | Management |
|-----------------------------|--|---------------------------------------|--|
| Credit risk | Cash and cash equivalents, trade receivables and financial assets measured at amortized cost | - Ageing analysis - Credit ratings | Diversification of bank deposits, robust trade credit controls. |
| Liquidity risk | Borrowings, Trade payables and other liabilities | - Rolling cash flow forecast | Regular review of working capital resulting in effective and efficient working capital management. |
| Market risk- interest rates | Long term and short term borrowings at Fixed and variable rates | - Sensitivity analysis | Negotiation of terms that reflects the market factors |

(A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including cash and cash equivalents and deposits with banks.

Trade receivables

The Company believes that credit risk is low at the reporting date as the terms of trade are generally in advance / cash payment. In certain circumstances credit is extended to customers, taking into account market conditions, general economic scenario etc. A default on a financial asset is when the counterparty fails to make contractual payments within the credit period when they fall due. This definition of default is determined by considering the business environment in which the Company operate and other micro economic factors. Interest is generally not charged and / or paid on customer balances.

The Company has developed guidelines for the management of credit risk from trade receivables. The customer balances are written-off as bad debts, when legal remedies available to the Company are exhausted and / or it becomes certain that said balances will not be recovered. The Company has used practical expedient in computing allowance for doubtful receivables based on the ageing of the customer's balances, specific credit circumstances and Company's historical and forward looking information. The Company's credit terms with customers is either advance payment or payment within 30-60 days depending upon the terms with customers. All the customers are monitored on an on-going basis, thereby practically eliminating the risk of default and impairment.

(B) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Maturity profile of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual maturities of financial liabilities | Carrying Value | Less than 6 Months | More than 6 months up to 1 year | More than 1 year | Total |
|---|------------------|--------------------|---------------------------------|------------------|------------------|
| As at 31 March 2023 | | | | | |
| Borrowings | 2,610.20 | 2,610.20 | - | - | 2,610.20 |
| Trade payables | 6,963.44 | 6,963.44 | - | - | 6,963.44 |
| Lease Liability | 817.24 | 94.34 | 94.34 | 671.77 | 860.45 |
| Total | 10,390.88 | 9,667.98 | 94.34 | 671.77 | 10,434.09 |
| As at 31 March 2022 | | | | | |
| Borrowings | 1,955.98 | 1,955.98 | - | - | 1,955.98 |
| Trade payables | 4,408.95 | 4,408.95 | - | - | 4,408.95 |
| Lease Liability | 984.35 | 94.34 | 94.34 | 860.45 | 1,049.14 |
| Total | 7,349.28 | 6,459.27 | 94.34 | 860.45 | 7,414.07 |

(C) Interest rate risk

Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2023 the Company is exposed to changes in market interest rates through bank borrowings at fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

| Particulars | March 31, 2023 | March 31, 2022 |
|-------------------------|-----------------|-----------------|
| Variable rate borrowing | - | - |
| Fixed rate borrowings | 2,610.20 | 1,955.98 |
| Total borrowings | 2,610.20 | 1,955.98 |

Sensitivity

In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.



Nature Bio Foods B.V.

Notes forming part of the financial statements for the year ended March 31, 2023

(All amount in Euro thousands, unless otherwise stated)

Note 32 : Capital management

The Company's capital management objectives are :

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the basis of adjusted net debt to equity ratio

The Company's adjusted net debt to equity ratio as at year end were as follows.

(All amounts in Euros)

| Particulars | March 31, 2023 | March 31, 2022 |
|--|----------------|----------------|
| Total Borrowings | 2,610.20 | 1,955.98 |
| Less : Cash and cash equivalents | - | - |
| Net debt | 2,610.20 | 1,955.98 |
| Total Equity | 4,761.69 | 3,155.64 |
| Adjusted net debt to adjusted equity ratio | 0.55 | 0.62 |

Note 33: Loan covenants

Under the terms of the Rabo bank's borrowing facilities, the Company is required to comply with the following financial covenants:

Tangible Solvency Ratio (TSR) shall not be less than 20 percent (20%) as at the last day of any Quarter where,

TSR = $\frac{\text{Consolidated shareholders equity} - \text{Consolidated Intangible assets}}{\text{Consolidated Tangible Assets}}$

Consolidated Tangible Assets

The Company has complied with covenant as on the reporting date.

| Particulars | March 31, 2023 | March 31, 2022 |
|-----------------------------|----------------|----------------|
| | In times | In times |
| (a) Tangible Solvency Ratio | 30.39% | 28.75% |



Nature Bio Foods B.V.
Notes forming part of the financial statements for the year ended March 31, 2023
(All amount in Euro thousands, unless otherwise stated)

Note 34 : Segment Reporting

(a) Summary of Segment Information:

| Particulars | RICE | | SOYABEAN | | OTHERS | | UNALLOCABLE | | TOTAL | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 |
| REVENUE | | | | | | | | | | |
| Revenue from external customers | 26,233.30 | 19,509.57 | 3,476.59 | 118.09 | 5,675.46 | 3,268.79 | - | - | 35,385.35 | 22,896.46 |
| Other Operating Revenue | 26,233.30 | 19,509.57 | 3,476.59 | 118.09 | 5,675.46 | 3,268.79 | - | - | 35,385.35 | 22,896.46 |
| Total Segment Revenue | 26,233.30 | 19,509.57 | 3,476.59 | 118.09 | 5,675.46 | 3,268.79 | - | - | 35,385.35 | 22,896.46 |
| Other Income | 54.11 | 149.63 | 14.67 | - | - | - | - | - | 68.78 | 145.63 |
| Total Segment Income | 26,287 | 19,655 | 3,491 | 118 | 5,675 | 3,269 | - | - | 35,454 | 23,042 |
| RESULTS | | | | | | | | | | |
| Segment Result | 3,276.75 | 2,320.29 | 503.63 | 14.80 | 599.17 | 655.71 | (2,108.89) | (1,304.03) | 2,270.67 | 1,686.77 |
| Less: Finance Cost | - | - | - | - | - | - | 163.66 | 67.15 | 163.66 | 67.15 |
| Segment Profit before taxation | - | - | - | - | - | - | - | - | 2,107.01 | 1,619.62 |
| Tax expense | - | - | - | - | - | - | - | - | 500.95 | 380.41 |
| Other comprehensive income (net of taxes) | - | - | - | - | - | - | - | - | - | - |
| Total comprehensive income for the year | - | - | - | - | - | - | - | - | - | - |
| Segment Assets | 11,634.81 | 7,475.96 | 977.97 | 704.99 | 2,127.74 | 1,712.03 | 928.28 | 1,083.07 | 14,740.51 | 9,892.97 |
| Unallocated Assets | - | - | - | - | - | - | - | - | 928.28 | 1,083.07 |
| Total Assets | 11,634.81 | 7,475.96 | 977.97 | 704.99 | 2,127.74 | 1,712.03 | 928.28 | 1,083.07 | 15,668.78 | 10,976.05 |
| Segment Liabilities | 5,490.80 | 4,443.21 | - | 35.77 | 627.77 | 918.35 | - | - | 6,118.57 | 5,387.33 |
| Unallocated Liabilities | - | - | - | - | - | - | 9,550.22 | 5,578.71 | 9,550.22 | 5,578.71 |
| Total Liabilities | 5,490.80 | 4,443.21 | - | 35.77 | 627.77 | 918.35 | 9,550.22 | 5,578.71 | 15,668.79 | 10,976.05 |
| Capital Expenditure | 456.08 | - | - | - | - | - | 48.47 | - | 456.08 | 242.42 |
| Unallocated Expenditure | - | - | - | - | - | - | - | - | 48.47 | 242.42 |
| Depreciation/Amortization | 183.08 | 181.36 | - | - | 44.26 | - | 100.79 | 80.23 | 227.34 | 181.36 |
| Un-allocable Depreciation | - | - | - | - | - | - | - | - | 100.79 | 80.23 |
| Segment Revenue based on the locations of the customers : | | | | | | | | | | |
| Americas | - | - | - | - | - | - | - | - | 1,093.09 | 222.52 |
| Europe | - | - | - | - | - | - | - | - | 32,155.45 | 22,439.90 |
| Other than America & Europe | - | - | - | - | - | - | - | - | 2,136.82 | 234.04 |
| | - | - | - | - | - | - | - | - | 35,385.35 | 22,896.46 |

Notes :

(i) Unallocated expenses includes legal & professional expenses, travelling expenses, rates & taxes and business promotion expenses & other non allocable expenses which are not attributable directly to each of the segment.

(ii) Unallocated assets include corporate assets, cash and bank balances, investments, loans, other financial assets and other non-allocable assets.

(iii) Unallocated liabilities include corporate liabilities, bank borrowings and other non-allocable liabilities.



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 Interim financial statements for the year ended March 31, 2023
 Note 35: Disclosure of Ratios

| S No. | Ratio | Formula | Numerator | Denominator | Ratio as on March 31, 2023 | Ratio as on March 31, 2022 | Variation | Remarks |
|-------|----------------------------------|--|--|---|----------------------------|----------------------------|-----------|---|
| (a) | Current Ratio | Current Assets / Current Liabilities | Current Assets - Inventories + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Bank Balance + Loans + Other Financial Assets | Current Liabilities - Short term borrowings + Trade Payables + Other financial Liabilities - Current tax (Liabilities) - Lease Liabilities - Provisions + Other Current Liabilities | 1.33 | 1.31 | 2.07% | Trade payable ratio is decreased because inventory level has been increased due to product creditors outstanding at the end is higher which leads to decreased in the creditors turnover ratio. |
| (b) | Trade Payables Turnover Ratio | Net Credit Purchases / Average Trade Payables | Net Credit Purchases | Opening Trade Payables + Closing Trade Payables / 2 | 5.14 | 7.36 | -30.42% | |
| (c) | Net Debtors Turnover Ratio | Revenue / Average Working Capital | Revenue from Operations | Average Working Capital - Average of Current assets - Current liabilities | 12.75 | 13.41 | -13.85% | |
| (d) | Net Equity Ratio | EBIT / Capital Employed | EBIT - Exchange before interest and taxes | Capital Employed - Equity Share Capital + Other Equity + Non Current and Current borrowings + Total lease liabilities | 28% | 28% | 0.21% | |
| (e) | Return on Investment | Net Profit / Net Investment | Net Profit | Net Investment - Net Equity | 0.14 | 0.39 | -14.13% | |
| (f) | Debt-Equity Ratio | Debt / Equity | Debt - long term borrowings + Short term borrowings + Non-current and current lease liabilities | Equity - Equity + Reserve and Surplus | 0.71 | 0.93 | -22.75% | |
| (g) | Return on Equity Ratio | Profit after tax, less prefer. Dividend x 100 / Shareholder's Equity | Net Income - Net Profit after taxes | Shareholder's Equity | 0.34 | 0.39 | -14.11% | |
| (h) | Inventory Turnover Ratio | Cost of Goods Sold / Average Inventory | Cost of Material Consumed + Purchase of Stock in Trade + Changes in Inventory | Opening Inventory + Closing Inventory / 2 | 3.26 | 5.50 | -40.65% | Inventory turnover ratio is decreased due to increase in current year closing inventory. |
| (i) | Trade Receivables Turnover Ratio | Net Credit Sales / Average Trade Receivables | Revenue from Operations | Opening Trade Receivables + Closing Trade Receivables / 2 | 3.88 | 14.01 | -72.32% | Debtors turnover ratio is decreased due to increase in credit sales new to the end of year. |

Note: All ratios are on pro-rata of year end figures of the year by more than 25%



Nature Bio Foods B.V.

Notes forming part of the financial statements for the year ended March 31, 2023

Note 36: Other Statutory Information

There are some disclosures which are notified, but not applicable to company.

- i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
 - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- (viii) The Company has not been declared as a wilful defaulter by any bank, financial institution or any other lender.
- (ix) The Company has used its specific borrowings for the specific purpose for which they were taken.
- (x) There are no immovable properties for which the title deeds are not held in the name of the

Note 37: Previous year's figures have been regrouped/ reclassified wherever necessary, to confirm to current year's classification.

Note 38: Approval of financial statements - The financial statements were authorised for issue by the Board of Directors on

For M S K A & Associates
Chartered Accountants

Firm Registration Number : 105047W



Monish Sharma
Partner
Membership Number: 505381

Place: Gurugram

Date : 18/12/2023



For and on behalf of the Board of Directors

Nature Bio Foods BV



Rohan Grover
Director

Place:

Date : 18/12/2023



Aditya Arora
Director

Place:

Date : 18/12/2023