

## INDEPENDENT AUDITOR'S REPORT

The Members of **Nature Bio-Foods Limited**

### Report on Financial Statements

We have audited the attached Balance sheet of **Nature Bio-Foods Limited** as at 31<sup>st</sup> March 2017, and also the profit and loss Account, the Cash Flow Statement for the year ended 31<sup>st</sup> March 2017 and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act 2013 ("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act read with Rule 7 of Companies (Accounts) Rules 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds & other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of internal controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account provisions of the Act, the accounting & auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

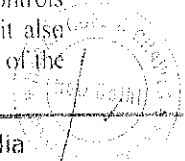
An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the

---

C-23, Usha Niketan, Safdarjung Development Area, New Delhi - 110016, India

Tel : 011 - 41435260-61 Fax : 011 - 41435262

E-mail : ngcca@ngcca.com, web : www.ngcca.com



accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

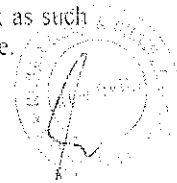
### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2017;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date
- c) in the case of the Cash Flow statement, of the Cash flows for the year ended on that date

### Report on other legal and regulatory requirements


1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act we report that;
  - a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms of section 164(2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 to the financial statements.
    - ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.



iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

As per our separate report of even date

For Nagar Goel & Chawla  
Chartered Accountants  
Firm Regn. No. - 009933N



Raman Chawla  
Partner  
M. No. 088805

Place: New Delhi  
Date: 24.05.2017

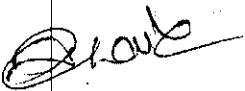
Nature Bio Foods Limited  
Balance sheet as at 31st March' 2017

	Notes	(Amount in Rs Lacs)	
		31st March 2017	31st March 2016
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	200	200
Reserves and surplus	4	4,171	2,865
		4,371	3,065
<b>Non-current liabilities</b>			
Long-term borrowings	5	56	56
Long-term provisions	6	66	26
		122	83
<b>Current liabilities</b>			
Short-term borrowings	5	9,756	10,247
Trade payables	7	916	1,759
Other current liabilities	8	1,865	329
Short-term provisions	6	859	581
		13,396	12,916
<b>Total</b>		<b>17,889</b>	<b>16,063</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	9	2,093	1,886
Non-current investments	10	14	12
Deferred tax assets (net)	11	41	9
Long-term loans and advances	12	17	13
		2,165	1,920
<b>Current assets</b>			
Inventories	13	8,679	7,604
Trade receivables	14	6,190	5,790
Cash and bank balances	15	310	223
Short-term loans and advances	12	544	526
		15,723	14,143
<b>Total</b>		<b>17,889</b>	<b>16,063</b>
Significant Accounting Policies	2		

Notes form an integral part of these Financial Statements.


This is the balance sheet referred to in our report of even date.

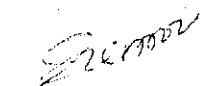
For Nagar Goel & Chawla  
Chartered Accountants  
Firm Regn No - 009933N

  
Raman Chawla  
Partner  
M. No. 088805

Date: 24.05.2017  
Place: New Delhi

For and on behalf of the Board of Directors

  
Anmol Arora  
Director  
DIN No.- 07727210

  
Surinder Kumar Arora  
Managing Director  
DIN No.-01574728

**Nature Bio Foods Limited**

**Statement of Profit and Loss for the Period ended 31st March ,2017**

		(Amount in Rs Lacs )	
	Notes	31st March 2017	31st March 2016
<b>Revenue</b>			
Revenue from operations	16	23,723	22,288
Other income	17	334	145
<b>Total revenue</b>		<b>24,057</b>	<b>22,434</b>
<b>Expenses</b>			
Cost of materials consumed	18	6,443	8,021
Purchases of traded goods	19	11,167	6,838
Changes in inventories of finished goods, work-in-progress and traded goods	20	(708)	1,237
Employee benefits	21	942	551
Finance costs	22	651	396
Depreciation and amortisation expense	23	354	30
Other expenses	24	2,989	3,520
Prior period items	25	-	3
<b>Total expenses</b>		<b>21,837</b>	<b>20,596</b>
<b>Profit before tax</b>		<b>2,219</b>	<b>1,837</b>
<b>Tax expense</b>			
Current tax		866	644
Short provision of Income tax booked for earlier years		80	-
Deferred tax		32	4
<b>Profit for the period</b>		<b>1,306</b>	<b>1,198</b>
<b>Earnings per equity share</b>			
Basic		65.29	59.88
Diluted		65.29	59.88

**Notes form an integral part of these Financial Statements.**

This is the statement of profit and loss referred to in our report of even date

**For Nagar Goel & Chawla**

Chartered Accountants  
Firm Regn No - 009933N

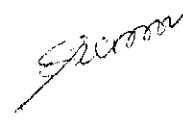


**Raman Chawla**  
Partner  
M. No. 088805

**For and on behalf of the Board of Directors**



**Anmol Arora**  
Director  
DIN No.- 07727210



**Surinder Kumar Arora**  
Managing Director  
DIN No.-01574728

**Date : 24.05.2017**

**Place : New Delhi**

## Nature Bio Foods Limited

## Cash Flow Statement For the Year ended 31st March 2017

	Notes	31st March 2017	31st March 2016
(Amount in Rs Laacs)			
<b>Cash flow from operating activities</b>			
Profit before tax from continuing operations		2,219	1,837
Profit before tax from discontinuing operations		-	-
<b>Profit before tax</b>		<b>2,219</b>	<b>1,837</b>
<b>Non-cash adjustment to reconcile profit before tax to net cash flows</b>			
- Depreciation/amortization on continuing operations		354	30
Provision for employees benefit		-	-
- Unrealized foreign exchange loss		-	-
Interest expense		601	338
<b>Operating profit before working capital changes</b>		<b>3,175</b>	<b>2,205</b>
<b>Movement for working capital:</b>			
Increase in trade payables		(843)	1,293
Decrease in short term provisions		(667)	(170)
Increase in other current liabilities		1,536	(2,118)
Decrease in other long term liabilities		40	17
Increase in trade receivables		(400)	(3,612)
Increase in inventories		(1,075)	2,807
Increase in long term loans & advances		(4)	5
Increase in short term loans & advances		(18)	(426)
Cash generated/(used in) operations		1,743	2
Direct taxes paid (net of refunds)		-	-
<b>Net cash flow used in operating activities</b>	[A]	<b>1,743</b>	<b>2</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets including intangible assets		(562)	(1,879)
Purchase of non current investments		(2)	(2)
<b>Net cash flow used in investing activities</b>	[B]	<b>(564)</b>	<b>(1,881)</b>
<b>Cash flow from financing activities</b>			
Proceeds from issuance of share capital		-	-
Repayment of long term borrowings		(1)	56
Proceeds from short term borrowings		(490)	2,122
Interest paid		(601)	(338)
<b>Net cash flow from used in financing activities</b>	[C]	<b>(1,092)</b>	<b>1,841</b>
<b>Net increase in cash and cash equivalents</b>	A+B+C	<b>87</b>	<b>(39)</b>
Cash and cash equivalents at the beginning of the year		223	262
Cash and cash equivalents at the end of the year		310	223
<b>Net increase in cash and cash equivalents</b>		<b>87</b>	<b>(39)</b>

This is the cash flow referred to in our report of even date

For Nagar Goel & Chawla  
Chartered Accountants  
Firm Regn No - 009933N

Raman Chawla  
Partner  
M. No. 088805

Date : 24.05.2017  
Place : New Delhi

For and on behalf of the Board of Directors

Anmol Arora  
Director  
DIN No.- 07727210

Surinder Kumar Arora  
Director  
DIN No.-01574728

Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March , 2017

(Amount in Rs Lacs )

	31st March 2017		31st March 2016	
	Number	Amount	Number	Amount
<b>3 Share capital</b>				
<b>a Authorised share capital</b>				
Equity shares of ` 10 each	2,000,000	200	2,000,000	200
<b>b Issued, subscribed and fully paid up</b>				
20,00,000 equity shares of Rs10 each fully paid up (of the above 20,00,000 equity shares of Rs 10 each are held by LT Foods Limited(including 6 shares held through nominee shareholders), the holding company)	2,000,000	200	2,000,000	200
	<u>2,000,000</u>	<u>200</u>	<u>2,000,000</u>	<u>200</u>

**c Reconciliation of the equity shares outstanding at the beginning and at the end of the year**

	31st March 2017		31st March 2016	
	Number	Amount	Number	Amount
At the beginning of the year	2,000,000	200	2,000,000	200
Share capital issued during year	-	-	-	-
<b>Outstanding at the end of the year</b>	<u>2,000,000</u>	<u>200</u>	<u>2,000,000</u>	<u>200</u>

**d Terms/rights attached to equity shares**

- \* The company has only one class of equity shares having par value of Re. 1 per share. Each holder of equity share is entitled to one vote per share.
- \* In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues.
- \* The distribution will be in proportion to the number of equity shares held by the shareholders.

**e Shares held by holding company**

	31st March 2017		31st March 2016	
	Number	Amount	Number	Amount
Equity shares of ` 10 each LT Foods Limited - Holding company	2,000,000	200	2,000,000	200

**f Details of shareholders holding more than 5% shares in the company**

	31st March 2017		31st March 2016	
	Number	Amount	Number	Amount
Equity shares of ` 10 each LT Foods Limited - Holding company	2,000,000	200	2,000,000	200

**g** The Company has not issued any bonus shares neither has issued shares for consideration other than cash and has not bought back any shares in the current and previous periods.

**4 Reserves and surplus**

	31st March 2017	31st March 2016
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	2,865	1,667
Add : Profit for the year	1,306	1,198
<b>Net Surplus in the statement of profit and loss</b>	4,171	2,865
	<u>4,171</u>	<u>2,865</u>

Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March , 2017

(Amount in Rs Lacs)

	31st March 2017		31st March 2016	
	Non Current	Current	Non Current	Current
<b>5 Borrowings</b>				
<b>Secured</b>				
Vehicle loan	56	-	56	-
Packing Credit Limit	-	6,931	-	8,164
Loans repayable on demand	-	2,183	-	1,131
CC Limit from Banks	-	471	-	-
Bill Discounting	-	171	-	952
	<b>56</b>	<b>9,756</b>	<b>56</b>	<b>10,247</b>

**Vehicle Loan**

From HDFC Bank- Rs 10 lakh has been sanctioned in FY 2016-17, which is repayable in 36 equated monthly installments.

From Daimler Financial Services India Pvt.Ltd.-Rs 65 lakh has been sanctioned in FY 2015-16, which is repayable in 48 equated monthly installments.

Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

**Packing Credit Limit**

From Dena Bank-Sanctioned Amount Rs56.40 crore secured against hypothecation of stock of raw materials, semi finished goods and finished goods such as food products and agriculture products made by the unit for export purpose. The limit carries interest rate between 9.70% to 10.7%.

From ICICI Bank -Sanctioned Amount Rs30 crore secured against hypothecation of stock of raw materials, semi finished goods and finished goods such as food products and agriculture products made by the unit for export purpose. The limit carries interest rate between 9.45% to 9.55%.

**Loan Repayable on Demand**

From Indusind Bank -Sanctioned Amount Rs10 crore secured against hypothecation of stock. The limit carries interest rate 9.80%.

From Axis Bank -Sanctioned Amount Rs20 crore secured against hypothecation pledge of warehouse receipts/storage receipts. The limit carries interest rate 9.40%.

**CC Limit**

From Dena Bank - Rs5.75 crore has been sanctioned on 21.03.2017 against hypothecation of stock of raw materials, semi finished goods and stores & spares. The limit carries interest rate of 11.70%.

**Collateral Security:**

Personal Guarantee of Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora & Mr. Surinder Kumar Arora and corporate guarantee of LT Foods Ltd.



Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March, 2017

(Amount in Rs Lacs)

	31st March 2017		31st March 2016	
	Long term	Short term	Long term	Short term
6 Provisions				
Provision for employee benefits *	66	3		
<b>Other Provisions</b>				
Provision for taxation(Net of Advance tax & TDS)	-	856	-	579
	<u>66</u>	<u>859</u>	<u>26</u>	<u>581</u>

\* Refer note 2(1)

a. Employee benefits

	31st March 2017	31st March 2016
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	18	11
Service cost	6	6
Interest cost	2	1
Actuarial gain	12	0
Benefits paid	(2)	-
Projected benefit obligation at the end of the year	<u>35</u>	<u>18</u>

**Reconciliation of present value of obligation on the fair value of plan assets**

Present value of projected benefit obligation at the end of the year	35	18
Funded status of the plans	-	-
Liability recognised in the balance sheet	<u>35</u>	<u>18</u>

**Components of net gratuity costs are**

Service cost	6	6
Interest cost	2	1
Expected returns on plan assets	(1)	(1)
Recognized net actuarial gain	13	(1)
Net gratuity costs	<u>20</u>	<u>5</u>

**Assumptions used**

Discount rate	7.27%	7.92%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	7.27%	7.92%
Average remaining life	33.10	32.56

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March, 2017

(Amount in Rs Lacs)

	31st March 2017	31st March 2016
<b>7 Trade payables</b>		
Sundry creditors*		
Trade Payables	916	1,759
Dues to micro and small enterprises (Also, refer note below)	-	-
	<b>916</b>	<b>1,759</b>
*Includes from holding Company - LT Foods Limited	-	1,251

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31 March 2017. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	31st March 2017	31st March 2016
The principal amount remaining unpaid to any supplier as at the end of the year	-	-
The interest due on principal amount remaining unpaid to any supplier as at the end of the year	-	-
The amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for 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 MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the 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 the MSMED Act	-	-

	31st March 2017	31st March 2016
<b>8 Other current liabilities</b>		
Current Maturities of Term Loan*	9	8
Statutory dues	37	17
Employees benefits payable	48	28
Expenses payable	249	202
Due to staff	14	7
Advances from customers	1,508	67
	<b>1,865</b>	<b>329</b>

\* The details of interest rates, repayment and other terms are as disclosed under note 6

Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March, 2017

9 Tangible assets

(Amount in Rs Lacs)

a. Gross block

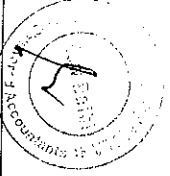
	Leasehold Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Computer	Total
Balance as at 31 March 2015	6	6	9	35	19	20	94
Additions	-	17	10	77	12	25	142
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2016	6	22	19	112	32	45	236
Additions	1,040	901	113	41	106	12	2,213
Disposals	-	20	-	12	-	-	32
Balance as at 31 March 2017	1,046	903	132	141	138	57	2,417
CWIP	109	-	-	-	-	-	109

b. Accumulated depreciation and amortisation

Balance as at 31 March 2015	1	3	4	23	13	15	57
Depreciation charge	0	1	2	8	4	14	30
Transfer to General Reserve	-	-	-	-	-	-	-
Balance as at 31 March 2016	1	4	6	31	17	29	87
Depreciation charge	47	219	8	40	29	12	354
Transfer of depreciation of assets sold	-	-	-	(9)	-	-	(9)
Transfer to General Reserve	-	-	-	-	-	-	-
Balance as at 31 March 2017	49	223	14	61	46	40	433

c. Net block

Balance as at 31 March 2015	5	3	5	12	7	5	36
Balance as at 31 March 2016	801	959	13	81	15	16	1,886
Balance as at 31 March 2017	1,106	680	118	80	92	17	2,093



**Nature Bio Foods Limited**

**Notes to the financial statements for the period ended 31st March , 2017**

(Amount in Rs Lacs )

		31st March 2017	31st March 2016
10	<b>Non current investments</b>		
	<b>Other investments (valued at cost)</b>		
	- Key managerial assurance	14	12
		<b>14</b>	<b>12</b>
	Aggregate amount of Unquoted investments	14	12
11	<b>Deferred taxes</b>		
	<b>Deferred tax assets*</b>		
	Timing difference	41	9
	*Refer note 36	<b>41</b>	<b>9</b>
12	<b>Loans and advances</b>		
	<b>Long term</b>		
	<b>Security deposits</b>		
	- Unsecured, considered good	17	13
		<b>17</b>	<b>13</b>
	<b>Short term</b>		
	<b>Other loans and advances</b>		
	- Unsecured, considered good	61	37
	Prepaid expenses	72	68
	Advances recoverable in cash or kind or value to be received	83	93
	Inter Corporate Deposits	328	328
		<b>544</b>	<b>526</b>
13	<b>Inventories (valued at cost or lower of net realisable value)</b>		
		<b>31st March 2017</b>	<b>31st March 2016</b>
	Raw materials	3,960	3,593
	Finished goods	4,719	4,011
		<b>8,679</b>	<b>7,604</b>

Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March , 2017

(Amount in Rs Lacs )

14 Trade receivables

	31st March 2017	31st March 2016
a Outstanding for a period exceeding six months from the date they are due for payment		1
Unsecured, Considered Good		
b Other debts		
Unsecured considered good	6,190	5,790
	<u>6,190</u>	<u>5,790</u>
*Includes from fellow subsidiary - Daawat Foods Limited	2,389	3,032
*Lt Foods America (Formally Known As Kusha Inc.)	636	1,090
*Lt Foods International	107	-

15 Cash and bank balances

	31st March 2017	31st March 2016
<b>Cash and cash equivalents</b>		
Cash in hand**	9	11
Balances with banks		
- in current accounts	282	185
Other bank balances (FDR)*	19	27
	<u>310</u>	<u>223</u>

\* Cash and cash equivalents as of March 31, 2017 and March 31, 2016 include restricted bank deposits of 18.89 lakh and 27.50 lakh, respectively. The restrictions are primarily on FDR's held as margin money deposits against guarantees and margin money, which are not freely available for use to the Company.

\*\* the details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is provided in the table below:

Particulars	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	4	2	6
(+) Permitted receipts	-	8	8
(-) Permitted payments	-	8	8
(-) Amount deposited in Banks	4	-	4
Closing cash in hand as on 30.12.2016	-	3	3

16 Revenue

	31st March 2017	31st March 2016
<b>Revenue from operations</b>		
Sale of products		
Export	19,825	20,361
Domestic	3,898	1,927
	<u>23,723</u>	<u>22,288</u>

17 Other income

	31st March 2017	31st March 2016
Export Incentives	37	31
Other income	75	114
Gain on Foreign Exchange	222	-
	<u>334</u>	<u>145</u>

22

Handwritten signature and initials.

## Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March , 2017

(Amount in Rs Lacs )

## 18 Cost of materials consumed

	31st March 2017	31st March 2016
Opening stock		
Raw materials and components	3,593	5,163
	<b>3,593</b>	<b>5,163</b>
Add : Purchases during the year		
Raw materials and components	6,810	6,451
	6,810	6,451
Less : Closing stock		
Raw materials and components	3,960	3,593
	<b>3,960</b>	<b>3,593</b>
	<b>6,443</b>	<b>8,021</b>

## Details of raw materials and components

## Raw material opening stock

- Bardana	221	294
- Packing material	255	96
- Paddy	3,117	4,772
	<b>3,593</b>	<b>5,163</b>

## Raw material closing stock

- Bardana	289	221
- Packing material	202	255
- Paddy	3,469	3,117
	<b>3,960</b>	<b>3,593</b>

## Raw material purchases

- Bardana	221	17
- Packing material	348	401
- Paddy	6,241	6,032
	<b>6,810</b>	<b>6,451</b>

## Consumption details

- Bardana	153	91
- Packing material	401	242
- Paddy	5,889	7,688
	<b>6,443</b>	<b>8,021</b>

## 19 Purchases of traded goods

	31st March 2017	31st March 2016
Rice	2,211	2,499
Others	8,956	4,339
	<b>11,167</b>	<b>6,838</b>

Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March , 2017

(Amount in Rs Lacs )

20 Changes in inventories of finished goods, work-in-progress and traded goods

	31st March 2017	31st March 2016
<b>Opening stock</b>		
- <b>Manufactured goods</b>		
- Rice	1,714	3,841
- <b>Traded goods</b>		
-Others	2,296	1,408
	<u>4,011</u>	<u>5,248</u>
<b>Closing stock</b>		
- <b>Manufactured goods</b>		
- Rice	2,475	1,714
- <b>Traded goods</b>		
-Others	2,244	2,296
	<u>4,719</u>	<u>4,011</u>
	<u>(708)</u>	<u>1,237</u>

21 Employee benefits

	31st March 2017	31st March 2016
Salaries, wages and bonus*	833	486
Contribution to gratuity	17	13
Contribution to provident and other defined contribution funds	29	17
Contribution to other funds	5	6
Staff welfare expenses	57	28
	<u>942</u>	<u>551</u>

\* includes Director Remuneration of Rs. 102 Lacs ( PY 59 Lacs)

22 Finance costs

	31st March 2017	31st March 2016
Interest expenses	601	338
Bank charges	50	58
	<u>651</u>	<u>396</u>

23 Depreciation and amortisation expense

	31st March 2017	31st March 2016
Depreciation of tangible assets (Also, refer note 9)	354	30
	<u>354</u>	<u>30</u>

## Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March , 2017

(Amount in Rs Lacs )

## 24 Other expenses

	<u>31st March 2017</u>	<u>31st March 2016</u>
Milling Charges and other process charges	130	935
Paddy Storage Rent	124	170
Cold Treatment	4	4
Consumable Stores	7	17
Power & Fuel	204	9
Labour Charges	20	62
Insurance	17	26
Rates and taxes	9	9
Payments to auditors (Also, refer note 34)	2	2
Rent*	28	31
Communication Expenses	17	13
Legal & Professional Charges	85	65
Membership Fee & Subscription	9	3
Repairs and maintenance	169	26
Conveyance	20	18
Tour & Travelling expenses	136	107
Steamer/Air Freight	384	404
Inland Haulage/Terminal Handling Charges	522	521
Testing, Inspection & Certification	456	250
Clearing & Forwarding	110	202
Freight Outward	129	139
Business Promotion	29	39
Brokerage/Discount on Sales	71	207
Other Administrative Exp.	191	80
Other Selling Expenses	95	89
Loss on Exchange	-	91
Donation	1	-
Loss on Sale of FA	20	-
	<u>2,989</u>	<u>3,520</u>

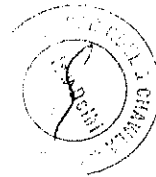
The Company's significant operating lease arrangements are in respect of premises (offices, godowns etc.). These leasing arrangements, which are cancellable, range between 11 months and 3 years generally and are usually renewable by mutual agreeable terms. The aggregate lease rentals payable are charged as expenses. Refer note 2(i)

## 25 Prior period items

	<u>31st March 2017</u>	<u>31st March 2016</u>
Advertisement	-	-
Fair Trade Premium	-	2
Membership & Subscription	-	0
	<u>-</u>	<u>3</u>



	<u>31st March 2017</u>	<u>31st March 2016</u>
<b>26 Contingent liabilities and commitments</b>		
Disputed Demands/Show Cause Notices: (Refer to Note mentioned below)	7	17
<b>a.</b>	During the assessment year 2009-10 the Income Tax Department ('The Department') has added back Rs. 4,97,369/- on account of various reasons to the total income of the company. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 30.12.2010 demanding Rs.10,16,573/-. The company had contested the above order before CIT (Appeal) and the Ld. CIT (Appeal) has dismissed the appeal vide order dated. 29.3.2012 . The company has contested above order before H'ble ITAT. The H'ble ITAT has vide its order dated 27/5/2016 has allowed substantial relief to the company. After allowing appeal effect of the same the demand will get reduced to Rs. 1,99,338/- and the same has been duly provided for in the financial statements. The aforesaid demand is including interest up to 30.12.2010 but excluding interest from 01.01.2011 onwards and penalty.	
<b>b.</b>	During the assessment year 2010-11 the Income Tax Department ('The Department') has added back Rs.24,42,523/- on account of various reasons to the total income of the company. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 28.03.2013 demanding Rs.5,14,888/-. The company had contested the above order before CIT (Appeal) and and the Ld. CIT (Appeal) has dismissed the appeal vide order dated. 19/5/2016. The company had contested the above order before H'ble ITAT. No Provision is considered necessary in this regard since the company has been advised that it has a good case and the chances of case decided against the company is not probable.The aforesaid demand is including interest up to 28.03.2013 but excluding interest from 01.04.2013 onwards and penalty.	
<b>c.</b>	During the assessment year 2013-14 the Assess ing officer has added back Rs.2,94,747/- on account of disallowance of gratuity to the total income of the company. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 21.03.2016 demanding Rs.1,32,230/-. The company had contested the above order before CIT (Appeal). No Provision is considered necessary in this regard since the company has been advised that it has a good case and the chances of case decided against the company is not probable.The aforesaid demand is including interest up to 21.03.2016 but excluding interest from 01.04.2016 onwards and penalty.	
<b>d.</b>	During the assessment year 2014-15 the Assess ing officer has added back Rs.25,000/- on account of disallowance of Fines & Penalties to the total income of the company. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 13/12/2016 demanding Rs.9,758/-. The company had contested the above order before CIT (Appeal). No Provision is considered necessary in this regard since the company has been advised that it has a good case and the chances of case decided against the company is not probable.The aforesaid demand is including interest up to 13/12/2016 but excluding interest from 14/12/2016 onwards and penalty.	
<b>27 Exposure in Foreign Currency:</b>	<b>As at 31.03.2017</b>	<b>As at 31.03.2016</b>
	<b>EURO</b>	<b>USD</b>
<b>a</b> Trade Receivable in Foreign Currency	35	18
<b>b</b> Trade Payable in Foreign Currency	2	1
<b>c</b> Advance from Customer	0	22
		<b>EURO</b>
		<b>USD</b>
		17
		2
		0



M

**Nature Bio Foods Limited**

Notes to the financial statements for the period ended 31st March , 2017

(Amount in Rs Lacs )

**28 Earnings in Foreign Currency**

	<u>31st March 2017</u>	<u>31st March 2016</u>
<b>FOB Value of Exports net of returns</b>		
- Rice	15,095	16,355
- Sesame Seed	42	23
-Rice Flour	957	894
-Pulses	1,361	325
-Amaranth Seeds	58	74
-Flax Seeds	359	309
-Soyabean	1,260	1,923
-Cashew	211	201
-Others	98	-
<b>Total</b>	<u>19,441</u>	<u>20,103</u>

**29 Expenses in Foreign Currency( on accrual basis)**

	<u>31st March 2017</u>	<u>31st March 2016</u>
- Testing Fee	175	54
- Tour & Travel (Foreign)	16	20
- Commission	55	102
- Steamer freight	312	803
-Membership Fee & Subscription	6	1
-Exhibition	0	14
-Inspection Charges	20	10
-Staff Training	0	-
-Demurage Charges	14	86
<b>Total</b>	<u>598</u>	<u>1,090</u>

**30 Value of imports on C.I.F. basis**

	<u>31st March 2017</u>	<u>31st March 2016</u>
Capital Goods	47	123
Repair & Maintenance	0	-

**31 Hedging and Derivatives**

The Company uses derivative instruments such as foreign exchange forward contracts to selectively hedge its exposures to movement in foreign exchange rates. These derivatives are not used for speculative or trading purposes. The following are the outstanding derivative contracts entered into by the Company:

	<u>31st March 2017</u>	<u>31st March 2016</u>
Forward Contracts for Sale		
EURO	20	40
USD	80	60

The Company recognized a gain of 3.83 crore on derivative instruments during the year ended March 31, 2017, which is included in other income.

Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March , 2017

32 Related parties

(Amount in Rs Lacs )

a. Names of related parties

Relationship	Name
-Holding company	LT Foods Limited
-Fellow subsidiary company	Daawat Foods Limited Lt Foods America (Formally Known As Kusha Inc.) Lt Foods International Ltd VK foods
-Key management personnel (KMP) & their Relatives	Tapan Ray  Nayan Ray Vijay kumar Arora Ranju Arora Anmol Arora

b. Transactions with related parties taken place during the year

	<u>31st March 2017</u>	<u>31st March 2016</u>
<b>LT Foods Limited</b>		
-Holding company		
Purchases	9	101
Purchases Fixed Asset	-	1,140
Sales	897	501
Processing Charges Paid	5	842
Fumigation Charges	26	63
Transportation Expenses	26	30
Electricity Charges	2	-
Rent paid	23	11
Outstanding Balance Credit	-	1,251
Corporate Gurantee Availed	9,756	10,247
<b>Daawat Foods Limited</b>		
-Fellow Subsidiary Company		
Lease Rent Paid	17	44
Processing Charges Paid	67	36
Purchases Fixed Asset	-	106
Outstanding Balance Debit	2,389	3,032
Sales	869	243
Purchases	3,160	2,189
<b>Lt Foods America (Formally Known As Kusha Inc.)</b>		
-Fellow Subsidiary Company		
Sales	4,352	6,601
Outstanding Balance Debit	636	1,090
<b>Lt Foods International Ltd</b>		
-Fellow Subsidiary Company		
Sales	892	-
Outstanding Balance Debit	107	-
<b>VK Foods</b>		
-Fellow Subsidiary Company		
Sales	13	11
Outstanding Balance Debit	1	1
<b>Tapan Ray</b>		
Remuneration Paid	151	59
<b>Nayan Ray</b>		
Remuneration Paid	10	8



Anmol Arora  
Salary Paid  
Remuneration Paid

7      4  
1      -

Vijay kumar Arora  
Rent Paid

·      7

Ranju Arora  
Rent Paid

-      7



*[Handwritten signature]*

*[Handwritten mark]*

Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March , 2017

33. Segment Reporting

(Amount in Rs Lacs )

a). Information about Primary Business Segment

Reportable segments			
Particulars	Rice	Others	Total
<b>Segment revenue</b>			
External sales	19,651	4,061	23,713
Previous year	16,407	5,782	22,189
Other income	-	37	37
Previous year	-	31	31
Expenses	(12,905)	(3,676)	(16,581)
Py	(14,536)	(3,187)	(17,723)
<b>Segment results</b>	<b>6,746</b>	<b>423</b>	<b>7,169</b>
Previous year	1,870	2,626	4,497
<b>Unallocated Personnel Expenses</b>			(942)
Previous year			(551)
<b>Unallocated Finance Charge</b>			(651)
Previous year			(396)
<b>Interest income</b>			3
Previous year			3
<b>Other unallocated income</b>			304
Previous year			210
<b>Other unallocated expenses</b>			(3,663)
Previous year			(1,926)
<b>Income tax (including deferred tax)</b>			(913)
Previous year			(640)
<b>Profit after tax</b>			<b>1,306</b>
Previous year			<b>1,198</b>
<b>Other information:</b>			
<b>Segment assets</b>	<b>11,746</b>	<b>2,734</b>	<b>14,481</b>
Previous year	8,135	5,270	13,405
<b>Unallocated assets</b>	-	-	<b>3,408</b>
Previous year	-	-	2,659
<b>Segment liabilities</b>	<b>(1,852)</b>	<b>(531)</b>	<b>(2,383)</b>
Previous year	(362)	(116)	(478)
<b>Unallocated liabilities *</b>	-	-	<b>(15,506)</b>
Previous year	-	-	(15,586)
<b>Capital expenditure</b>	-	-	<b>2,290</b>
Previous year	-	-	1,879
<b>Unallocated depreciation</b>	-	-	<b>2,290</b>
Previous year	-	-	30
<b>b) Information about secondary business segment</b>			
Revenue by geographical segment	Outside India	India	Total
Sales	19,825	3,898	23,723
Previous year	20,361	1,927	22,288
The Group is organized into two main business segments, namely			
1. Rice			
2. Other Business Segment comprises of Soybean, Pulses, Oilseeds, Dryfruits and spices.			
Segment have been identified and reported taking into account, the nature of products and services, the differing risks and returns, the organisation structure, and the internal			
The Segment revenue in each of the above business segments consists of sales (net of returns, sales tax, rebates etc.)			
The Segment revenue in the geographical segments considered for disclosure are as follows			
:			
(a) Revenue within India includes sales to customers located within India			
(b) Revenue outside India includes sales to customers located outside India			
Segment Revenue, Results, Assets and liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis			

Nature Bio Foods Limited

Notes to the financial statements for the period ended 31st March , 2017

34 Payment of Auditors Includes:

	(Amount in Rs Lacs )	
	31st March 2017	31st March 2016
Statutory Audit Fee	2	2
Out of Pocket Expenses	0	0
Other Matters	0	2
Income Tax Consultancy	-	1
	<u>2</u>	<u>4</u>

35 Commitments as at year end:

Estimated amount of contracts remaining to be executed on capital account (net of advances) is INR NIL. (Previous year INR ...NIL...).

36 Particulars

	31st March 2017	31st March 2016
<b>DEPRICIATION</b>		
WDV As Per Companies Act	1,984	148
WDV As per Income Tax Act	2,061	156
Difference	(77)	(8)
Provision For Employee Benefits	41	38
Total	<u>(118)</u>	<u>(45)</u>
Deferred Tax Liability / (Assets)	(41)	(9)
Opening Deferred Tax Liability / (Assets)	(9)	(5)
<b>Additional Deferred Tax Liability/(Asset)</b>	<u>(32)</u>	<u>(4)</u>

37 Corporate social responsibility expenses

	31st March 2017	31st March 2016
Gross amount required to be spent by the company during the year in compliance with section 135 of the Companies Act,2013	30	23
Amount spent during the year	-	-

38 Balance Confirmation- Current Assets, Loans & Advances, Deposits & Sundry Creditors are subject to confirmation/reconciliation and consequential adjustments, if any.

39

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



*M*