V P G S & Co. | Chartered Accountants

Independent Auditor's Report

To the Members of Nature Bio Foods Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Nature Bio Foods Limited ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone 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 the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS financial statements based on our audit.

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

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unqualified audit opinion on the standalone Ind AS financial statements.

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Email:- gulshan@vpgs.in / mohit@vpgs.in Website : www.vpgs.in

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31st March, 2018 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:

   a. We have sought and, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

   d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;

   e. on the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;

   f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order

For **V P G S & Co.**
Chartered Accountants
Firm's registration number: 507971C

Gulshan Gaba
Partner
Membership number: 088726

Place: New Delhi
Dated: 23th May, 2018

V P G S & CO.
FRN : 507971C
New Delhi
Chartered Accountants

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT - March 31, 2018
(Referred to in our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of NATURE BIO-FOODS LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone IND-AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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New Delhi
Chartered Accountants

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

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Chartered Accountants
FRN : 507971C
New Delhi

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **V P G S & Co.**
Chartered Accountants
Firm's registration number: 507971C

Gulshan Gaba
Partner
(Membership number: 088726)

Place: New Delhi
Dated: 23rd May, 2018

VPGS&CO.
FRN: 507971C
New Delhi
Chartered Accountants

Nature Bio-Foods Ltd.

Annexure 'B' referred to in Paragraph 1 under the heading "Report on other Legal & Regulatory requirements of our Independent Auditor's Report of even date to the Standalone IND-AS financial statements of the company for the year ended on March 31, 2018:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In accordance with this programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) In our opinion and according to the information and explanations given to us and based on examination of records of the company, the title deeds/ lease deeds of immovable properties, as disclosed in Note 2 to Ind AS financial statements, are held in the name of the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, provisions of paragraph 3(iii) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans to or given any guarantee or provided any security in connection with any loans taken by parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or guarantees provided to the parties covered under Section 186 of the Act. The Company has not granted any loans or provided any security to the parties covered under Section 186 of the Act.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules framed thereunder apply. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the goods or services dealt by the Company.

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of

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customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable except as given below:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates to	Due Date & Remarks, if any
Income Tax Act, 1961	Income Tax Demand	1,99,338	AY 2009-10	The company has not received appeal effect till date, therefore actual liability & due date cannot be mentioned.
Madhya Pradesh VAT Act 2002 & MP Entry tax Act. 1976	Entry tax demand	4,31,388	AY 2013-14	

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, service tax, GST, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below:-

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates to	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	5,14,888/-	AY 2010-2011	ITAT
Income Tax Act, 1961	Income Tax Demand	1,32,230/-	AY 2013-2014	CIT-Appeals
Income Tax Act, 1961	Income Tax Demand	11,480/-	AY 2014-2015	CIT-Appeals

(viii) In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company has not defaulted in the repayment of dues to banks. There are no dues to financial institutions, Government or debenture holders.

(ix) According to the information and explanations given to us and based on our examination of the records, the term loans obtained by the Company were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(x) According to the information and explanations given to us & to the best of our knowledge, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the Ind AS financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **V P G S & Co.**
Chartered Accountants
Firm's Registration number: 507971C

Gulshan Gaba
Partner
Membership No. 088726

Place: New Delhi
Date: 23rd May, 2018

VPGS&CO. Chartered Accountants FRN : 507971C New Delhi

Nature Bio Foods Limited

Balance Sheet as at March 31, 2018

(All amounts in ` in lacs unless otherwise stated)

	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-Current Assets				
Property, plant and equipment	2	2,452.14	1,984.10	148.21
Capital work-in-progress	3	246.07	109.26	1,737.35
Other intangible assets	4	6.62	-	-
Financial assets				
(i) Investments	5	10.08	10.07	8.06
(ii) Loans	6	351.20	345.00	340.97
Deferred tax assets(net)	7	61.79	42.32	10.63
Total non-current assets		**3,127.90**	**2,490.76**	**2,245.22**
Current Assets				
Inventories	8	12,210.30	8,678.90	7,603.62
Financial Assets				
(i) Trade receivables	9	4,893.63	6,190.34	5,790.46
(ii) Cash and cash equivalents	10	10.58	291.50	195.91
(iii) Other bank balances	11	16.79	20.53	39.45
(iv) Other financial assets	12	59.93	23.52	22.55
Other current assets	13	1,437.30	190.39	163.57
Total current assets		**18,628.53**	**15,395.18**	**13,815.56**
Total assets		**21,756.43**	**17,885.94**	**16,060.79**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	200.00	200.00	200.00
Other equity	15	6,618.53	4,167.88	2,862.02
Total equity		**6,818.53**	**4,367.88**	**3,062.02**
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings	16	104.41	55.56	56.46
(ii) Other financial liabilities	17	18.67	-	-
Provisions	18	60.47	66.38	26.42
Total non-current liabilities		**183.55**	**121.94**	**82.87**
Current Liabilities				
Financial Liabilities				
(i) Borrowings	19	9,782.25	9,756.36	10,246.85
(ii) Trade Payables	20	4,108.05	915.66	1,758.64
(iii) Other Financial liabilities	21	455.33	320.64	244.58
Other Current Liabilities	22	153.04	1,544.39	84.58
Provisions	23	2.44	3.22	2.18
Current tax liabilities	24	253.24	855.86	579.07
Total current liabilities		**14,754.35**	**13,396.13**	**12,915.90**
Total liabilities		**14,937.90**	**13,518.06**	**12,998.77**
Total equity and liabilities		**21,756.43**	**17,885.94**	**16,060.79**

Statement of significant accounting policies

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

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

For VFGS & Co.
Chartered Accountants
Firm Regn No - 507971C

Gulshan Gaba
Partner
M. No. 088726

Date : May 23, 2018
Place : New Delhi

VPGS&CO. FRN : 507971C New Delhi Chartered Accountants

For and on behalf of Board of Directors

Anmol Arora
Director
DIN No.- 07727210

Vijay Kumar Arora
Director
DIN No.-00012203

Nature Bio Foods Limited
Statement of Profit and Loss for the year ended March 31, 2018
(All amounts in ` in lacs unless otherwise stated)

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	25	35,150.21	23,581.19
Other income	26	912.03	334.05
Total income		**36,062.24**	**23,915.23**
Expenses			
Cost of material consumed	27	7,993.72	6,442.77
Purchases of stock-in-trade	28	17,759.25	11,166.82
Changes in inventories of finished goods and stock in trade	29	(1,908.45)	(708.27)
Employee benefits expense	30	1,227.04	928.79
Finance costs	31	741.10	651.27
Depreciation and amortization expense	32	367.63	354.48
Other expenses	33	6,069.71	2,847.12
Total Expenses		**32,250.00**	**21,682.98**
Profit before tax		**3,812.24**	**2,232.26**
Tax expense			
Current tax		1,342.04	865.54
Tax paid for previous year		33.24	79.57
Deferred tax		(17.47)	(27.20)
Total tax expense		**1,357.81**	**917.91**
Profit for the year		**2,454.43**	**1,314.35**
Other Comprehensive Income			
1) Items that will not be reclassified to Profit or Loss			
Remeasurements of net defined benefit plans		(5.77)	(12.99)
Tax on above Items		2.00	4.50
Other comprehensive loss for the year		**(3.77)**	**(8.49)**
Total comprehensive income for the year		**2,450.65**	**1,305.86**
Earning per equity share	35		
--Basic & Diluted		122.72	65.72

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

For VPGS & Co.
Chartered Accountants
Firm Regn No - 507971C

Gulshan Gaba
Partner
M. No. 088726

For and on behalf of Board of Directors

Anmol Arora
Director
DIN No.- 07727210

Vijay Kumar Arora
Director
DIN No.-00012203

VPGS & CO.
FRN : 507971C
New Delhi
Chartered Accountants

Date : May 23, 2018
Place : New Delhi

Nature Bio Foods Limited

Cash Flow Statement For the Year ended 31st March 2018

(All amounts in ` in lacs unless otherwise stated)

	Notes	31 March 2018	31st March 2017
Cash flow from operating activities			
Profit before tax from continuing operations		3,812.24	2,232.26
Profit before tax from discontinuing operations		-	-
Profit before tax		**3,812.24**	**2,232.26**
Non-cash adjustment to reconcile profit before tax to net cash flows			
- Depreciation/amortization on continuing operations		367.63	354.48
- Interest Income		(40.78)	(2.96)
- Unrealized foreign exchange Gain		(196.62)	-
- Provisions Written Back		(102.61)	-
- Bad Debts Written off		2.88	71.64
- Amounts written off		4.67	(0.03)
- Interest expense		682.09	601.05
Operating profit before working capital changes		**4,529.49**	**3,256.45**
Movement for working capital:			
Increase/ (Decrease) in trade payables		3,192.39	(842.98)
Increase/(Decrease) in Other Financial Liabilities		243.08	63.06
Increase/(Decrease) in Other Current Liabilites		(4,494.82)	783.69
Increase/(Decrease) in Short term Provisions		(5.91)	39.96
(Increase)/ Decrease in trade receivables		1,490.44	(471.52)
(Increase)/ Decrease in inventories		(3,531.41)	(1,075.27)
(Increase)/ Decrease in other Financial Assets		6.70	17.95
(Increase)/ Decrease in other Current Assets		(1,251.58)	(26.80)
(Increase)/ Decrease in other Non Current Assets		(6.21)	(6.04)
Cash generated/(used in) operations		**172.18**	**1,738.50**
Direct taxes paid (net of refunds)		1,124.80	8.85
Net cash flow used in operating activities	[A]	**1,296.98**	**1,747.35**
Cash flow from investing activities			
Purchase of fixed assets including intangible assets		(971.97)	(562.28)
Purchase of non current investments		-	
Proceeds /(Investment) in Fixed Deposits		1.42	2.96
Proceeds /(Investment) in Subsidiary Company		(0.01)	-
Net cash flow used in investing activities	[B]	**(970.56)**	**(559.32)**
Cash flow from financing activities			
Proceeds from issuance of share capital		-	-
Proceeds from/(Repayment) of long term borrowings		48.85	(0.90)
Proceeds from/(Repayment) of short term borrowings		25.89	(490.49)
Interest paid		(682.09)	(601.05)
Net cash flow from used in financing activities	[C]	**(607.35)**	**(1,092.44)**
Net increase in cash and cash equivalents	[A+B+C]	**(280.93)**	**95.59**
Cash and cash equivalents at the beginning of the year		291.50	195.91
Cash and cash equivalents at the end of the year		**10.58**	**291.50**
Net increase in cash and cash equivalents		**(280.92)**	**95.59**

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

For VPGS & Co.
Chartered Accountants
Firm Regn No - 507971C

Gulshan Gaba
Partner
M. No. 088726

Date : May 23, 2018
Place : New Delhi

For and on behalf of the Board of Directors

Anmol Arora	**Vijay Kumar Arora**
Director	Director
DIN No.- 07727210	DIN No.-00012203

Nature Bio Foods Limited
Statement of Changes in Equity for the year ended March 31, 2018
(All amounts in ` in lacs unless otherwise stated)

A. Equity Share Capital

Opening Balance as at April 01, 2016	**200.00**
Changes during the year	-
Closing Balance as at March 31, 2017	**200.00**
Changes during the year	-
Closing Balance as at March 31, 2018	**200.00**

B. Other Equity

	Reserves & Surplus	Other Components of Equity	Total
	Retained Earnings	Remeasurement of Defined Benefit Obligation	
Balance as at April 01, 2016	2,862.02	-	2,862.02
Profit for the year	1,314.35	-	1,314.35
Movement during the period	-	-	-
Other Comprehensive Income	-	(8.49)	(8.49)
Total Comprehensive Income for the year	**1,314.35**	**(8.49)**	**1,305.86**
Balance as at March 31, 2017	**4,176.37**	**(8.49)**	**4,167.88**
Balance as at April 1, 2017	**4,176.37**	**(8.49)**	**4,167.88**
Profit for the year	**2,454.43**		2,454.43
Other Comprehensive Income		**(3.77)**	**(3.77)**
Total Comprehensive Income for the year	**2,454.43**	**(3.77)**	**2,450.65**
Balance as at March 31, 2018	**6,630.80**	**(12.27)**	**6,618.53**

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

For VPGS & Co.
Chartered Accountants
Firm Regn No - 507971C

Gulshan Gaba
Partner
M. No. 088726

Date : May 23, 2018
Place : New Delhi

For and on behalf of Board of Directors

Anmol Arora
Director
DIN No.- 07727210

Vijay Kumar Arora
Director
DIN No.-00012203

VPGS & CO.
FRN : 507971C
New Delhi
Chartered Accountants

Nature Bio Foods Limited
Notes to the financial statements for the year ended March 31, 2018
(All amounts in ` in lacs unless otherwise stated)

2 Property, plant and equipment

Description	Leasehold Land	Leasehold Building	Plant & Machinery	Furniture & Fixture	Vehicles	Office Equipment	Computer	Total
Gross carrying value								
As at 1 April 2016*	-	5.77	32.42	19.01	112.08	21.43	45.00	235.71
Additions	-	1,040.01	890.74	113.00	40.82	116.39	12.32	2,213.27
Disposals	-	-	20.43	-	11.76		-	32.19
As at 31 March 2017	**-**	**1,045.77**	**902.72**	**132.01**	**141.14**	**137.82**	**57.32**	**2,416.79**
Additions	271.27	311.42	67.09	10.18	89.52	85.67		835.16
Disposals								-
As at 31 March 2018	**271.27**	**1,357.20**	**969.81**	**142.19**	**230.67**	**223.49**	**57.32**	**3,251.95**
Accumulated depreciation								
As at 1 April 2016*	-	1.47	4.09	5.56	30.80	16.84	28.75	87.50
Charge for the year	-	100.17	198.03	8.39	30.78	5.49	11.63	354.48
Disposals	-	-	-	-	9.29	-	-	9.29
As at 31 March 2017	**-**	**101.64**	**202.11**	**13.95**	**52.29**	**22.33**	**40.38**	**432.69**
Charge for the year	0.69	118.96	132.48	31.75	30.62	43.08	9.50	367.07
Disposals								-
As at 31 March 2018	**0.69**	**220.59**	**334.60**	**45.69**	**82.91**	**65.41**	**49.87**	**799.77**
Net block as at 1 April 2016*	**-**	**4.30**	**28.33**	**13.46**	**81.28**	**4.59**	**16.25**	**148.21**
Net block as at 31 March 2017	**-**	**944.13**	**700.61**	**118.06**	**88.85**	**115.50**	**16.95**	**1,984.10**
Net block as at 31 March 2018	**270.59**	**1,136.60**	**635.21**	**96.50**	**147.76**	**158.08**	**7.45**	**2,452.14**

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation of previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

ii. **Property plant and equipment pledged as security**
Movable fixed assets are pledged along with Current Assets for Working capital loan facility availed from Bank.

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3 **Capital work-in-progress**

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital work-in-progress	246.07	109.26	1,737.35

Movement in capital work in progress:

Particulars	Amount
Capital work-in-progress as at 1 April 2016	1,737.35
Add: Additions during the year	76.06
Less: Capitalization during the year	(1,704.15)
Capital work-in-progress as at 31 March 2017	**109.26**
Capital work-in-progress as at 1 April 2017	109.26
Add: Additions during the year	242.25
Less: Capitalization during the year	(105.43)
Capital work-in-progress as at 31 March 2018	**246.07**

4

Intangible Assets	
Description	**Software**
Gross carrying value	
As at 1 April 2016*	
Additions	
Disposals	
As at 31 March 2017	-
Additions	7.18
Disposals	
As at 31 March 2018	**7.18**
Accumulated depreciation	
As at 1 April 2016*	
Charge for the year	
Disposals	
As at 31 March 2017	
Charge for the year	0.56
Disposals	
As at 31 March 2018	**0.56**
Net block as at 1 April 2016*	-
Net block as at 31 March 2017	-
Net block as at 31 March 2018	**6.62**

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5 Investments - Non-current

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016
Investments at fair value through statement of profit & loss					
Key man insurance policies	10.07	#	10.07	#	8.06
Investment carried at cost					
In Subsidiary	0.01		-		-
	10.08	#	**10.07**	#	**8.06**
Aggregate amount of					
Unquoted investments	10.07		10.07		8.06
Aggregate amount of Investments carried out at Cost					
Unquoted investments					
In subsidiary- Nature Bio Foods B.V.	0.01		-		-

6 Loans

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good, unless otherwise stated			
(Carried at amortized cost)			
Security deposits	23.20	17.00	12.97
Inter corporate deposits	328.00	328.00	328.00
	351.20	**345.00**	**340.97**

The carrying values are considered to be a reasonable approximation of fair value.

7 Deferred tax assets

	As at March 31, 2018	As at March 31, 2017		As at April 01, 2016
Deferred tax assets arising on account of				
Provision for employee benefits	60.38	40.92	#	9.22
Diminution in value of investment		-	#	-
Others	1.41	1.41	#	1.41
Deferred tax assets	**61.79**	**42.32**	#	**10.63**

Movement in deferred tax liabilities (net)

Particulars	**01 April 2016**	**Recognized in other comprehensive income**	**Recognized in statement of profit and loss**	**31 March 2017**
Deferred tax assets arising on account of				
Provision for employee benefits	9.22	4.50	27.20	40.92
Diminution in value of investment	-		-	-
Others	1.41		-	1.41
Net Deferred tax liabilities	**10.63**	**4.50**	**27.20**	**42.32**

Particulars	**01 April 2017**	**Recognized in other comprehensive income**	**Recognized in statement of profit and loss**	**31 March 2018**
Deferred tax liabilities arising on account of				
Provision for employee benefits	40.92	2.00	17.47	60.38
Others	1.41		-	1.41
Net Deferred tax liabilities	**42.32**	**2.00**	**17.47**	**61.79**

Refer note 34 for reconciliation of deferred tax balances

#

8 Inventories

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw material			
Paddy	5,100.21	3,469.10	3,116.64
Packing Material	174.79	201.83	255.32
Bardana	307.68	288.79	220.76
Finished goods	3,601.15	522.15	1,714.45
Traded Goods	3,026.48	4,197.03	2,296.45
	12,210.30	**8,678.90**	**7,603.62**

9 Trade receivables

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured			

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-Considered good	4,893.63	6,190.34	5,790.46
	4,893.63	**6,190.34**	**5,790.46**

(i) No trade or other receivables are due from director or other officers of the Company either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is partner, director or a member.
(ii) The carrying values of trade receivables are considered to be a reasonable approximation of fair value.

10 Cash and bank balances	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
Balances with banks in current accounts	8.42	282.18	184.85
Cash on hand			
in Indian currency	2.16	9.32	11.06
	10.58	**291.50**	**195.91**

(i) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

11 Other Bank balances	**As at March 31, 2018** #	**As at March 31, 2017** #	**As at April 01, 2016**
Deposits with original maturity more than 3 months but residual maturity less than 12 months	16.79	20.53 #	39.45
	16.79	**20.53**	**39.45**

12 Other current financial assets	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
Employee recoverable		- #	4.90
Draw Back Receivable	8.73	21.26 #	15.23
Other receivables	51.20	2.26 #	2.42
	59.93	**23.52**	**22.55**

Refer note 41 on Financial instruments for disclosure of fair values in respect of financial assets measured at amortized cost

13 Other current assets	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 01, 2016**
Prepaid expenses	105.13	72.01 #	67.93
Advance to employees	17.13	22.19 #	-
Advance to Vendors	759.89	60.86	37.37
Balance with government authorities	555.14	35.34 #	58.26
	1,437.30	**190.39**	**163.57**

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14 Share capital

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorized			
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} (March 31, 2017 : 20,00,000 equity shares of Rs 10 each, April 01, 2016 : 20,00,000 equity shares of rs 10 each)	200.00	200.00	200.00
Issued, subscribed & paid up			
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} (March 31, 2017 : 20,00,000 equity shares of INR 10 each, April 01, 2016 : 20,00,000 equity shares of ` 10 each)	200.00	200.00	200.00
	200.00	**200.00**	**200.00**

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	As at March 31, 2018		As at March 31, 2017	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	2,000,000.00	200.00	2,000,000.00	200.00
Changes during the year				
Add: Increase in shares on account of subdivision (refer note e)	-	-	-	-
Equity shares at the end of the year	**2,000,000.00**	**200.00**	**2,000,000.00**	**200.00**

During the year, Company had issued and allotted Nil (March 31, 2017: Nil, April 1, 2016: Nil) equity shares to eligible employees of the Company and its subsidiaries under Employees stock option scheme.

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having the par value of ` 10 per share (March 31, 2017: `10 per share, April 1, 2016: ` 10 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2018 the amount of per share dividend recognized as distributions to equity shareholders was Nil per share (March 31, 2017: Nil per share, April 1, 2016: Nil 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 shareholders.

(c) Shares held by holding company

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Equity shares of ` 10 each						
LT Foods Limited - Holding company	**2,000,000.00**	**100%**	2,000,000.00	100.00%	2,000,000.00	100.00%

(d) Details of shareholders holding more than 5% shares in the company

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
Equity shares of ` 10 each						
LT Foods Limited - Holding company	2,000,000.00	100%	2,000,000.00	100.00%	2,000,000.00	100.00%
	2,000,000.00	**100.00%**	**2,000,000.00**	**100.00%**	**2,000,000.00**	**100.00%**

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15 Other equity

	As at March 31, 2018	As at March 31, 2017
(i) Retained earnings		
Opening balance	4,176.37	2,862.02
Add: Net profit for the current year	2,454.43	1,314.35
Profit available for appropriation	**6,630.80**	**4,176.37**
Less : Appropriations		
Closing balance	**6,630.80**	**4,176.37**
(vi) Other comprehensive income reserve		
Remeasurements of the net defined benefit plans		
Opening balance	(8.49)	-
Change during the year	(3.77)	(8.49)
Closing balance	**(12.27)**	**(8.49)**
Total other equity	**6,618.53**	**4,167.88**

Other comprehensive income (OCI) reserve:
The Company has recognized remeasurements benefits on defined benefits plans through other comprehensive income.

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16 Non Current borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Vehicle loan			
From banks	3.84	7.69	-
From Other Financial Institutions	100.57	47.87	56.46
	104.41	55.56	56.46
Current maturity of long term debts	12.29	9.17	7.58

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installment	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Vehicle loans							
HDFC Bank	**10**	2016-17	36	11.53	4.81	8.00	
Daimler Financial Services India Pvt.Ltd.	**65**	2015-16	48	87.53	47.96	56.72	64.03
Daimler Financial Services India Pvt.Ltd.	**65**	2017-18	36	80.19	63.93		
Vehicle Loan					**116.70**	**64.73**	**64.03**

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

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17 Other Financial Liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Long Term maturities of Finance lease obligations	18.67	-	-
	18.67	-	-

Finance lease Obligations
Total Future minimum lease payments as at the reporting date, element of interest included in such payments and present value of these minimum lease paymnets are as follows:-

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Total Future Minimu Lease Payments	252.36	-	-
(b) Future interest included in (a) above	233.69	-	-
(c) Present Value of future minimum lease payments (a)-(b)	18.67	-	-

18 Non Current provisions

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Gratuity	45.48	49.32	17.26
Provision for Leave Encashment	14.99	17.06	9.16
	60.47	66.38	26.42

Refer note 38 on Employee benefits

19 Borrowings- Current

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured at Amortized Cost			
Rupee working capital loans from banks	9,782.25	9,756.36	10,246.85
	9,782.25	9,756.36	10,246.85

Primary Security
Working Capital loans from Banks are secured by hypothecation of both present and future Stocks of raw material, semi finished goods, finished goods, stores and spares, packing material, stock in trande, other current assets and movable fixed assets.

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

Refer note 40 on Financial instruments for disclosure of fair values in respect of financial liabilities measured at amortized cost and analysis of their maturity profiles

20 Trade payables

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues to			
Others	4,108.05	915.66	1,758.64
	4,108.05	915.66	1,758.64

21 Other current financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturity of long term debts	12.29	9.17	7.58
Employees benefits payable	58.60	48.08	27.96
Expenses payable	376.33	249.30	202.13
Due to staff	8.10	14.09	6.92
	455.33	320.64	244.58

Refer note 40 on Financial instruments for disclosure of fair values in respect of financial liabilities measured at amortized cost and analysis of their maturity profiles

22 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from customers	112.31	1,507.54	67.19
Statutory liabilities	40.73	36.84	17.38
	153.04	1,544.39	84.58

23 Short term provisions

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Employee Benefits			
Provision for Gratuity	1.22	2.06	0.53
Provision for Leave Encashment	1.22	1.16	1.63
	2.44	3.22	2.17

Refer note 38 on Employee benefits

24 Income tax liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for taxation	253.24	855.86	579.07
	253.24	855.86	579.07

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25 Revenue from operations

	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products *		
Export	30,817.54	19,824.88
Domestic	4,332.67	3,756.31
	35,150.21	**23,581.19**

***Details of products sold**

	For the year ended 31 March 2018	For the year ended 31 March 2017
-Finished goods sold		
Rice	19,113.52	18,552.96
Others	3,589.35	956.82
-Traded goods sold		
Rice	1,189.07	65.05
Others	11,258.26	4,006.36
	35,150.21	**23,581.19**

26 Other income

	For the year ended 31 March 2018	For the year ended 31 March 2017
Export Incentives	39.32	36.98
Miscellaneous receipts	214.26	75.03
Net gain on foreign currency transactions and translations	658.45	222.03
	912.03	**334.05**

27 Cost of material consumed

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock		
Paddy	3,469.10	3,116.64
Bardana	288.79	220.76
Packing material	201.83	255.32
	3,959.72	**3,592.72**
Add: purchases		
Paddy	8,899.59	6,241.00
Bardana	160.30	221.16
Packing material	556.79	347.61
	9,616.68	**6,809.77**
Less: closing stock		
Paddy	5,100.21	3,469.10
Bardana	307.68	288.79
Packing material	174.79	201.83
	5,582.68	**3,959.72**
	7,993.72	**6,442.77**

Consumption details		
Paddy	7,268.47	5,888.54
Bardana	141.42	153.13
Packing material	583.83	401.10

28 Purchases of stock-in-trade

	For the year ended 31 March 2018	For the year ended 31 March 2017
Rice	8,809.12	2,210.68
Others	8,950.13	8,956.14
	17,759.25	**11,166.82**

29 Changes in inventories of finished goods and stock in trade

	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening Stock		
Manufactured goods		
Rice	2,474.99	1,714.45
Traded goods		
Others	2,244.18	2,296.45
Closing stock		

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Manufactured goods		
Rice	3,601.15	2,474.99
Traded goods		
Others	3,026.48	2,244.18
	(1,908.45)	**(708.27)**

30 Employee benefit expense	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Salaries, wages and bonus (refer note 39)	1,115.94	753.63
Contribution to gratuity	6.76	20.88
Contribution to provident and other fund	43.88	29.05
Contribution to other funds	3.70	8.91
Staff welfare expenses	42.06	57.11
Director's remuneration	14.70	59.21
	1,227.04	**928.79**

31 Finance cost	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Interest on term loans	682.09	601.05
Other borrowing cost	59.01	50.22
	741.10	**651.27**

32 Depreciation & amortization	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Depreciation on tangible fixed assets	367.07	354.48
Amortization of intangible assets	0.56	-
	367.63	**354.48**

33 Other expenses	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Milling Charges and other process charges	454.97	129.63
Paddy Storage Rent	151.27	124.27
Cold Treatment	13.99	4.01
Consumable Stores	10.86	6.74
Power & Fuel	222.00	203.68
Labour Charges	20.28	19.62
Insurance	35.18	17.10
Rates and taxes	57.16	8.56
Payments to auditors (Also, refer note B)	3.90	2.01
Rent	84.85	28.00
Telephone/communication Expenses	16.90	16.95
Legal & Professional Charges	145.71	85.21
Membership Fee & Subscription	9.33	9.24
Repairs and maintenance	206.27	169.15
Conveyance	25.21	19.56
Tour & Travelling expenses	170.65	136.18
Donation	0.22	1.00
Clearing & Forwarding Expenses	2,538.75	1,145.60
Testing, Inspection & Certification	743.24	455.84
Business Promotion	68.97	28.63
Brokerage on Sales	10.94	-
Other Administrative Expenses	136.55	120.59
Other Selling Expenses	942.49	95.06
Loss on Exchange	-	-
Loss on sale of Fixed Assets	-	20.45
	6,069.71	**2,847.12**

B. Auditors' remuneration	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
Statutory audit (including fees for limited reviews)	3.50	2.01
Other matters	0.40	0.06
Out of pocket expenses		0.25
	3.90	**2.32**

C. CSR Expenditure	**For the year ended 31 March 2018**	**For the year ended 31 March 2017**
i) Gross amount required to be spent by the company during the year		
ii) Amount spent (in cash) during the year on:	29.83	22.65
Contibution made	-	-

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34. Segment Reporting
Information about Primary Business Segment

Particulars	Rice	Soybean	Others	Total
	Reportable segments			
Segment revenue				
External sales	25,560.18	5,686.76	3,901.81	35,148.75
Previous year	19,651.31	1,451.23	2,610.16	23,712.70
Other income	-	-	39.32	39.32
Previous year	-	-	36.98	36.98
Expenses	(17,820.79)	(5,392.58)	(3,299.82)	(26,513.18)
Py	(12,905.25)	(1,187.73)	(2,487.90)	(16,580.88)
Segment results	**7,739.39**	**294.18**	**641.31**	**8,674.88**
Previous year	6,746.06	263.49	159.25	7,168.80
Unallocated Personnel Expenses				(1,227.04)
Previous year				(941.78)
Unallocated Finance Charge				(741.10)
Previous year				(651.27)
Interest income				40.78
Previous year				2.96
Other unallocated income				948.43
Previous year				304.01
Other unallocated expenses				(3,883.72)
Previous year				(3,663.46)
Income tax (including deferred tax)				(1,357.81)
Previous year				(913.41)
Profit after tax				2,454.43
Previous year				1,314.35
Other Comprehensive Income				(3.77)
Previous year				(8.49)
Total Comprehensive Income for the year				2,450.65
Previous year				1,305.86
Other information:				
Segment assets	**13,540.73**	**2,299.33**	**2,414.33**	**18,254.39**
Previous year	11,746.30	1,770.55	963.68	14,480.54
Unallocated assets	-	-	-	**3,502.05**
Previous year	-	-	-	3,408.06
Segment liabilities	**(3,273.52)**	**(27.82)**	**(1,204.95)**	**(4,506.29)**
Previous year	(1,851.83)	(458.88)	(72.22)	(2,382.94)
Unallocated liabilities *	-	-	-	**(17,250.14)**
Previous year	-	-	-	(15,505.66)
Capital expenditure	-	-	-	**1,084.59**
Previous year	-	-	-	2,290.05
Unallocated depreciation	-	-	-	**367.63**
Previous year	-	-	-	345.19

a) Information about secondary business segment

Revenue by geographical segment	Outside India	India	Total
Sales	30,930.66	4,334.59	35,265.25
Previous year	19,824.88	3,897.73	23,722.60

The Group is organized into three main business segments,namely
1. Rice
2. Soybean
2.Other Business Segment comprises of 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 financing reporting systems.

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

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	As at March 31, 2018	As at March 31, 2017
35 Earnings per share		
Profit attributable to equity shareholders	2,454.43	1,314.35
Numbers of weighted average equity share outstanding at the year end for Basic	2,000,000.00	2,000,000.00
Numbers of weighted average equity share outstanding at the year end for Diluted		
Nominal value per share		
Earnings per equity share		
Basic & Diluted	122.72	65.72

36 Income tax	As at March 31, 2018	As at March 31, 2017
The income tax expense consists of the following :		
Current tax expense for the current year	1,342.04	865.54
Tax Paid for previous year	33.24	79.57
Deferred tax expense/(benefit)	(17.47)	(27.20)
Total income tax	1,357.81	917.91

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	3,812.24	2,232.26
At India's statutory income tax rate of 34.61% % (31 March 2017: 34.61%, 01 April 2016: 34.61%)	1,319.34	772.54
Adjustments in respect of current income tax		
Provision for Employee Benefits	5.62	14.19
Donation	0.08	0.35
Labour Welfare Fund	0.01	0.02
Interest on Late Deposit of TDS	14.63	33.99
Timing Difference on account of Depreciation	11.88	16.81
Loss on Sale of Fixed Asset		7.08
Other Fees & Taxes		0.35
Payments made for Keyman Insurance Policy		(0.70)
Payments made for Labour welfare fund		(0.01)
Payment of leave encahsment & gratuity	(0.83)	
Deduction allowed under 80G	(0.04)	
Deduction allowed under 80JJAA	(6.64)	
Others	13.77	73.29
Total income tax expense	1,357.81	917.90

37 Contingencies and commitments

	As at March 31, 2018	As at March 31, 2017
(A) Contingent liabilities		
I Income-tax demands (refer point a-e)	6.57	6.57
II Claim against the Company not acknowledged as debt (refer point f)	161.24	-
Total	167.81	6.57

a. 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 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 IT 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 has been duly provided for in the financial statments. The aforesaid demand is including interest up to 30.12.2010 but excluding interest from 01.01.2011 onwards and penalty.

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 o 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. aforesaid demand is including interest up to 28.03.2013 but excluding interest from 01.04.2013 onwards and penalty.

c. 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 departm 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). N 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. aforesaid demand is including interest up to 21.03.2016 but excluding interest from 01.04.2016 onwards and penalty.

d. 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 probable.The aforesaid demand is including interest up to 13/12/2016 but excluding interest from 14/12/2016 onwards and penalty.

f. Foreign Brokerage Firm, M/s FoodTech Solutions , engaged by the Company has made claim on account of commission on export sales, of Eur 200,000 which were disputed and not accepted by the Company. Subsequently , the said brokerage firm has invoked the arbitration clause and initiated legal proceedings in International Arbitration Court for recovery of the claim and the matter is still pending at the Jurisdisction court. Since the Company is of the opinion and confident that outcome of the case will be in favour of the company and hence has not provided for the claim amount in the Books.

(B) Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances - 491 lakhs (previous year: 261 lakhs).

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38 Employee benefit obligations

Particulars	31 March 2018		31 March 2017		1 April 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Gratuity	1.22	45.48	2.06	49.32	0.53	17.26
Compensated absences	1.22	14.99	1.16	17.06	1.63	9.16
Total	**2.44**	**60.47**	**3.22**	**66.38**	**2.17**	**26.42**

A Gratuity

The Company provides for gratuity for employees with Canara HSBC OBC Term Insurance in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognized funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Disclosure of gratuity

(i) Amount recognised in the statement of profit and loss is as under:

Description	31 March 2018	31 March 2017
Current service cost	10.11	5.63
Interest cost	2.81	1.00
Actuarial loss/(gain) recognised during the year	(5.77)	12.99
Amount recognised in the statement of profit and loss	**7.15**	**19.62**

(ii) Movement in the liability recognised in the balance sheet is as under:

Description	31 March 2018	31 March 2017
Present value of defined benefit obligation as at the start of the year	**34.59**	**17.80**
Current service cost	10.11	5.63
Interest cost	2.81	1.61
Actuarial loss/(gain) recognised during the year	(5.77)	11.98
Benefits paid	(1.86)	(2.43)
Past service cost	6.83	-
Present value of defined benefit obligation as at the end of the year	**46.71**	**34.59**

(iii) Breakup of actuarial (gain)/loss:

Description	31 March 2018	31 March 2017
Actuarial (gain)/loss on arising from change in demographic assumption	-	-
Actuarial (gain)/loss on arising from change in financial assumption	(2.89)	1.85
Actuarial (gain)/loss on arising from experience adjustment	(2.88)	10.13
Total actuarial (gain)/loss	**(5.77)**	**11.98**

(iv) Change in fair value of assets:

Description	31 March 2018	31 March 2017
Fair value of plan assets at the beginning of the year	4.98	7.81
Interest Income Plan Assets		0.61
Actual Company Contributions		
Actuarial Gains/(Losses)	0.02	(1.01)
Benefits paid	(1.86)	(2.43)
Fair value of plan assets at the end of the year	**3.13**	**4.98**

(v) Actuarial assumptions

Description	31 March 2018	31 March 2017
Discount rate	7.79%	7.27%
Retirement age	58 years	58 years
Rate of inrease in compensation	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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(vi) **Sensitivity analysis for gratuity liability**

Description	31 March 2018	March 31, 2017
Impact of the change in discount rate		
Present value of obligation at the end of the year	**46.71**	**34.59**
- Impact due to increase of 1 %	(5.79)	(4.29)
- Impact due to decrease of 1 %	6.49	4.81
Impact of the change in salary increase		
Present value of obligation at the end of the year -	**46.71**	**34.59**
- Impact due to increase of 1 %	6.27	4.65
- Impact due to decrease of 1 %	(5.76)	(4.26)

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The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defind benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(vii) **Maturity profile of defined benefit obligation (undiscounted)**

Description	31 March 2018	31 March 2017
Within next 12 months	1.27	2.13
Between 2-5 years	7.64	4.58
Beyond 5 years	14.15	9.99

B Compensated absences

The Company's Officer's state governed provident fund scheme, employee state insurance scheme and Labour Welfare Fund scheme are considered as defined contribution plans. The contribution under the schemes is recognized as an expense in the Statement of Profit and Loss, when an employee renders the related service. There are no other obligations other than the contribution payable to the respective funds

(i) **Amount recognised in the statement of profit and loss is as under:**

Description	31 March 2018	31 March 2017
Current service cost	2.88	2.64
Interest cost	1.12	0.88
Actuarial loss/(gain) recognised during the year	(0.30)	1.67
Amount recognised in the statement of profit and loss	**3.70**	**5.19**

(ii) **Movement in net liability**

Description	31 March 2018	31 March 2017
Opening net liability	14.50	10.79
Expenses as above	3.70	5.19
Benefits paid	(1.99)	(1.48)
Closing net liability	**16.21**	**14.50**

Actuarial assumptions

Description	31 March 2018	31 March 2017
Discount rate	7.79%	7.27%
Future basic salary increase	5.00%	5.00%

Notes:

1 The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

C Provident fund

Contribution made by the Company during the year is 33.84 lakhs (31 March 2017: 24.88 lakhs; April 1, 2016: 15.41 lakhs)

D Leave Encashment

Contribution made by the Company during the year is 3.69 lakhs (31 March 2017: 5.19 lakhs; April 1, 2016: 6.06 lakhs)

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39 Leases

Assets taken on finance lease

The Company has taken on finance lease a piece of land in Mandideep at District Raisen comprising of an area measuring 20072.41 square meters for a term of 99 years commencing from 11th January 2018 for the purpose of Non Polluting Industrial Activity.

The total of minimum future lease payments under finance lease is as under:

Particulars	March 31, 2018	March 31, 2017
Minimum lease payments:		
Not later than one year	2.29	-
Later than one year but not later than five years	6.88	-
Later than five years	9.50	-

Operating Lease commitments - Company as a Lessee

Particulars	March 31, 2018	March 31, 2017
Lease payments for the year recognised in the Statement of Profit and Loss	236.13	28.00
Minimum lease payments:		
Not later than one year	82.83	25.80
Later than one year but not later than five years	102.64	65.55
Later than five years	70.18	88.33

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40 Fair value disclosures

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial assets and liabilities measured at fair value - recurring fair value measurements

31 March 2018	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Key man insurance policies			10.07	-	**10.07**
Total financial assets		-	**10.07**	-	**10.07**

31 March 2017	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVTPL					
Key man insurance policies			10.07	-	**10.07**
Total financial assets		-	**10.07**	-	**10.07**

01 April 2016	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Investments at FVTPL					-
Key man insurance policies			8.06	-	**8.06**
Total financial assets	-	-	**8.06**	-	**8.06**

(ii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	31 March 2018		31 March 2017		01 April 2016	
		Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets							
Security deposit	Level 3	23.20	23.20	17.00	17.00	12.97	12.97
Other financial assets	Level 3	5,319.01	5,319.01	6,863.97	6,863.97	6,384.43	6,384.43
Total financial assets		**5,342.22**	**5,342.22**	**6,880.97**	**6,880.97**	**6,397.40**	**6,397.40**
Financial liabilities							
Borrowings	Level 3	9,898.95	9,898.95	9,821.09	9,821.09	10,310.88	10,310.88
Other financial liabilities	Level 3	4,569.76	4,569.76	1,227.13	1,227.13	1,995.64	1,995.64
Total financial liabilities		**14,468.71**	**14,468.71**	**11,048.21**	**11,048.21**	**12,306.53**	**12,306.53**

The management assessed that security deposits, loan to related party, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

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allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair values of the Company's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own nonperformance risk as at 31 March 2016 was assessed to be insignificant.

41 Financial risk management

i) Financial instruments by category

Particulars	31 March 2018			31 March 2017			01 April 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments	10.08		-	10.07			8.06		
Security deposits	-	-	23.20			17.00			12.97
Trade receivables	-	-	4,893.63	-		6,190.34	-		5,790.46
Cash and cash equivalents	-	-	10.58	-		291.50	-		195.91
Other bank balances	-	-	16.79	-		20.53	-		39.45
Other financial assets	-	-	387.93	-		351.52			350.55
Total	**10.08**	**-**	**5,332.13**	**10.07**	**-**	**6,870.89**	**8.06**	**-**	**6,389.34**
Financial liabilities									
Borrowings	-	-	9,898.95		-	9,821.09		-	10,310.88
Trade payable	-	-	4,108.05	-		915.66			1,758.64
Other financial liabilities	-	-	461.70		-	311.47		-	237.00
Total	**-**	**-**	**14,468.71**	**-**	**-**	**11,048.21**	**-**		**12,306.53**

ii) Risk management framework

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 and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company presently does not make any investments in equity shares, except for entities where it exercises control or joint control or significant influence.

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The Company's risk management is carried out by the Company, under policies approved by the board of directors.

A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low
B: Medium
C: High

Assets under credit risk –

Credit rating	Particulars	31 March 2018	31 March 2017	01 April 2016
A: Low	Loans	351.20	345.00	340.97
	Investments	10.08	10.07	8.06
	Cash and cash equivalents	10.58	291.50	195.91
	Other bank balances	16.79	20.53	39.45
	Other financial assets	59.93	23.52	22.55
B: Medium	Trade receivables	4,893.63	6,190.34	5,790.46

Cash & cash equivalents and bank deposits
Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

Trade receivables
Trade Receivables are subject to Credit Limits, controls and approval processes. Based on the historical experience, the risk of default in case of trade receivables is low.

Other financial assets measured at amortised cost
Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the company can draw to apply consistently to entire population For such financial assets, the Company's policy is to provides for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.
Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into releva[illegible]urity of Company based on their contractual maturities for all no[illegible]ative financial liabilities.
The amounts disclosed in the table are the contractual undiscounted cas[illegible]ows. Balances due within 12 months equal their carrying balances [illegible] impact of discounting is not significant.

31 March 2018	Less than 1 year	1-3 year	More than 3 years	Total
Non-derivatives	9,794.54	104.41		9,898.95
Trade payable	4,108.05			4,108.05
Other financial liabilities	461.70			461.70
Total	**14,364.30**	**104.41**	-	**14,468.71**

31 March 2017	Less than 1 year	1-3 year	More than 3 years	Total
Non-derivatives	9,765.53	55.56	-	9,821.09
Trade payable	915.66		-	915.66
Other financial liabilities	311.47		-	311.47
Total	**10,992.66**	**55.56**	-	**11,048.21**

01 April 2016	Less than 1 year	1-3 year	More than 3 years	Total
Non-derivatives	10,254.43	56.46	-	10,310.88
Trade payable	1,758.64		-	1,758.64
Other financial liabilities	237.00		-	237.00
Total	**12,250.07**	**56.46**	-	**12,306.53**

C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. Considering the high volume of foreign currency transactions , company has taken forward contracts to manage it's exposure to foreign currency risk arising therefrom.

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(i) Exposure to currency risk

The Companys exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

Particulars	31 March 2018	31 March 2017	01 April 2016
Financial assets			
Trade Receivables			
EURO	2,448.02	2,432.61	1,429.02
USD	2,226.96	1,440.32	1,482.32
Financial liabilities			
Trade Payables			
EURO	190.21	107.65	134.61
USD	127.25	33.70	11.95
GBP	0.31	-	-
Bill Discounted			
EURO	-	108.19	75.64
USD	92.86	63.18	893.63
Net exposure:			
EURO	2,257.80	2,216.77	1,218.77
USD	2,006.85	1,343.44	576.74
GBP	(0.31)	-	-

The following significant exchange rates have been applied:

	Average rate		Year end spot rate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
EURO	75.49	72.68	80.62	69.07
USD	64.07	65.88	65.04	64.85

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(All amounts in ₹ in lakhs unless otherwise stated)

The Outstanding forward exchange contracts as at the end of the year entered by the Company for the purpose of hedging its foreign currency exposures are as follows:

Currency	31 March 2018	31 March 2017	01 April 2016
EURO	3,789.24	1,381	2,261
USD	5,984.06	5,188	3,975
Total	**9,773.30**	**6,569.04**	**6,236.10**

Sensitivity
A reasonably possible strengthening (weakening) of the Euro, US dollar, GBP against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Exchange rate increase by 1%		Exchange rate decrease by 1%	
		31 March 2018	31 March 2017	31 March 2018	31 March 2017
Receivables (Trade & Others)	EURO	24.48	24.33	-24.48	-24.33
	USD	22.27	14.40	-22.27	-14.40
Payable (Trade & Others)					
	EURO	1.90	1.08	-1.90	-1.08
	USD	1.27	0.34	-1.27	-0.34
	GBP	0.00	-	-0.00	-

** Holding all other variables constant*

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2018 the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

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

Particulars	31 March 2018	31 March 2017	01 April 2016
Variable rate borrowing	-	-	-
Fixed rate borrowing	9,898.95	9,821.09	10,310.88
Total borrowings	**9,898.95**	**9,821.09**	**10,310.88**

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

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

Exposure
The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Sensitivity
The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the period :

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Impact on profit before tax

Particulars	31 March 2018	31 March 2017
Key man Insurance	**10.07**	**10.07**
Net assets value – increase by 100 bps (100bps)	0.10	0.10
Net assets value – decrease by 100 bps (100bps)	- 0.10	-0.10

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

42 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's adjusted net debt to equity ratio at 31 March 2018 was as follows.

Particulars	31 March 2018	31 March 2017	01 April 2016
Total borrowings	9,898.95	9,821.09	10,310.88
Less : cash and cash equivalents	10.58	291.50	195.91
Net debt	**9,888.37**	**9,529.59**	**10,114.98**
Total equity	6,818.53	4,367.88	3,062.02
Adjusted net debt to adjusted equity ratio	**1.45**	**2.18**	**3.30**

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43 RELATED PARTY DISCLOSURES

a. **Names of related parties**

Relationship	**Name**
-Holding company	LT Foods Limited
-Fellow subsidiary company	Daawat Foods Limited Lt Foods Americas LT Foods Europe BV VK foods
-Wholly owned subsidiary company	Nature Bio Foods B.V.

-Key management personnel (KMP) & their Relatives
Tapan Ray
Nayan Ray
Anmol Arora

b. **Transactions with related parties taken place during the year**

	As at March 31, 2018	As at March 31, 2017	April 1, 2016
LT Foods Limited			
-Holding company			
Purchases	5.35	8.55	100.62
Interest Paid	-	-	
Purchases Fixed Asset	-	-	1,140.16
Sales	403.98	897.23	500.76
Processing Charges Paid	57.82	5.19	841.75
Fumigation Charges	7.24	25.61	62.68
Electricity Charges		2.25	
Rent paid	80.92	23.32	10.76
Outstanding Balance Credit	1,544.29	-	1,251.13
Corporate Gurantee Availed	9,782.25	9,756.36	10,246.85
Daawat Foods Limited			
-Fellow Subsidiary Company			
Lease Rent Paid	15.56	17.24	43.56
Processing Charges Paid	265.39	67.44	36.21
Purchases Fixed Asset		-	105.75
Outstanding Balance Credit	396.39	-	
Outstanding Balance Debit		2,388.76	3,032.08
Sales	1,299.68	868.66	243.11
Purchases	5,363.25	3,159.66	2,188.89
Lt Foods America (Formally Known As Kusha Inc.)			
-Fellow Subsidiary Company			
Sales	9,150.65	4,352.05	6,601.12
Outstanding Balance Debit	1,650.50	635.85	1,090.40
LT Foods Europe BV			
-Fellow Subsidiary Company			
Sales	103.73	892.45	
Outstanding Balance Debit	98.52	107.03	

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VK Foods			
-Fellow Subsidiary Company			
Sales	1.50	12.69	11.37
Outstanding Balance Debit		1.29	0.52
Nature Bio Foods B.V.			
-Owned Subsidiary Company			
Investment in Equity Shares	0.01	-	-
DO IT			
-Foreign Entity owned by Director Poppe Braam			
Sales	1,639.29	-	-
Outstanding Balance Debit	36.79	-	-
Tapan Ray			
Remuneration Paid	284.92	151.21	59.21
Nayan Ray			
Remuneration Paid	11.57	9.81	8.49
Anmol Arora			
Remuneration Paid	14.70	7.30	4.41
Vijay kumar Arora			
Rent Paid			6.75
Ranju Arora			
Rent Paid			6.75
Anil Kumar Bhandari			
Sitting Fees Paid	1.98	2.26	
Ashok Kumar Yadav			
Sitting Fees Paid	1.98	2.26	

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Notes to the financial statements for the year ended March 31, 2018

Disclosure as per Ind AS 27 'Separate financial statements'

Investment in subsidiary company:*

Company name	Country of incorporation	Proportion of ownership interest (%)	
		As at 31-Mar-18	As at 31-Mar-17
Nature Bio Food-BV, A private company with limited liability	Netherland	100	-

*Equity investment in subsidiary company is measured at cost as per the provisions of Ind AS 27 on 'Separate Financial Statements'.

Since M/s. L T Foods Ltd. being a listed company which is the parent company / holding company of Nature Bio Foods Ltd (NBFL) has to prepare its consolidated financial statements for the FY 2017-18, NBFL has elected not to prepare its consolidated financial statements by availing exemption from consolidation in accordance with paragraph 4(a) of Ind AS 110 and instead prepared these separate financial statements.

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45 FIRST TIME ADOPTION OF IND AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.
The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018 the comparative information presented in these financial statements for the year ended March 31, 2018 and in the preparation of an opening Ind AS Statement of Financial Position at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS Statement of Financial Position, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Ind AS optional exemptions

1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their Previous GAAP carrying value

2 Designation of previously recognized financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair value through Statement of Profit & Loss on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

3 Share based payments

4 In[illegible]102 Share based payments requires an entity to recognize the equity settled share based payment plans based on fair value of the stock options granted to

Deemed cost for investments in subsidiaries, associates and joint ventures

B. The Company has elected to continue with the carrying value of all of its investments in subsidiaries, joint ventures and associates recognized as of April 1, 2016 (transition date) measured as per the Previous GAAP as its deemed cost as at the date of transition

1 Ind AS mandatory exceptions

2 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:
a) Investment in equity instruments carried at Fair value through Statement of Profit & Loss or Fair value through Other Comprehensive Income
b) Impairment of financial assets based on expected credit loss model

3 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

Im[illegible]rment of financial assets

A[illegible] date of transition to Ind AS, determine whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognized a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognized.

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Reconciliations between previous GAAP and Ind AS

1 Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at April 1, 2016 is as follows:

Description	Note	Previous GAAP	Ind AS Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, plant and equipment		148.21	-	148.21
Capital work-in-progress		1,737.35	-	1,737.35
Financial assets				
(i) Investments		12.12	(4.06)	8.06
(ii) Loans		340.97	-	340.97
Deferred tax assets(net)	2	9.22	1.41	10.63
Other non current assets		-		-
		2,247.88	**(2.66)**	**2,245.22**
Current Assets				
Inventories		7,603.62	-	7,603.62
Financial Assets		-	-	
(i) Trade receivables		5,790.46	-	5,790.46
(ii) Cash and cash equivalents		195.91	-	195.91
(iii) Other bank balances		39.45	-	39.45
(iv) Loans		-	-	-
(iv) Other financial assets		22.55	-	22.55
Other current assets		163.57	-	163.57
		13,815.56	**-**	**13,815.56**
		16,063.44	**(2.66)**	**16,060.79**
EQUITY AND LIABILITIES				
Equity				
i)Retained Earnings		200.00	-	200.00
ii)Other Components of Equity		2,864.68	(2.66)	2,862.02
		3,064.68	**(2.66)**	**3,062.02**
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings		56.46	-	56.46
Provisions		26.42	-	26.42
		82.87	**-**	**82.87**
Current Liabilities				
Financial Liabilities				
(i) Borrowings		10,246.85	-	10,246.85
(ii) Trade Payables		1,758.64	-	1,758.64
(iii) Other Financial liabilities		244.58	-	244.58
Other Current Liabilities		84.58	-	84.58
Provisions		2.18	-	2.18
Current tax liabilities		579.07	-	579.07
		12,915.90	**-**	**12,915.90**
Total equity and liabilities		**16,063.45**	**(2.66)**	**16,060.79**

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Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at March 31, 2017 is as follows:

Description	Note	Previous GAAP	Ind AS Adjustments	Ind AS
ASSETS				
Non-Current Assets				
Property, plant and equipment		1,984.10	-	1,984.10
Capital work-in-progress		109.26	-	109.26
Financial assets				
(i) Investments		14.14	(4.06)	10.07
(ii) Loans		345.00	-	345.00
Deferred tax assets(net)	2	40.92	1.41	42.32
Other non current assets		-		-
		2,493.41	**(2.66)**	**2,490.76**
Current Assets				
Inventories		8,678.90	-	8,678.90
Financial Assets		-	-	
(i) Trade receivables		6,190.34	-	6,190.34
(ii) Cash and cash equivalents		291.50	-	291.50
(iii) Other bank balances		20.53	-	20.53
(iv) Loans		-	-	-
(iv) Other financial assets		23.52	-	23.52
Other current assets		190.39	-	190.39
		15,395.18	**-**	**15,395.18**
		17,888.59	**(2.66)**	**17,885.94**
EQUITY AND LIABILITIES				
Equity				
i)Retained Earnings		200.00	-	200.00
Other Components of Equity		4,170.54	(2.66)	4,167.88
		4,370.54	**(2.66)**	**4,367.88**
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings		55.56	-	55.56
Provisions		66.38	-	66.38
		121.94	**-**	**121.94**
Current Liabilities				
Financial Liabilities				
(i) Borrowings		9,756.36	-	9,756.36
(ii) Trade Payables		915.66	-	915.66
(iii) Other Financial liabilities		320.64	-	320.64
Other Current Liabilities		1,544.39	-	1,544.39
Provisions		3.22	-	3.22
Current tax liabilities		855.86	-	855.86
		13,396.13	**-**	**13,396.13**
Total equity and liabilities		**17,888.60**	**(2.66)**	**17,885.94**

1 Reconciliation of the revenue and expenses presented in the statement of profit and loss prepared as per Previous GAAP and as per Ind AS as at March 31, 2017 is as follows:

Description	Notes to first time adoption	Previous GAAP	Ind AS Adjustments	Ind AS
REVENUE				
Revenue from operations		23,723.00	(141.81)	23,581.19
Other income		334.05	-	334.05
Total income		**24,057.05**	**(141.81)**	**23,915.23**
Expenses				
Cost of material consumed		6,442.77	-	6,442.77
Purchases of stock-in-trade		11,166.82	-	11,166.82
Changes in inventories of finished goods and stock in trade		(708.27)	-	(708.27)
Employee benefits expense	1	941.78	(12.99)	928.79
Finance costs		651.27	-	651.27
Depreciation and amortization expense		354.48	-	354.48
Other expenses		2,988.93	(141.81)	2,847.12
Total Expenses		**21,837.77**	**(154.80)**	**21,682.98**
Profit before tax		**2,219.27**	**12.99**	**2,232.26**
Tax expense				
Current tax		865.54	-	865.54
Tax paid for previous year		79.57	-	79.57
Deferred tax	2	(31.69)	4.50	(27.20)
Total tax expense		**913.41**	**4.50**	**917.91**
Profit for the year		**1,305.86**	**8.49**	**1,314.35**
Other Comprehensive Income				
1) Items that will not be reclassified to Profit or Loss				
Remeasurements of net defined benefit plans	1	-	(12.99)	(12.99)
Tax on above Items	2	-	4.50	4.50
Other comprehensive loss for the year		-	**(8.49)**	**(8.49)**
2 **Total comprehensive income for the year**		**1,305.86**	**(0.00)**	**1,305.86**

Reconciliation of total equity as at March 31, 2018 and 1 April 2016

	Notes to first time adoption	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		**4,370.54**	**3,064.68**
- Deferred tax impact on above adjustments	2	(3.09)	1.41
		4,367.88	**3,062.02**
	1		
Total equity as per Ind AS		**4,367.88**	**3,062.02**

3

Reconciliation of total comprehensive income for the year ended March 31, 2018

	Notes to first time adoption	March 31, 2017
- Deferred tax impact on above adjustments	2	(4.50)
- Deferred tax adjustment on unrealized profit	2	-
Net Profit after Tax (before other comprehensive income) as per IND-AS		**1,314.35**
Other Comprehensive Income (net of tax)	1	(8.49)
As per IND AS for March 2017		**1,305.86**

Note 1:

Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Also as the company never recognized provision in respect of employee benefits under the previous GAAP, the company accordingly has recognized the amount of provisions in respect of gratuity and leave encashment.

Note 2:

Deferred tax

Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

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RECONCILIATION OF EQUITY AS AT APRIL 01, 2016

	As per IGAAP	**3,064.68**
	IND AS Adjustments :	
a)	- Impact of Fair valuation of investments	(4.06)
b)	- Remeasurement of Employee Benefits	
c)	- Deferred tax impact on above adjustments	1.41
	AS per IND AS	**3,062.02**
	As per IND AS Financials	**3,062.02**
	Difference if any	**(0.00)**

RECONCILIATION OF EQUITY AS AT MARCH 31, 2017

	As per IGAAP	**4,370.54**
	IND AS Adjustments :	
a)	- Impact of Fair valuation of investments	(4.06)
b)	- Remeasurement of Employee Benefits	4.50
c)	- Deferred tax impact on above adjustments	(3.09)
	AS per IND AS	**4,367.88**
	As per IND AS Financials	**4,367.88**
	Difference if any	**(0.00)**

PROFIT RECONCILIATION AS AT MARCH 31, 2017

As per IGAAP	**1,305.86**
IND AS Adjustments :	
- Impact of Fair valuation of investments	-
- Remeasurement of Employee Benefits	12.99
- Deferred tax impact on above adjustments	(4.50)
Net Profit after Tax (before other comprehensive income) as per IND-AS	**1,314.35**
Other Comprehensive Income (net of tax)	(8.49)
Total Comprehensive Income	**1,305.86**
As per IND AS Financials	**1,305.86**
Difference if any	**(0.00)**

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1. i) Corporate Information

Nature Bio Foods Limited (the 'Company') is incorporated under the provisions of the erstwhile Companies Act, 1956. Nature Bio Foods Limited is primarily in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. Nature Bio Foods Limited operations include procurement, storage, processing, packaging and distribution. Nature Bio Foods Limited is also engaged in research and development to add value to rice and rice food products.

The Company is a wholly owned subsidiary of LT Foods Limited (Holding Company), a listed company incorporated in India.

Wholly owned foreign subsidiary of the Company, i.e. Nature Bio Foods B.V. (NBF-BV) , private company with limited liability, recently registered in Netherland was acquired by the Company on 7th February' 2018 and the operations of NBF-BV has not yet commenced.

ii) Basis of Preparation

Since the Holding Company, being listed company has adopted Indian Accounting Standards (Ind AS) for the first time in this Financial year, hence the financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

The Company had prepared the Opening Ind AS balance sheet as at 1 April 2016 using the exemption and exceptions provided under Indian Accounting Standards, Ind AS 101, First time adoption of Indian Accounting Standards. The exemptions availed by the Company are presented with the respective accounting policies. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss are provided in note 50.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

iii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures

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of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

iv) Significant Accounting Policies

a) 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
- 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 liabilities.

b) Inventory

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. Cost of raw material comprises of cost of purchase and other direct costs after deducting rebates and discounts & net of recoverable taxes incurred in bringing them to their respective present location and condition.

Work in progress

Lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect production overheads up to the stage of completion.

Finished goods

Lower of cost and net realisable value. Cost includes cost of raw materials, direct and production overheads which are incurred to bring the inventories to their present location and condition and also includes interest as a carrying cost of goods where such goods are stored for a substantial period of time.

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Cost of all items of inventory are determined on weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

By Products are valued at net realisable value and are deducted from the cost of main product.

c) Property, Plant and Equipment

Recognition and initial measurement

Under the previous GAAP, property plant and equipment were carried in the balance sheet at their cost of purchase less accumulated depreciation and impairment losses (if any). Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward these carrying value of PPE under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2016.

Recognition and initial measurement
Property, plant and equipment are stated at their cost of acquisition / installation which comprises of purchase price including freight, duties, net of recoverable taxes, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Capital Work-in-Progress
Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress" and stated at the amount spent upto the date of balance sheet.

Subsequent measurement (depreciation and useful lives)
Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Depreciation on property, plant and equipment is provided on the written down method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013 except in respect of the few assets (Refer Annexure – I), where useful life is different than those prescribed in Schedule II.

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

De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal.

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d) Intangible Assets

Recognition and initial measurement
Intangible assets acquired separately are measured on initial recognition at cost of acquisition / installation which comprises of purchase price net of recoverable taxes, borrowing cost and any other cost directly attributable cost of bringing the asset to its working condition for the intended use. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Subsequent measurement (depreciation and useful lives)
All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalized costs are amortized on written down basis over their useful life of 3 years.

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

De-recognition
Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

e) Impairment of non-financial Assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are recognised in the statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate (EIR) and other costs like finance charges in respect of the finance leases recognized in accordance with Ind AS 17, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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g) **Functional and presentation currency**

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in ` has been rounded to the nearest lakhs (upto two decimals), except as stated otherwise.

Foreign Currencies

Transactions and balances

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

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

Exchange differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or expense in the year in which they arise, except for exchange differences arising on foreign currency monetary items.

h) **Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

Company as a Lessee

Leased Assets

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. The corresponding finance lease obligations, net of finance charges, are included in other financial liabilities. Subsequent to initial recognition, the present value of lease payments included in the value of leased asset is amortized over the lease period.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

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i) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

All assets and liabilities for which fair value is measured or disclosed in the 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

j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below:

Sale of goods:
Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

k) Financial Instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

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Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement
For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

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

Financial liabilities

Subsequent measurement
After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Offsetting of financial instruments

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

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.

l) **Retirement and other employee benefits**

Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined benefit plans

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The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Gratuity fund is administered through Canara HSBC OBC Term Insurance in India.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other Employee Benefits
Compensated absences

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. The actuarial gains or losses are recognized immediately in the statement of profit and loss.

Other short term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

m) 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. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

n) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

o) Taxes

Current income tax

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Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

p) Segment reporting

Segments are identified based on dominant source and nature of risks and returns and internal financial reporting system to the management Inter segment revenue are accounted for on the basis of transactions which are primarily market led. Revenue and expenses which relate to enterprises as a whole and are not attributable to segments are included under "Other Unallocable Expenditure Net of Unallocable Income".

q) Interest Income

Interest income on financial assets (including deposits with banks) is recognised using the effective interest rate method on a time proportionate basis.

r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

t) Significant management judgement in applying accounting policies and estimation uncertainty

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The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognized in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. **Allowance for doubtful debts –** The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

b. **Defined benefit obligation (DBO) –** Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

c. **Evaluation of indicators for impairment of assets –** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

d. **Recognition of deferred tax assets -** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

e. **Contingent liabilities –** The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

f. **Recent accounting pronouncements**

Standards Issued but not Effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115

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provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards:

i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates

ii. Ind AS 40 - Investment Property

iii. Ind AS 12 - Income Taxes

iv. Ind AS 28 - Investments in Associates and Joint Ventures and

v. Ind AS 112 - Disclosure of Interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

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ANNEXURE- I

Particulars	Life as per companies Act 2013	Life as Company
PUFF PANEL CABIN(Packing Plant)	3	10
PUFF PANEL CABIN(Plant Staff)	3	10
PUFF PANEL CABIN(Plant Store)	3	10
WATER TANK Admin Block	3	5
WATER TANK Admin Block	3	5
TARPAULINE CANVAS COVER	3	1
SILPAULINE COVER 150GSM	3	1
Automatic Door SP(Toshi) Sortex Plant	30	15
HP LASERJET PRINTER	5	3
INKJET PRINTER	5	3
HP LASERJET PRINTER	5	3
HP LASERJET PRINTER	5	3
ONLINE UPS 10KVA	5	3
COMPUTER SET	5	3
HP LASERJET PRINTER	5	3

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