


**Nature Bio-Foods Limited**  
Balance sheet as at March 31, 2020

	Notes	March 31, 2020 (Rs. In Lakhs)	March 31, 2019 (Rs. In Lakhs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,601.56	2,751.90
Right of use assets	5	171.80	-
Capital work-in-progress	4	93.73	287.59
Intangible assets	6	4.05	2.40
Financial assets			
i) Investments	7 (a)	14.02	14.02
ii) Loans	7 (b)	3,800.13	20.09
iii) Other financial assets	7 (c)	16.24	16.24
Deferred tax assets (net)	8	300.08	-
Current tax assets (net)	9	278.17	271.15
Other non-current assets	10	368.10	391.90
<b>Total non-current assets</b>		<b>7,647.89</b>	<b>3,755.29</b>
<b>Current assets</b>			
Inventories	11	13,974.34	15,371.99
Financial assets			
i) Trade receivables	7 (d)	6,969.68	3,525.47
ii) Cash and cash equivalents	7 (e)	72.95	364.80
iii) Loans	7 (b)	1.41	4.90
iv) Other financial assets	7 (c)	711.85	751.50
Other current assets	12	707.58	1,942.67
<b>Total current assets</b>		<b>22,437.81</b>	<b>21,961.33</b>
<b>Total assets</b>		<b>30,085.70</b>	<b>25,716.62</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	200.10	200.10
<b>Other equity</b>			
Equity component of compound financial instrument	14 (a)	3,952.90	3,952.90
Reserves and surplus	14 (b)	9,941.29	8,423.15
<b>Total equity</b>		<b>14,094.29</b>	<b>12,576.15</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i) Borrowings	15 (a)	2,374.11	2,085.91
ii) Other financial liabilities	15 (b)	167.01	18.67
Provisions	16	75.19	58.94
Deferred tax liabilities (net)	8	-	46.36
<b>Total non-current liabilities</b>		<b>2,616.31</b>	<b>2,209.88</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	15 (a)	7,601.18	8,746.91
ii) Trade payables			
a) total outstanding dues of micro and small enterprises	15 (c)	41.77	22.87
b) total outstanding dues other than (ii) (a) above	15 (c)	3,537.74	1,680.61
iii) Other financial liabilities	15 (d)	825.68	169.11
Provisions	16	33.61	60.23
Other current liabilities	17	1,335.12	250.86
<b>Total current liabilities</b>		<b>13,375.10</b>	<b>10,930.59</b>
<b>Total liabilities</b>		<b>15,991.41</b>	<b>13,140.47</b>
<b>Total equity and liabilities</b>		<b>30,085.70</b>	<b>25,716.62</b>

The above balance sheet should be read in conjunction with the accompanying notes.

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

For MSKA & Associates  
Chartered Accountants  
Firm Registration Number : 105047W

  
**Rahul Aggarwal**  
Partner  
Membership Number: 505676

Place: Gurugram  
Date : May 27, 2020

For and on behalf of the Board of Directors

  
**Jai Sheel Oberoi**  
Director & CEO  
DIN No. 06919497

Place: Gurugram  
Date : May 26, 2020

  
**Anmol Arora**  
Director  
DIN No. 07727210

Place: Gurugram  
Date : May 26, 2020

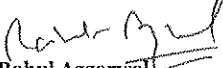
**Nature Bio-Foods Limited**  
**Statement of Profit and Loss for the year ended March 31, 2020**

Particulars	Notes	Year ended March 31, 2020 (Rs. In Lakhs)	Year ended March 31, 2019 (Rs. In Lakhs)
<b>Income</b>			
Revenue from operations	18	34,185.63	33,741.82
Other income and other gains/(losses)	19	894.06	578.70
<b>Total income</b>		<b>35,079.69</b>	<b>34,320.52</b>
<b>Expenses</b>			
Cost of materials consumed	20	15,160.60	12,048.20
Purchase of stock-in-trade		7,443.28	13,219.67
Changes in inventories of finished goods and stock-in-trade	21	1,892.25	(2,178.38)
Employee benefit expense	22	1,296.26	1,209.22
Finance costs	23	676.50	843.12
Depreciation and amortisation expense	24	577.41	500.17
Litigation Claim	25 (a)	421.37	-
Other expenses	25	5,126.22	5,827.82
<b>Total expenses</b>		<b>32,593.89</b>	<b>31,469.82</b>
<b>Profit before tax</b>		<b>2,485.80</b>	<b>2,850.70</b>
<b>Income tax expense</b>			
- Current tax	27	900.00	913.52
- Tax related to earlier years		(141.58)	7.33
- Deferred tax	8	(205.99)	115.83
<b>Total Tax expense</b>		<b>552.43</b>	<b>1,036.68</b>
<b>Profit for the year</b>		<b>1,933.37</b>	<b>1,814.02</b>
<b>Other Comprehensive Income</b>			
<u>1. Items that will not be reclassified to profit or loss:</u>			
Remeasurement of post employment benefit obligations (Gain / (Loss))	16 (a)	(6.12)	(21.98)
Income tax relating to these items	8	2.14	7.68
<u>2. Items that will not be reclassified to profit or loss:</u>			
Loss on cashflow hedge reserve		(549.56)	-
Income tax relating to these items	8	138.31	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(415.23)</b>	<b>(14.30)</b>
<b>Total comprehensive income for the year</b>		<b>1,518.14</b>	<b>1,799.72</b>
<b>Earnings per equity share of Rs. 10 each :</b>			
Basic (Rs.)	26	74.40	81.55
Diluted (Rs.)		74.40	81.55

The above statement of profit and loss should be read in conjunction with the accompanying notes.

This is the Statement of profit and Loss referred to in our report of even date

For MSKA & Associates  
Chartered Accountants  
Firm Registration Number : 105047W

  
**Rahul Aggarwal**  
Partner  
Membership Number: 505676

Place: Gurugram  
Date : May 26, 2020

For and on behalf of the Board of Directors

  
**Jai Sheel Oberoi**  
Director & CEO  
DIN No. 06919497

Place: Gurugram  
Date : May 26, 2020

  
**Anmol Arora**  
Director  
DIN No. 07727210

Place: Gurugram  
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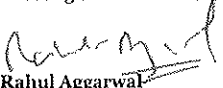
**Nature Bio-Foods Limited**  
**Cash Flow Statement For the year ended March 31, 2020**

	Year ended March 31, 2020	Year ended March 31, 2019
<b>(Rs. In Lakhs)</b>		
<b>A. Cash flow from operating activities</b>		
Profit before tax	2,485.80	2,850.70
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	577.41	500.17
Interest income	(219.33)	(4.81)
Decrease in value of Insurance	-	1.06
Unrealised Loss on MTM forwards	76.06	(528.71)
Net fair value gain on derivatives not designated as hedges	-	(0.99)
Unrealised Gain on foreign currency transaction	(180.94)	89.20
Liabilities no longer required and written back	(16.86)	(9.79)
Bad and Doubtful debts	9.93	18.25
Loss/(profit) on sale of property, plant & equipments (net)	(11.71)	53.97
Interest expenses	631.74	788.88
<b>Operating profit before working capital changes</b>	<b>3,352.10</b>	<b>3,757.93</b>
Movement for working capital:		
Increase/ (Decrease) in trade payables	1,903.41	(2,744.75)
Increase/(Decrease) in other financial liabilities	(46.58)	0.01
Increase/(Decrease) in other current liabilities	1,084.26	97.82
Increase/(Decrease) in provisions	(16.49)	34.28
(Increase)/ Decrease in trade receivables	(3,283.73)	1,260.71
(Increase)/ Decrease in inventories	1,397.66	(3,161.69)
(Increase)/ Decrease in other financial assets	239.81	(167.76)
(Increase)/ Decrease in other non current financial assets	(3,780.04)	332.65
(Increase)/ Decrease in other current assets	1,305.57	(505.37)
(Increase)/ Decrease in other non current asset	7.25	(375.35)
Cash generated/(used in) operations	<b>2,163.22</b>	<b>(1,471.52)</b>
Direct taxes paid (net of refunds)	765.45	1,445.29
<b>Net cash from/(used in) operating activities</b>	<b>1,397.77</b>	<b>(2,916.81)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant equipment and intangible assets (including capital work-in-progress)	(542.34)	(887.92)
Sale proceeds from property, plant and equipment	291.57	1.01
Interest received	22.67	4.81
Investment in equity shares of subsidiary Company	-	(5.00)
<b>Net cash from/(used in) investing activities</b>	<b>(228.10)</b>	<b>(887.10)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital (including securities premium)	-	5.00
Proceeds from issuance of preference shares (including securities premium)	-	5,982.87
Proceeds from term loan	48.43	6.77
Repayment of term loan	(56.38)	(12.29)
Proceeds from/(repayment) of packing credit loan (net)	(1,145.74)	(1,145.07)
Interest paid	(307.83)	(679.14)
<b>Net cash from/(used in) financing activities</b>	<b>(1,461.52)</b>	<b>4,158.14</b>
Net increase in cash and cash equivalents	(291.85)	354.22
Cash and cash equivalents at the beginning of the year	364.80	10.58
Cash and cash equivalents at the end of the year	<b>72.95</b>	<b>364.80</b>
<b>Cash and cash equivalents comprises:</b>		
Cash on hand	1.56	2.75
Balances with the banks:		
- in current accounts	52.39	362.06
-Deposits with original maturity Less than 3 months	19.00	-
	<b>72.95</b>	<b>364.80</b>

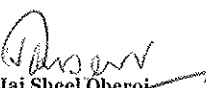
The above cash flow statement should be read in conjunction with the accompanying notes.

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

For MSKA & Associates  
Chartered Accountants  
Firm Registration Number: 105047W

  
**Rahul Aggarwal**  
Partner  
Membership Number: 505676

For and on behalf of the Board of Directors

  
**Jai Sheel Oberoi**  
Director & CEO  
DIN No. 06919497

  
**Anmol Arora**  
Director  
DIN No. 07727210

Place: Gurugram  
Date : May 28, 2020

Place: Gurugram  
Date : May 26, 2020

Place: Gurugram  
Date : May 26, 2020

**NATURE BIO-FOODS LIMITED**  
**FOR THE YEAR ENDED MARCH 31, 2020**

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**1. General Information**

Nature Bio-Foods Limited ('the Company') was incorporated on November 25, 2005 under the provisions of erstwhile Companies Act, 1956. The Company is a wholly owned subsidiary of LT Foods Limited, a listed company incorporated in India.

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

**2. Significant accounting policies**

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

**(i) Basis of Preparation**

a. Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

b. Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Defined benefit plans – plan assets measured at fair value.

c. Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

d. New and amended standards adopted by the Company

The Company has applied the Ind AS 116 "Leases" for the first time for their annual reporting period commencing 1 April 2019.

- Ind AS 116, Leases (refer point no (vi) below);

The standard listed above did not have any significant impact on the amounts recognised in the current period and are not expected to significantly affect the future periods.



## **(ii) Segment reporting**

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

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

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

**Rice:** Organic rice processing and marketing by the Company.

**Soyabean:** Organic Soyabean traded by the Company.

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

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

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

## **(iii) Foreign currency transactions**

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

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

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

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

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

## **(iv) Revenue Recognition**

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective transition method.



The Company earns revenue primarily from sale of goods. Revenue is recognized upon transfer of control of promised goods to the customers. The point at which control passes is determined by each customer arrangement, but generally occurs on delivery to the customer. Revenue from providing freight and insurance services is recognized over a period of time.

At contract inception, the company assesses its promise to transfer products or services to a customer to identify separate performance obligations. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling prices. Where the standalone selling prices are not directly observable, these are estimated based on expected cost-plus margin or residual method to allocate the total transaction price.

Revenue represents net invoice value including fixed and variable consideration. Variable consideration arises on the sale of goods as a result of discounts and allowances given and accruals for estimated future returns and rebates. Revenue is not recognised in full until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Once the uncertainty associated with the returns and rebates is resolved, revenue is adjusted accordingly.

Advance received from customers are recognised as contract liabilities.

#### **Other income**

Export incentives: Income from export incentives (Duty Credit Scripts) are recognised on an accrual basis.

#### **(v) Income Tax**

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

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

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

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

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



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

#### **(vi) Leases**

##### **As a lessee**

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

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and low value leases. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

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

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

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

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

##### **Transition to Ind AS 116**

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.



The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019) and therefore, the information for the previous year has not been restated.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

On transition, the Company has assessed that it does not have any material impact on the amounts recognised as at April 1, 2019, during the year ended March 31, 2020 and the future periods.

**(vii) Impairment of non-financial assets**

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

**(viii) Investments in Subsidiaries**

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

**(ix) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**(x) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.





## **(xi) Inventories**

### **Raw materials and stores, traded and finished goods**

Raw materials and stores, work in progress, traded and finished goods are valued at lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. The cost of finished goods and work in progress comprises direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is determined on the basis of the weighted average method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Provision for inventory obsolescence is made based on the best estimates of management.

## **(xii) Financial Instruments**

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

### **Financial Assets**

#### **a. Classification**

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

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

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

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

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

#### **b. Measurement**

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

Debt instruments

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



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

#### c. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the Company determines whether there has been a significant increase in credit risk.

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

#### d. De-recognition of financial assets

A financial asset is derecognised only when:

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

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

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



## **e. Income recognition**

### **Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

## **(xiii) Derivatives and hedging activities**

### **a) Hedge accounting policy**

#### **Initial and subsequent measurement**

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and interest rate risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss till December 31, 2020. Effective January 01, 2020, any gains or losses arising from changes in the fair value of derivatives and change in foreign currency risk component of non-derivative financial liabilities are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedged item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where Company hedges its exposure to variability in cash flows that is attributable to foreign currency risk and interest rate risk associated with recognised liabilities in the financial statements.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they continue to be highly effective throughout the financial reporting periods for which they are designated.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

### **b) Embedded derivatives**

Derivatives embedded in host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host



and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

**(xiv) Offsetting Financial Instruments**

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

**(xv) Property, plant and equipment**

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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".

Depreciation methods, estimated useful lives and residual value

Depreciation is recognised so as to write off the cost of assets less their residual values over the useful lives, using the written down value method. For certain assets, the useful life has been considered as prescribed under Schedule II of the Companies Act, 2013 and for the remaining assets the useful life have been determined by the management basis on technical evaluation considering the nature of assets.

Estimated useful life as given below:

<b>Class of Property, plant and equipment</b>	<b>Useful life</b>
Buildings	30/15/10/5/3 Years
Plant and Equipment	30/15/10/8/5 Years
Office Equipment	6/5/3 Years
Furniture and fixtures	10/5 Years
Vehicles	8/5 Years
Computers	5/3 Years
Lab Equipments	15/10 Years

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

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

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



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

**(xvi) Intangible Assets**

Intangible assets being Computer software are stated at their cost of acquisition net of accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised on as written down basis over their estimated useful lives which has been considered as 3 years.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising from derecognition of an intangible asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It shall be recognised in profit or loss when the asset is derecognised.

**(xvii) Trade and other payables**

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

**(xviii) Borrowings**

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

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

**(xix) Borrowing cost**

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



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

### **(xx) Compound Financial Instruments**

Cumulative compulsorily convertible preference shares (CCCPS) are separated into liability and equity component based on the terms of the contract. On issuance of CCCPS, the fair value of the liability component is determined using a fair valuation principles as stated in IND AS 109. This amount is classified as financial liability measured at amortised cost until it is extinguished on redemption. The remainder of the proceeds is allocated to the benefit derived by the Company for obtaining the loan at below market rate of interest and is recognized in equity. The carrying amount of such equity is not re-measured in subsequent years. Refer note 14(a) for details of the CCCPS.

### **(xxi) Provisions, Contingent Liabilities and Contingent Assets**

#### **Provisions**

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

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

#### **Contingent liabilities**

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

#### **Contingent Assets**

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

### **(xxii) Employee benefits**

#### **i. Short term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as financial liabilities in the balance sheet.



## **ii. Compensated absences**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date on the basis of actuarial valuation using the Projected Unit Credit method at the end of each year. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in the statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## **iii. Gratuity obligation**

The Company provides for gratuity, a Defined Benefit Plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the Balance Sheet date. The Gratuity Fund is recognized by the income tax authorities and is administered through trustees. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yield at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

## **iv. Provident fund**

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

## **(xxiii) Earnings per share (EPS)**

### **a. Basic earnings per share**

Basic earnings per share is calculated by dividing:



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

**b. Diluted earnings per share**

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

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

**(xxiv) Cash flow statement**

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

**(xxv) Rounding off**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements of Schedule III, unless otherwise stated.

**3. Critical estimates and judgements**

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

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

Critical estimates and judgements:

The areas involving critical estimates or judgements are:

- Estimated useful life of tangible assets – Note 4
- Estimation of defined benefit obligations – Note 16

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





**Nature Bio-Foods Limited**  
**Statement of Changes in Equity for the year ended March 31, 2020**

**a) Equity share capital**

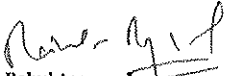
	Notes	Rs. in Lakhs
As at April 01, 2018		
Add: Shares issued during the year	13	200.00
As at March 31, 2019		0.10
Add: Shares issued during the year	13	200.10
As at March 31, 2020		-
	13	200.10

**b) Other equity**

	Notes	Retained Earnings	Securities Premium	Equity component of compound financial instrument	Cash Flow Hedging Reserve	Total
Balance as at April 01, 2018						
Profit for the year	14	6,618.53	-	-	-	6,618.53
Remeasurement of Defined Benefit Obligations (Net of Tax)		1,814.02	-	-	-	1,814.02
		(14.30)	-	-	-	(14.30)
<b>Total comprehensive income for the year</b>		<b>8,418.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,418.25</b>
<b>Transactions with owners in their capacities as owners:</b>						
Issue of equity shares		-	4.90	-	-	4.90
Issue of Cumulative compulsorily convertible preference shares		-	-	3,952.90	-	3,952.90
Balance as at March 31, 2019	14	8,418.25	4.90	3,952.90	-	12,376.05
Balance as at April 1, 2019	14	8,418.25	4.90	3,952.90	-	12,376.05
Profit for the year		1,933.37	-	-	-	1,933.37
Remeasurement of Defined Benefit Obligations (Net of Tax)		(3.98)	-	-	-	(3.98)
Loss on Cash Flow Hedge (Net of Tax)		-	-	-	(411.25)	(411.25)
<b>Total comprehensive income for the year</b>		<b>1,929.39</b>	<b>-</b>	<b>-</b>	<b>(411.25)</b>	<b>1,518.14</b>
Balance as at March 31, 2020	14	10,347.64	4.90	3,952.90	(411.25)	13,894.19

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

For MSKA & Associates  
Chartered Accountants  
Firm Registration Number : 105047W

  
**Rahul Aggarwal**  
Partner  
Membership Number: 505676

Place: Gurugram  
Date : May 26, 2020

For and on behalf of the Board of Directors

  
**Jai Sheel Oberoi**  
Director & CEO  
DIN No. 06919497

Place: Gurugram  
Date : May 26, 2020

  
**Anmol Arora**  
Director  
DIN No. 07727210

Place: Gurugram  
Date : May 26, 2020

Nature Bio-Foods Limited  
Notes forming part of the financial statements for the year ended March 31, 2020  
Note 4 : Property, plant and equipment

Description	(Rs. in Lakhs)							Capital Work in Progress		
	Leasehold Land	Building	Plant and machinery	Furniture and fixture	Vehicles	Office equipment	Computers		Lab Equipments	Total
<b>Year ended March 31, 2019</b>										
Gross carrying amount	271.27	1,357.20	969.81	142.19	230.67	232.49	57.32	-	3,251.95	246.07
Opening gross carrying amount	-	(16.85)	(33.14)	(3.19)	-	-	(0.97)	-	(56.45)	-
Transfer from (refer note (v) below)	-	-	8.67	0.97	30.00	13.37	-	-	56.45	-
Additions during the year	-	565.68	97.94	6.99	89.18	63.62	11.79	13.14	850.64	892.15
Disposals during the year	-	-	(88.53)	-	-	(0.43)	(2.74)	(15.44)	(101.75)	(850.65)
<b>Closing Gross carrying amount</b>	<b>271.27</b>	<b>1,904.03</b>	<b>944.75</b>	<b>146.96</b>	<b>319.85</b>	<b>300.00</b>	<b>64.40</b>	<b>23.58</b>	<b>4,000.84</b>	<b>287.32</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	0.69	220.60	334.60	45.69	82.91	65.41	49.87	-	799.77	-
Transfer from (refer note (vi) below)	-	(10.78)	(17.49)	(0.67)	-	-	(0.48)	-	(29.33)	-
Depreciation charge during the year	0.69	210.26	5.75	0.48	12.20	5.70	-	5.20	29.33	-
Disposals during the year	-	-	184.61	25.24	56.64	62.43	12.32	3.76	495.95	-
<b>Closing accumulated depreciation</b>	<b>1.38</b>	<b>420.08</b>	<b>403.42</b>	<b>70.74</b>	<b>151.75</b>	<b>133.50</b>	<b>2.00</b>	<b>8.96</b>	<b>1,248.94</b>	<b>-</b>
<b>Net carrying amount</b>	<b>269.89</b>	<b>1,483.95</b>	<b>541.33</b>	<b>76.22</b>	<b>188.10</b>	<b>166.50</b>	<b>6.29</b>	<b>14.62</b>	<b>2,751.90</b>	<b>287.32</b>
<b>Year ended March 31, 2020</b>										
Gross carrying amount	271.27	1,904.03	944.75	146.96	319.85	300.00	64.40	23.58	4,000.84	287.32
Opening gross carrying amount	-	499.64	38.28	5.43	111.68	52.62	8.05	-	715.70	168.46
Additions during the year	-	-	-	-	-	-	-	-	-	-
Reclassified on account of adoption of Ind AS 116 (Refer Note 5)	271.27	-	-	0.05	77.14	-	-	-	271.27	-
Disposals during the year	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>-</b>	<b>2,403.67</b>	<b>960.43</b>	<b>152.34</b>	<b>374.39</b>	<b>382.62</b>	<b>72.45</b>	<b>23.58</b>	<b>4,345.48</b>	<b>362.32</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	1.38	420.08	403.42	70.74	151.75	133.50	59.11	8.96	1,248.94	-
Depreciation charge during the year	-	285.97	115.56	20.13	62.65	64.58	11.45	4.59	564.93	-
Reclassified on account of adoption of Ind AS 116 (Refer Note 5)	1.38	-	-	0.03	50.23	-	-	-	1.38	-
Disposals during the year	-	706.05	510.67	90.84	154.17	198.08	70.56	13.55	1,743.92	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>1,697.62</b>	<b>449.76</b>	<b>61.50</b>	<b>220.22</b>	<b>154.51</b>	<b>2.89</b>	<b>15.03</b>	<b>2,601.56</b>	<b>362.32</b>
<b>Net carrying amount</b>	<b>-</b>	<b>1,697.62</b>	<b>449.76</b>	<b>61.50</b>	<b>220.22</b>	<b>154.51</b>	<b>2.89</b>	<b>15.03</b>	<b>2,601.56</b>	<b>362.32</b>

Notes:

(i) Property, plant and equipment pledged as security :

Refer to note 36 for information on property, plant and equipment pledged as security by the Company.

(ii) Contractual obligations

Refer to note 33(a) for disclosure of contractual commitments for acquisition of property, plant and equipment.

(iii) Capital Work in progress

Capital Work in progress mainly comprises of storage facility etc.

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

(v) Deletions during the year include assets transferred to Subsidiary Company amounting to Rs. 383.53 lakhs as stated in Note 34.

(vi) During the previous year, the Company had regrouped certain items of property, plant & equipment capitalised in previous years.

(vii) Critical Judgement:

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



**Nature Bio-Foods Limited**  
**Notes forming part of financial statements for the year ended March 31, 2020**  
**Note 5 : Right of use assets (Leases)**

Following are the changes in the carrying value of right to use of the assets for the year ended March 31, 2020

Particulars	Category of Assets	
	Land	Total
<b>Balance as at April 1, 2019</b>		
Reclassified on account of adoption of IND AS 116 (Refer Note 4)		
Additions	269.90	269.90
Deletion*	180.88	180.88
Depreciation	-269.90	-269.90
	-9.08	-9.08
<b>Balance as at March 31, 2020</b>	<b>171.80</b>	<b>171.80</b>

\*Deletions during the year include lease hold land (ROU) transferred to Subsidiary Company amounting to Rs. 269.90 lakhs as stated in Note 34.

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

The following is the breakup of Current and Non Current lease liabilities as at March 31, 2020

Particulars	As at March 31, 2020
Current lease liabilities	
Non Current lease liabilities	5.26
	167.01

The following is the movement in lease liability during the year ended March 31, 2020

Particulars	As at March 31, 2020
<b>Balance at the beginning</b>	
Additions	21.25
Finance cost accrued there on	180.88
Deletions	14.17
Payment of lease liability	-20.60
	-23.43
<b>Balance at the end</b>	<b>172.27</b>

The table provides details regarding the contractual maturities of Lease liabilities as at march 31st March 2020 on undiscounted basis:

Particulars	As at March 31, 2020
Less than one year	
One to five years	23.44
More than Five years	136.72
<b>Total</b>	<b>176.65</b>
	<b>336.81</b>

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



Nature Bio-Foods Limited  
Notes forming part of financial statements for the year ended March 31, 2020

Note 6 : Intangible assets

(Rs. In Lakhs)

Particulars	Computer Software	Total
<b>Year ended March 31, 2019</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount	7.18	7.18
Additions during the year	-	-
Disposals during the year	-	-
<b>Closing gross carrying amount</b>	<b>7.18</b>	<b>7.18</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation	0.56	0.56
Amortisation charge during the year	4.22	4.22
Disposals during the year	-	-
<b>Closing accumulated depreciation</b>	<b>4.78</b>	<b>4.78</b>
<b>Net carrying amount</b>	<b>2.40</b>	<b>2.40</b>
<b>Year ended March 31, 2020</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount	7.18	7.18
Additions during the year	5.05	5.05
Disposals during the year	-	-
<b>Closing gross carrying amount</b>	<b>12.23</b>	<b>12.23</b>
<b>Accumulated amortisation</b>		
Opening accumulated amortisation	4.78	4.78
Amortisation charge during the year	3.40	3.40
Disposals during the year	-	-
<b>Closing accumulated depreciation</b>	<b>8.18</b>	<b>8.18</b>
<b>Closing net carrying amount</b>	<b>4.05</b>	<b>4.05</b>

Note :

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



Nature Bio-Foods Limited  
Notes forming part of financial statements for the year ended March 31, 2020

Note 7 : Financial Assets

7 (a) Non-current investments

Investment in equity instruments (fully paid up)

Subsidiaries:

50,000 ( March 31, 2019 : 50,000) equity shares of Ecopure Specialities Limited, India  
10 ( March 31, 2019 : 10) equity shares of Nature Bio Foods BV, Netherland

Total (equity instruments)

Investments at fair value through statement of profit & loss

Keyman insurance policy

Total non current investments

Aggregate amount of quoted investments and market value there of

Aggregate amount of unquoted investments; and

Aggregate amount of impairment in value of investments

		(Rs. In Lakhs)	
		March 31, 2020	March 31, 2019
		5.00	5.00
		0.01	0.01
		<u>5.01</u>	<u>5.01</u>
		9.01	9.01
		<u>14.02</u>	<u>14.02</u>
		-	-
		5.01	5.01
		-	-

7 (b) Loans

Security deposits

Loan to Subsidiary

Total Loans

Break-up of security and loan details

Loans considered good- Secured

Loans considered good- Unsecured

Loans which have significant increase in credit risk

Loans- credit impaired

Total

Less: Loss allowance

Total Loans

		(Rs. In Lakhs)			
		As at March 31, 2020		As at March 31, 2019	
		Current	Non Current	Current	Non Current
		1.41	34.78	4.90	20.09
		-	3,765.35	-	-
		<u>1.41</u>	<u>3,800.13</u>	<u>4.90</u>	<u>20.09</u>
		-	-	-	-
		1.41	3,800.13	4.90	20.09
		-	-	-	-
		<u>1.41</u>	<u>3,800.13</u>	<u>4.90</u>	<u>20.09</u>
		<u>1.41</u>	<u>3,800.13</u>	<u>4.90</u>	<u>20.09</u>

7 (c) Other Financial assets

Foreign exchange forward contracts

Interest accrued but not due on fixed deposits

Interest accrued and due on loan to related Party

Subvention on interest expense receivable

Export incentive recoverable

Bank deposits\*

Derivatives not designated as hedges:

Derivative component of compound financial instrument

Receivable Against Capital Goods

Total other financial assets

		(Rs. In Lakhs)			
		As at March 31, 2020		As at March 31, 2019	
		Current	Non Current	Current	Non Current
		0.00	-	528.71	-
		1.01	-	0.72	-
		196.38	-	-	-
		1.28	-	15.91	-
		169.85	-	206.16	-
		-	15.25	-	15.25
		-	0.99	-	0.99
		<u>343.33</u>	<u>-</u>	<u>-</u>	<u>0.99</u>
		<u>711.85</u>	<u>16.24</u>	<u>751.50</u>	<u>16.24</u>

\* These comprises fixed deposit under lien having maturity of more than 12 months.



**Nature Bio-Foods Limited**  
**Notes forming part of financial statements for the year ended March 31, 2020**

**Note 7 (d) : Trade receivables**

Trade receivables  
 Receivables from related parties (refer note 34)  
**Total Receivables**

	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
	1,994.21	1,393.72
	4,975.47	2,131.75
	<b>6,969.68</b>	<b>3,525.47</b>

**Break-up of security details**

Trade receivable considered good- Secured  
 Trade receivable considered good- Unsecured  
 Trade receivable which have significant increase in credit risk  
 Trade receivable - credit impaired  
**Total**  
 Less: Allowance for doubtful debts  
**Total Trade receivables**

	-	-
	6,969.68	3,525.47
	-	-
	6,969.68	3,525.47
	<b>6,969.68</b>	<b>3,525.47</b>

(i) Includes receivables from companies in which Director of the Company is also a Director

202.02

**Note 7 (e): Cash and cash equivalents**

**Cash and cash equivalents**

Cash on hand  
 Balances with banks  
 - in current accounts  
 - Deposits with original maturity Less than 3 months

	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
	1.56	2.75
	52.39	362.05
	19.00	-
	<b>72.95</b>	<b>364.80</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.



**Nature Bio-Foods Limited**  
Notes forming part of the financial statements for the year ended March 31, 2020

**Note 8 : Deferred tax assets**

The balance comprises temporary differences attributable to:

**Deferred Tax Assets:**  
Provision for employees benefits  
Depreciation  
Provision for legal Claims  
Derivative MTM  
**Total**  
**Deferred tax liabilities:**  
Derivative MTM

		(Rs. In Lakhs)	
		March 31, 2020	March 31, 2019
		27.39	30.79
		115.24	97.01
		-	10.86
		157.45	-
		<b>300.08</b>	<b>138.66</b>
		-	185.02
		<b>300.08</b>	<b>(46.36)</b>

**Net deferred tax assets/(liabilities)\***

\* Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

**Movement in deferred tax assets (net)**

	Depreciation	Provision for employees benefits	Provision for legal claims	Key managerial insurance policy	Derivative MTM	Total
<b>As at April 01, 2018</b>						
(Charged)/credited:	38.61	21.78	-	1.40	-	61.79
- to profit or loss	58.40	1.33	10.86	(1.40)	(185.02)	(115.83)
- to Other comprehensive income	-	7.68	-	-	-	7.68
<b>As At March 31, 2019</b>	<b>97.01</b>	<b>30.79</b>	<b>10.86</b>	<b>-</b>	<b>(185.02)</b>	<b>(46.36)</b>
(Charged)/credited:						
- to profit or loss	18.23	(5.54)	(10.86)	-	204.16	205.99
- to Other comprehensive income	-	2.14	-	-	138.31	140.45
<b>As at March 31, 2020</b>	<b>115.24</b>	<b>27.39</b>	<b>-</b>	<b>-</b>	<b>157.45</b>	<b>300.08</b>

**Note 9 : Current tax assets (net)**

Advance income tax [net of provision for tax Rs. 4,669.84 Lakhs (previous year Rs. 3,911.42 Lakhs)]

**Total current tax assets (net)**

		(Rs. In Lakhs)	
		March 31, 2020	March 31, 2019
		278.17	271.15
		<b>278.17</b>	<b>271.15</b>

**Note 10 : Other non-current assets**

Capital advances  
Prepaid expenses  
Advance to MVL Credit Holding & Leasing Limited (refer note (i) below)  
Advance to First Idea Builders (refer note (i) below)  
Interest accrued and due on advance for property  
**Total other non-current assets**

		(Rs. In Lakhs)	
		March 31, 2020	March 31, 2019
		-	16.55
		0.74	7.99
		250.00	250.00
		78.00	78.00
		39.36	39.36
		<b>368.10</b>	<b>391.90</b>

Note (i): Advance paid for acquisition of property



**Nature Bio-Foods Limited**

Notes forming part of the financial statements for the year ended March 31, 2020

**Note 11 : Inventories**

	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
Raw materials		
Finished goods	6,529.15	6,018.01
Traded goods	4,462.03	6,214.47
Stores and spares	2,423.66	2,563.47
Packing Material	48.95	64.50
<b>Total inventories</b>	<b>13,974.34</b>	<b>15,371.99</b>

**Note:**

(i) Write down of inventories to net realisable value amounted to Rs. 35.53 lakhs (March 31, 2019 - Rs. 35.72 lakhs). These were recognised as an expense during the year and included in changes in value of inventories of finished goods and stock-in-trade in statement of profit and loss.

(ii) Inventories amounting to Rs. 165.55 lakhs lying with third parties for jobwork purposes.

**Note 12 : Other current assets**

	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
Prepaid expenses	106.83	100.92
Advance to employees	5.37	3.71
Advances to vendors	191.09	111.54
Balance with government authority	328.25	332.79
Capital Advance	70.48	
Advance to related parties (refer note 34 & note (i) below)	5.56	1,393.71
<b>Total other current assets</b>	<b>707.58</b>	<b>1,942.67</b>
(i) Includes advance to companies in which Director of the Company is also a Director	5.56	1,393.71





**Nature Bio-Foods Limited**  
Notes forming part of financial statements for the year ended March 31, 2020

**Note 13 : Equity share capital**

	Equity shares		Preference shares	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
<b>Authorised share capital (par value of Rs 10)</b>				
As at April 01, 2018	2,000,000	200.00	-	-
Increase during the period	500,000	50.00	2,400,000	240.00
As at March 31, 2019	2,500,000	250.00	2,400,000	240.00
Increase during the year	-	-	-	-
As at March 31, 2020	2,500,000	250.00	2,400,000	240.00

**(i) Movements in equity share capital**

	Number of shares	Rs. in Lakhs
<b>Issued, subscribed and paid-up equity share capital (par value of Rs 10)</b>		
As at April 01, 2018	2,000,000	200.00
Add: Shares issued during the year	1,000	0.10
As at March 31, 2019	2,001,000	200.10
Add: Shares issued during the year	-	-
As at March 31, 2020	2,001,000	200.10

**Terms and rights attached to equity shares**

The Company has issued one class of equity shares having a face value of Rs. 10/- per share. Each shareholder is entitled to one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(ii) Shares of Company held by its holding company :**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
LT Foods Limited- Holding Company	2,000,000	99.95	2,000,000	99.95

**(iii) Details of shareholders holding more than 5% shares in the Company**

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% holding	Number of shares	% holding
LT Foods Limited- Holding Company	2,000,000	99.95	2,000,000	99.95

**Note 14 (a) : Equity component of compound financial instrument**

	Rs. in Lakhs	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	-
Add : Equity component of financial instrument issue during the year - net of transaction costs (refer note (i) below)	3,952.90	3,952.90
<b>Balance at the end of the year</b>	<b>3,952.90</b>	<b>3,952.90</b>

**Note (i):** During the previous year the Company had issued 2,398,000 numbers of 0.01% Cumulative compulsorily convertible preference shares (CCCPS) having face value of Rs 10 at a premium of Rs 240 through private placement of shares. Out of the total, 2,374,020 CCCPS were subscribed by India Agri Business Fund II Ltd and 23,980 CCCPS were subscribed by Real Trust II. CCCPS carries cumulative dividend of 0.01% p.a. CCCPS shall be converted into equity shares and in any event at the expiry of 8 years from the Tranche I completion date. As at March 31, 2020, Rs. 3,952.90 lakhs considered as equity component (refer above), Rs. 2,339.06 lakhs considered as liability component (refer note 15(a)) and Rs. 0.99 lakhs considered as derivative component (refer note 7(c)).

**Note 14 (b) : Reserves and Surplus**

Particulars	Rs. in Lakhs	
	March 31, 2020	March 31, 2019
Securities premiums	-	-
Retained earnings	4.90	4.90
Cash flow hedging reserve	10,347.64	8,418.25
<b>Total Reserves &amp; Surplus</b>	<b>(411.25)</b>	<b>-</b>
	<b>9,941.29</b>	<b>8,423.15</b>

**(i) Securities premium (refer note (i) below)**

	Rs. in Lakhs	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	4.90	-
Add: Securities Premium on issue of equity shares	-	4.90
<b>Balance at the end of the year</b>	<b>4.90</b>	<b>4.90</b>

**(ii) Retained earnings**

	Rs. in Lakhs	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	8,418.25	6,618.53
Net profit for the year	1,933.37	1,814.02
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment defined benefit obligation, net of tax	(3.98)	(14.30)
<b>Balance at the end of the year</b>	<b>10,347.64</b>	<b>8,418.25</b>

**(iii) Cash flow hedging reserve (refer note (ii) below)**

	Rs. in Lakhs	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	-	-
Less: Loss on cashflow hedge reserve, net of tax	(411.25)	-
<b>Balance at the end of the year</b>	<b>(411.25)</b>	<b>-</b>

**Note (i):** During the previous year Company had issued 1,000 equity shares having face value of Rs 10 at a premium of Rs 490 through private placement of shares. Out of this, 990 shares are subscribed by India Agri Business Fund II Ltd and 10 shares to Real Trust II. Securities premium was used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Companies Act 2013.

**Note (ii):** The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.



Note 15 : Financial Liabilities

Note 15 (a) Borrowings

Secured:

Vehicle loan from banks (refer note (i), (ii) & (iii) below)

From banks

From other financial institutions

Packing credit loan from Banks (refer note (i), (ii) & (iii) below)

Unsecured:

Liability component of compound financial instrument - net of transaction costs (refer note 14 (a)(i))

Less : Current maturities of long term debts (included in note 15(d))

As at March 31, 2020		As at March 31, 2019	
Non Current	Current	Non Current	Current
57.50	-	39.71	-
45.73	-	71.47	-
-	7,601.18	-	8,746.91
2,339.06	-	2,029.97	-
2,442.29	7,601.18	2,141.15	8,746.91
68.18	-	55.24	-
2,374.11	7,601.18	2,085.91	8,746.91

(i) Details of Security provided in respect of secured borrowings are as under:

(a) Vehicle loan is secured by hypothecation of the respective motor vehicle financed

(b) Packing credit loan security:

Primary Security: Packing credit loans from banks are secured by hypothecation of both present and future stock of raw material, semi finished goods, finished goods, Stores and spares, packing material, stock in trade, other current assets and moveable fixed assets.

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

(ii) Details of terms of secured borrowings is as under:

(a) Vehicle loans:

Name of the bank	Amount of sanction	Year of sanction	Rate of Interest	Date of Maturity	Total amount of instalment	Balance outstanding March 31, 2020	Balance outstanding March 31, 2019
<b>Vehicle loans</b>							
HDFC Bank	10.00	2019-20	9.50%	Mar 5, 2023			
Daimler Financial Services India Pvt. Ltd.	65.22	2015-16	11.35%	Feb 23, 2020	55.65	47.29	-
Daimler Financial Services India Pvt. Ltd.	65.00	2017-18	9.71%	Jan 13, 2021	80.19	-	38.47
Yes Bank	19.28	2018-19	9.05%	June 22, 2021	22.13	45.73	55.13
Yes Bank	4.00	2018-19	9.04%	June 22, 2021	4.59	8.45	14.56
						1.76	3.02
						103.23	111.18

Details of terms of repayment of vehicle loans are as under:

Financial year:

2019-20  
2020-21  
2021-22  
2022-23

	March 31, 2020	March 31, 2019
	-	55.24
	68.18	53.81
	17.85	2.13
	17.20	-
	103.23	111.18

(b) Packing credit Loan- Loan taken from banks repayable within six months and having interest rate in the range 9.00% to 11%.

(iii) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Cash and cash equivalents  
Current borrowings  
Current maturities of long term borrowings  
Non-Current borrowings  
Net Debt

	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
	72.95	364.80
	(7,601.18)	(8,746.91)
	(68.18)	(55.24)
	(2,374.11)	(2,085.91)
	(9,970.52)	(10,523.26)

Particulars	Cash and cash equivalents	Current Borrowings	Non-Current Borrowings	Rs. in Lakhs
Net debt as on April 01, 2018	10.58	(9,794.54)	(104.41)	(9,888.37)
Cash flows	354.22	1,032.61	(2,076.21)	(689.38)
Current maturities of long term borrowings	-	(55.24)	-	(55.24)
Interest expense	-	681.57	107.31	788.88
Interest paid	-	(666.54)	(12.60)	(679.14)
Net debt as on March 31, 2019	364.80	(8,802.14)	(2,085.91)	(10,523.25)
Cash flows	(291.85)	1,191.11	(587.43)	311.83
Current maturities of long term borrowings	-	(68.18)	-	(68.18)
Interest expense	-	307.82	309.09	616.91
Interest paid	-	(297.97)	(9.86)	(307.83)
Net debt as on March 31, 2020	72.95	(7,669.36)	(2,374.11)	(9,970.52)



**Nature Bio-Foods Limited**  
**Notes forming part of financial statements for the year ended March 31, 2020**

**Note 15 (b) : Other non-current financial liabilities**

Present value of long term maturities of Finance lease obligations  
 Lease obligation (Refer Note 5)

**Total other non-current financial liabilities**

		(Rs. In Lakhs)	
		March 31, 2020	March 31, 2019
		-	18.67
		167.01	-
		<b>167.01</b>	<b>18.67</b>

**Note 15 (c) : Trade payables**

Trade Payables: micro and small enterprises (refer note 32)  
 Trade payable : Others  
 Trade payable to related Parties (refer note 34 and note (i) below)

**Total trade payables**

(i) Includes payable to companies in which Director of the Company is also a Director

		(Rs. In Lakhs)	
		March 31, 2020	March 31, 2019
		41.77	22.87
		3,421.74	1,680.29
		116.00	0.32
		<b>3,579.51</b>	<b>1,703.48</b>
		116.00	0.32

**Note 15 (d) : Other current financial liabilities**

Current maturities of long term borrowings (refer note 15 (a))  
 Employees benefits payable  
 Employee related payable  
 Payable to fair farming foundation  
 Lease obligation (Refer Note 5)  
 Capital creditors  
 Foreign exchange forward contracts  
**Total other current financial liabilities**

		(Rs. In Lakhs)	
		March 31, 2020	March 31, 2019
		68.18	55.24
		-	66.39
		9.71	7.26
		57.66	16.85
		5.26	2.58
		59.25	20.79
		625.62	-
		<b>825.68</b>	<b>169.11</b>



**Nature Bio-Foods Limited**  
**Notes forming part of financial statements for the year ended March 31, 2020**

**Note 16 : Provisions**

	(Rs. In Lakhs)			
	As at March 31, 2020		As at March 31, 2019	
	Current	Non Current	Current	Non Current
<b>(i) Employee benefit obligations</b>				
Gratuity (Refer note 16 (a))	12.52	70.35	6.02	58.94
Compensated absences	21.09	4.84	23.13	-
<b>(ii) Others</b>				
Provision for litigation (refer note (i) below)	-	-	31.08	-
<b>Total provisions</b>	<b>33.61</b>	<b>75.19</b>	<b>60.23</b>	<b>58.94</b>

**(i) Information about individual provisions and significant estimates**

The provision for litigation was on account of on an going litigation with a sales agent. The ultimate liability on account of litigation might vary from the amount provided and was dependent on the outcome of the relevant proceedings. The timing and probability of the outflow with regard to the matter was dependent on the conclusion of this matter.

During the year, The International Arbitration Court, Singapore has awarded a claim amounting to Rs. 452.45 lakhs (Restated as on March 2020 ) against the Company vide its order dated September 26, 2019 which has been accounted for by the Company in the books of accounts. The provision created against the same in previous year reversed and liability recorded in the name of Food Tech Solutions.

Further, it was agreed between both the parties that the Company will pay the amount of EURO 25,562.37 per month beginning in February 2020 and each month thereafter for 24 months in total.

**Movement in provision for litigation**

	Amount Rs. in Lakh
<b>As at April 01, 2018</b>	-
Additional provision recognised	31.08
Amount reversed during the year	-
<b>As at March 31, 2019</b>	<b>31.08</b>
Provision recognised during the year	-
Amount adjusted during the year	(31.08)
<b>As at March 31, 2020</b>	<b>-</b>



Note 16 (a) : Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Company's liability for privileged earned leaves.

The amount of the provision of Rs. 25.93 lakhs (March 31, 2019 – Rs. 23.13 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leaves or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	March 31, 2020	March 31, 2019
Leave obligations not expected to be settled within the next 12 months	21.09	19.63

(ii) Gratuity

The Company offers its employees defined-benefit plans in the form of a gratuity scheme (a lump sum amount). Benefits under the defined benefit plans are based on years of service and the employee's compensation (immediately before retirement). The gratuity scheme covers all regular employees. In the case of the gratuity scheme, the Company contributes to a trust administered by Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited. The Gratuity fund is approved by Income Tax Authorities. Commitments are actuarially determined at year-end. Actuarial valuation is done based on "Projected Unit Credit" method. 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.

**Balance sheet amounts - Defined benefit plan : Gratuity**

The Company has formed a trust which has taken the "Employee Group Gratuity Assurance Scheme" with Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited to fund its obligation towards payment of gratuity to its employees.

ii(a) Amount recognised in the statement of profit and loss :

Description	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
Current service cost		11.60
Interest cost	16.54	3.80
Past Service Cost	5.25	-
Adjustment	-	(3.13)
<b>Amount recognised in the statement of profit and loss</b>	<b>21.79</b>	<b>12.27</b>

ii(b) Movement of Defined benefit obligation during the period :

Description	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>70.88</b>	<b>46.71</b>
Current service cost	16.54	11.60
Interest cost	5.69	4.04
Actuarial loss/(gain) recognised during the year	7.00	22.04
Benefits paid	(5.33)	(13.51)
Past service cost	-	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>94.78</b>	<b>70.88</b>

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

Description	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
<b>Liability as at the start of the year</b>	<b>64.96</b>	<b>46.71</b>
Total Charge /(Credit) recognised in profit & Loss	21.79	15.40
Total Remeasurements recognised in OC income/loss	6.12	21.98
Adjustment	-	(3.13)
Benefits paid	(10.00)	(16.00)
<b>Liability as at the end of the year</b>	<b>82.87</b>	<b>64.96</b>
<b>Current Liability as at the end of the year</b>	<b>12.52</b>	<b>6.02</b>
<b>Non current Liability as at the end of the year</b>	<b>70.35</b>	<b>58.94</b>

ii(d) Change in fair value of assets:

Description	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
Fair value of plan assets at the beginning of the year		3.13
Interest Income Plan Assets	5.92	0.24
Actual Company Contributions	10.00	16.00
Actuarial Gains/(Losses)	0.88	0.06
Benefits paid	(5.33)	(13.51)
<b>Fair value of plan assets at the end of the year</b>	<b>11.92</b>	<b>5.92</b>



**Nature Bio-Foods Limited**  
Notes forming part of financial statements for the year ended March 31, 2020

ii(e) In accordance with Indian Accounting Standard 19, an actuarial valuation was carried out in respect of the gratuity based on the following significant assumptions:

Assumptions	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
Discount rate	6.15%	7.51%
Estimated Rate of Return on Plan Assets	6.15%	7.51%
Withdrawal rate	18.86%	12.30%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Rate of increase in compensation	9.00%	7.00%

The discount rate assumed is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii(f) Sensitivity analysis :

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Description	March 31, 2020	March 31, 2019
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year		
- Impact due to increase of 1 %	94.78	70.88
- Impact due to decrease of 1 %	(4.52)	(4.26)
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	4.96	4.78
- Impact due to increase of 1 %	94.78	70.88
- Impact due to decrease of 1 %	4.61	4.48
	(4.46)	(4.21)

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 defined 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.

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

Description	March 31, 2020	March 31, 2019
Within next 12 months	12.51	6.81
Between 2-5 years	51.39	32.20
Beyond 5 years	30.88	35.96

**(iii) Provident fund**

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Contribution made by the Company during the year is Rs 52.16 lakhs (March 31, 2019: Rs 39.95 lakhs).

**(iv) : Employee benefits Contribution plans**

The Company has charged the following costs in the Statement of Profit and Loss under the head Contribution to provident and other funds in Note 22 - Employee benefit expenses.

	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
Provident fund	52.16	39.95
Employees' State Insurance	8.04	10.39
<b>Total</b>	<b>60.20</b>	<b>50.34</b>

**Note 17 : Other current liabilities**

Statutory dues  
Advances from customers

**Total other current liabilities**

	(Rs. In Lakhs)	
	March 31, 2020	March 31, 2019
Statutory dues	47.28	63.12
Advances from customers	1,287.84	187.74
<b>Total other current liabilities</b>	<b>1,335.12</b>	<b>250.86</b>



**Nature Bio-Foods Limited**

Notes forming part of financial statements for the year ended March 31, 2020

**Note 18 : Revenue from operations**

	(Rs. In Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Sale of products:</b>		
Export	25,617.57	29,505.44
Domestic	8,530.08	4,183.64
<b>Other operating revenues:</b>		
Sales of Scrap	37.98	52.74
<b>Total revenue from operations</b>	<b>34,185.63</b>	<b>33,741.82</b>

Pursuant to adoption of Ind AS 115, the reconciliation of revenue recognised in the statement of profit and loss with the contracted price on account of adjustments made to the contract price is as follows:

	(Rs. In Lakhs) Year ended March 31, 2019	(Rs. In Lakhs) Year ended March 31, 2019
<b>Contract price</b>	34,507.72	34,325.54
Adjustments for :		
Quality claims	(257.92)	(497.01)
Refunds	(64.17)	(86.71)
<b>Revenue from operations</b>	<b>34,185.63</b>	<b>33,741.82</b>

**Note 19 : Other income and other gains/(losses)**

	(Rs. In Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>(a) Other income</b>		
Export incentives	183.09	252.07
Interest income from financial assets at amortised cost :		
(i) Deposits with banks	1.13	4.81
(ii) Others (refer note (i) below)	218.20	-
Income from freight assistance scheme	20.00	20.00
Liabilities no longer required written back	16.86	9.79
Profit on sale of Fixed Assets	11.71	-
Miscellaneous income	15.42	-
<b>Total other income</b>	<b>466.41</b>	<b>286.67</b>
Note (i): Others include interest on inter corporate deposit	218.20	-
<b>(b) Other gains/ (losses)</b>		
Net gain/(loss) on foreign currency transaction and translations	351.70	(80.57)
Net Gain on foreign exchange forward contracts	75.95	371.61
Net fair value gain on derivatives not designated as hedges	-	0.99
<b>Total other gain/(losses)</b>	<b>427.65</b>	<b>292.03</b>
<b>Total (a+b)</b>	<b>894.06</b>	<b>578.70</b>



**Note 20 : Cost of materials consumed**

**a) Cost of raw material consumed**

Inventory at the beginning of the year  
Add : Purchases during the year

Less : Inventory at the end of the year

**Cost of raw material consumed during the year**

**b) Cost of packing material consumed**

Inventory at the beginning of the year  
Add : Purchases during the year

Less : Inventory at the end of the year

**Cost of packing material consumed during the year**

**Cost of material consumed during the year**

**Consumption details**

- Packing material
- Raw Materials

(Rs. in Lakhs)	
Year ended March 31, 2020	Year ended March 31, 2019
6,018.01	5,100.21
<u>15,011.18</u>	<u>12,260.38</u>
21,029.19	17,360.59
<u>6,529.15</u>	<u>6,018.01</u>
<b>14,500.04</b>	<b>11,342.58</b>
511.54	482.46
<u>659.57</u>	<u>734.70</u>
1,171.11	1,217.17
<u>510.55</u>	<u>511.54</u>
<b>660.56</b>	<b>705.62</b>
<b>15,160.60</b>	<b>12,048.20</b>
660.56	705.62
<u>14,500.04</u>	<u>11,342.58</u>
<b>15,160.60</b>	<b>12,048.20</b>

**Note 21 : Changes in inventories of finished goods and traded goods**

Inventories at the beginning of the year

Finished Goods  
Stock in Trade

Total inventories at the beginning of the year

Inventories at the end of the year

Finished Goods  
Stock in Trade

Total inventories at the end of the year

**Net (increase)/decrease**

(Rs. in Lakhs)	
Year ended March 31, 2020	Year ended March 31, 2019
6,214.47	3,601.15
<u>2,563.47</u>	<u>2,998.42</u>
8,777.94	6,599.57
4,462.03	6,214.47
<u>2,423.66</u>	<u>2,563.47</u>
6,885.69	8,777.95
<b>1,892.25</b>	<b>(2,178.38)</b>

**Note 22 : Employee benefits expense**

Salaries, wages and bonus

Gratuity

Contribution to provident and other funds

Leave compensation

Staff welfare expenses

**Total Employee benefit expense**

(Rs. in Lakhs)	
Year ended March 31, 2020	Year ended March 31, 2019
1,127.53	1,068.72
21.79	12.27
60.20	50.34
6.10	9.73
<u>80.64</u>	<u>68.16</u>
<b>1,296.26</b>	<b>1,209.22</b>

**Note 23 : Finance costs**

**(a) Interest expense on :**

(i) Borrowings (net of subvention interest income of Rs 293.29 lakhs (March 31, 2019 Rs 341.79 lakhs))

(ii) Interest on financial liabilities not at fair value through profit or loss

**(b) Bank charges**

**Total finance costs**

(Rs. in Lakhs)	
Year ended March 31, 2020	Year ended March 31, 2019
322.65	679.14
309.09	109.73
44.76	54.25
<b>676.50</b>	<b>843.12</b>





**Note 24 : Depreciation and amortisation expense**

- (i) Depreciation of property, plant and equipment (refer note 4)  
(ii) Depreciation on Right to use asset (refer note 5)  
(iii) Amortisation of intangible assets (refer note 6)  
**Total Depreciation and amortisation expense**

(Rs. In Lakhs)	
Year ended March 31, 2020	Year ended March 31, 2019
564.93	495.95
9.08	-
3.40	4.22
<b>577.41</b>	<b>500.17</b>

**Note 25 : Other expenses**

- Milling charges and other process charges  
Rent  
Consumption of stores and spares parts  
Power and fuel  
Labour Charges  
Insurance charges  
Rates and taxes  
Auditors' remuneration (refer note 25 (b) below)  
Telephone and communication charges  
Legal and professional charges  
Repairs and maintenance  
- Plant and machinery  
- Buildings  
- Others  
Conveyance  
Tour and travelling expenses  
Donations  
Corporate social responsibility expenditure (refer note (25 (c) below)  
Freight, Clearing & Forwarding  
Testing, inspection and certification  
Business promotion  
Brokerage and commission  
Provision for legal claim  
Other selling expenses  
Bad debts written off  
Commission guarantee (refer note 34)  
Loss on retirement/ sale of property, plant and equipment  
Miscellaneous expenses  
**Total other expenses**

(Rs. In Lakhs)	
Year ended March 31, 2020	Year ended March 31, 2019
550.35	586.33
230.69	299.36
287.26	332.58
244.66	270.06
22.65	29.78
62.58	41.79
44.42	108.51
12.71	14.40
12.58	11.57
197.33	263.52
41.26	37.58
22.65	29.68
57.33	51.95
20.51	18.49
270.21	206.60
1.50	34.00
30.45	29.00
1,610.51	2,144.58
981.98	899.96
167.28	104.09
34.47	17.17
-	31.08
-	-
9.93	18.25
65.16	67.39
-	53.97
147.75	126.13
<b>5,126.22</b>	<b>5,827.82</b>

**Notes 25 (a) : Litigation Settlement:**

Litigation Claim (Refer Note 16 (i))

Total

421.37	-
<b>421.37</b>	<b>-</b>

**Notes 25 (b) : Auditors' remuneration comprises:**

As auditor:

- Statutory audit fees  
-Limited review fees  
-Re-imbursment of expenses

Total

7.00	12.50
5.00	1.25
0.71	0.65
<b>12.71</b>	<b>14.40</b>

**Note 25 (c) : Corporate Social Responsibility expenditure**

Contribution to Fair Farming Foundation

(i) Gross amount required to be spent by the company during the year

(ii) Amount spent during the year on:

(a) Construction/acquisition of an asset

(b) On purposes other than (a) above

30.45	29.00
<b>30.45</b>	<b>29.00</b>
59.21	52.46
-	-
30.45	29.00



**Nature Bio-Foods Limited**

Notes forming part of financial statements for the year ended March 31, 2020

**Note 26 : Earnings per share (EPS)**

(a) Net profit after tax available for equity shareholders (Rs. in Lakhs)  
 (b) Weighted average number of equity shares of Rs. 10 each outstanding during the year  
 (c) Weighted average number of equity shares and potential equity shares during the year (refer note (ii) below)

March 31, 2020	March 31, 2019
1,933.37	1,814.02
2,001,000	2,000,375
2,598,738	2,224,527

Basic earnings per share (in rupees) (a/c) [refer note (i) below]  
 Diluted earnings per share (in rupees) (a/c)

74.40	81.55
74.40	81.55

Note (i): In financial year 2018-19 CCCPS issued are considered to be potential equity shares. They have been considered in the determination of diluted EPS as well as basic EPS from their date of issue as they are mandatorily convertible into equity shares. Details relating to CCCPS issued during the year are set out in note 14(a)(i).

**(ii) Weighted average number of shares :**

Weighted average number of equity shares  
 Adjustments for calculation of diluted earning per share:  
 - Cumulative compulsorily convertible preference shares

March 31, 2020	March 31, 2019
2,001,000	2,000,375
597,738	224,152
2,598,738	2,224,527

Weighted average number of equity shares and potential equity shares during the year

**Note 27 : Income tax expenses**

This note provides an analysis of the Company's income tax expense

**(a) Income tax expense :**

Current tax  
 Current tax on profits for the year  
 Tax related to earlier years  
 Total current tax expense

(Rs. In Lakhs)	
March 31, 2020	March 31, 2019
900.00	913.52
(141.58)	7.33
758.43	920.85

**Deferred tax (refer note 8)**

Decrease (increase) in deferred tax assets  
 (Decrease) increase in deferred tax liabilities  
 Total deferred tax expense/(benefit)  
 Income tax expense

(20.97)	(76.87)
(185.02)	185.02
(205.99)	108.15
552.43	1,029.00

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

Profit before income taxes  
 Tax at the India's statutory income tax rate of 25.16% (March 31, 2019: 34.944%)\*

2,485.80	2,850.70
625.43	996.15

**Tax effect of amounts which are not deductible (taxable) in calculating taxable income:**

Donation  
 Corporate social responsibility expense  
 Gain on recognition of derivatives not designated as Hedge  
 Interest on CCCPS  
 Fee, Interest & penalties paid  
 Depreciation & amortisation (leasehold land)  
 Deduction under Chapter VIA  
 Others  
 Tax Rate Impact  
 Adjustment for current tax relating to earlier years

0.19	1.57
3.83	5.07
	(0.34)
77.77	38.34
0.34	1.45
	0.24
(1.00)	(7.26)
0.28	(13.55)
(12.83)	-
(141.58)	7.33

**Total income tax expense**

552.44	1,029.00
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\* The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred Tax Assets basis the rate prescribed in the said section. The impact of this change has been recognised in the statement of Profit & Loss and other comprehensive income for the year.



Note 28 : Fair value measurements

Financial instruments by category

Particulars	March 31, 2020			March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	9.01	-	5.01	9.01	-	5.01
Security deposits	-	-	36.19	-	-	24.99
Loans	-	-	3,765.35	-	-	-
Foreign exchange forward contracts	0.00	-	-	528.71	-	-
Interest accrued	-	-	197.39	-	-	15.91
Subvention on interest expense receivable	-	-	1.28	-	-	0.72
Export incentive	-	-	169.85	-	-	206.16
Bank deposits	-	-	15.25	-	-	15.25
Derivative component of compound financial instrument	0.99	-	-	0.99	-	-
Receivable against Capital Goods	-	-	343.33	-	-	-
Trade receivables	-	-	6,969.68	-	-	3,525.47
Cash and cash equivalents	-	-	72.95	-	-	364.80
Other bank balance	-	-	-	-	-	-
<b>Total financial assets</b>	<b>10.00</b>	<b>-</b>	<b>11,576.28</b>	<b>538.71</b>	<b>-</b>	<b>4,158.31</b>
<b>Financial liabilities</b>						
Borrowings	-	-	9,975.29	-	-	10,832.82
Lease obligation	-	-	167.01	-	-	18.67
Current maturities of long term borrowings	-	-	68.18	-	-	55.24
Employees payable	-	-	9.71	-	-	73.65
Other payables	-	-	62.92	-	-	19.43
Capital creditors	-	-	59.25	-	-	20.79
Derivative Hedging Component	625.62	-	-	-	-	-
Trade payables	-	-	3,579.51	-	-	1,703.48
<b>Total financial liabilities</b>	<b>625.62</b>	<b>-</b>	<b>13,921.87</b>	<b>-</b>	<b>-</b>	<b>12,724.08</b>

(i) Fair value hierarchy

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

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

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

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

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

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

Asset and liabilities measured at fair value- recurring fair value measurements

Particulars	Notes	March 31, 2020			March 31, 2019		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments	7 (a)	-	9.01	-	-	9.01	-
Foreign exchange forward contracts	7 (c)	-	-	-	-	528.71	-
Derivative component of compound financial instrument	7 (c)	-	0.99	-	-	0.99	-
<b>Financial liabilities</b>							
Foreign exchange forward contracts	15 (d)	-	625.62	-	-	-	-

Asset and liabilities measured at amortized cost for which fair values are disclosed

Particulars	Notes	March 31, 2020			March 31, 2019		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments	7 (a)	-	-	5.01	-	-	5.01
Security deposits	7 (b)	-	-	36.19	-	-	24.99
Loans	7 (b)	-	-	3,765.35	-	-	-
Interest accrued	7 (c)	-	-	197.39	-	-	15.91
Subvention on interest expense receivable	7 (c)	-	-	1.28	-	-	0.72
Export incentive	7 (c)	-	-	169.85	-	-	206.16
Bank deposits	7 (c)	-	-	15.25	-	-	15.25
Trade receivables	7 (d)	-	-	6,969.68	-	-	3,525.47
Cash and cash equivalents	7 (c)	-	-	72.95	-	-	364.80
Receivable against Capital Goods	7 (c)	-	-	343.33	-	-	-
<b>Financial liabilities</b>							
Borrowings	15 (a)	-	-	9,975.29	-	-	10,832.82
Lease obligation	15 (b)	-	-	167.01	-	-	18.67
Current maturities of long term borrowings	15 (d)	-	-	68.18	-	-	55.24
Employees payable	15 (d)	-	-	9.71	-	-	73.65
Other payables	15 (d)	-	-	62.92	-	-	19.43
Capital creditors	15 (d)	-	-	59.25	-	-	20.79
Trade payables	15 (c)	-	-	3,579.51	-	-	1,703.48

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

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, security deposits, bank deposits, interest accrued, export incentives, loans, employee related payable are considered to be the same as their fair values, due to their short term nature.

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

For financial assets and liabilities except for derivative instrument which have been accounted for based on level 2 inputs, that are measured at fair value, the carrying amounts are equal to the fair values.



Nature Bio-Foods Limited  
Notes forming part of financial statements for the year ended March 31, 2020  
Note 29 : Financial Risk Management

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

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets measured at amortized cost	- Ageing analysis - Credit ratings	Diversification of bank deposits, robust trade credit controls including credit limits and letter of credit
Liquidity risk	Trade payables and other liabilities	- Rolling cash flow forecast	Regular review of working capital resulting in effective and efficient working capital management.
Market risk- interest rates	Long term borrowings at variable rates	- Sensitivity analysis	Negotiation of terms that reflects the market factors
Market risk- foreign exchange risk	Future commercial transactions Recognized financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting - Sensitivity analysis	Foreign exchange forward contracts to hedge foreign currency risk exposures

(A) Credit Risk

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

Trade receivables

There is no significant increase in credit risk since previous year. The Company believes that credit risk is low at the reporting date as the terms of trade are generally in advance / cash payment. In certain circumstances credit is extended to customers, taking into account market conditions, general economic scenario etc. A default on a financial asset is when the counterparty fails to make contractual payments within the credit period when they fall due. This definition of default is determined by considering the business environment in which the Company operate and other micro economic factors. Interest is generally not charged and / or paid on customer balances.

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

Other financial assets measured at amortised cost

The 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 purposes, 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 provide 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.

(B) Liquidity risk

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

(i) Maturity profile of financial liabilities

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

Contractual maturities of financial liabilities	Carrying Value				(Rs. in Lakhs)	
	Less than 6 Months	More than 6 months up to 1 year	More than 1 year	Total	More than 6 months up to 1 year	Total
As at March 31, 2020						
Borrowings (refer note 15 (b))	9,975.39	7,601.18	2,374.11	9,975.39		9,975.39
Trade payables (refer note 15 (c))	3,572.51	3,367.14	212.37	3,572.51		3,572.51
Other financial liabilities (refer note 15 (b) & (d))	992.60	772.52	167.01	992.60		992.60
Total	14,540.50	11,740.84	2,753.49	14,540.50		14,540.50
As at March 31, 2019						
Borrowings (refer note 15 (b))	10,832.82	8,746.01	2,085.91	10,832.82		10,832.82
Trade payables (refer note 15 (c))	1,792.48	1,792.48	14.61	1,792.48		1,792.48
Other financial liabilities (refer note 15 (b) & (d))	287.78	154.50	18.57	287.78		287.78
Total	12,913.08	10,692.99	2,109.09	12,913.08		12,913.08

(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.



Nature Bio-Foods Limited  
Notes forming part of financial statements for the year ended March 31, 2020

(f) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign exchange risk arising from foreign currency transactions; primarily with respect to US Dollar (USD), Euro (EUR) and Singapore Dollar (SGD). Foreign exchange risk arises from recognized assets and liabilities denominated in currency that is not the company's functional currency (INR). To minimize the foreign exchange risk arising from operating activities, the Company enters the foreign exchange forward contracts. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

The Company's Indian Rupees exposure to foreign currency risk at the end of the reporting period is expressed as follows:

(a) Foreign currency risk exposure

Currency	As at March 31, 2020		As at March 31, 2019	
	Foreign currency in Lakhs	Rs. in Lakhs	Foreign currency in Lakhs	Rs. in Lakhs
Trade payable				
Euro (EUR)	4.63	384.50	0.94	72.86
United States Dollar (USD)	2.14	162.16	0.08	5.31
Singapore Dollar (SGD)	0.51	35.71	-	-
Trade receivable				
Euro (EUR)	38.12	2,336.10	29.59	2,298.83
United States Dollar (USD)	32.08	2,472.52	9.77	678.03

The following exchange rates have been applied for measurement of balances denominated in foreign currency.

Particulars	Year end spot rate	
	March 31, 2020	March 31, 2019
Euro (EUR)	84.08	77.51
United States Dollar (USD)	75.66	66.38
Singapore Dollar (SGD)	50.55	-

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:

Particulars	March 31, 2020		March 31, 2019	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Euro (EUR)	11,528.13	11,528.13	8,392.70	-
United States Dollar (USD)	-	-	-	-

(a) Disclosure of effects of hedge accounting on financial position

As at March 31, 2020

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument Asset/ (Liabilities)	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge									
Foreign currency risk									
(f) A - Foreign exchange forward contracts - USD	11,528.13	-	-	(599.49)	17 April 2020 - 12 March 2021	1:1	73.45	(599.49)	(512.46)
(f) B - Foreign exchange forward contracts - EURO	8,392.70	-	-	(116.12)	30 April 2020 - 26 February 2021	1:1	83.10	(116.12)	(134.34)

For the year ended March 31, 2020

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in statement of profit or loss Gain/(Loss)	Amount reclassified from each flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(f) Foreign exchange forward contracts	(549.56)	21.19	-	Revenue and other income



The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arises in the hedges have been disclosed in above table.

Particulars	Amount
As at April 01, 2019	-
Add: Changes in fair value of forward contracts	(549.56)
Less: Amount reclassified to profit or loss	-
Less: Tax impact to above (net)	138.31
<b>Change during the year ended March 31, 2020</b>	<b>(411.25)</b>
<b>As at March 31, 2020</b>	<b>(411.25)</b>

Note: This being the first year of Company following the hedge accounting policy, accordingly relevant disclosures for the year ended March 31, 2020 are included only.

The Company hedges its foreign currency exchange risk by acquiring forward contracts for foreseeable, forecasted future transactions, which is represented by foreign currency expected to be collected through sale against confirmed export orders available with the date. With effect from January 1, 2020, the Company has formalised its policy for hedging and implemented hedge accounting for forward contracts, which includes evaluation of hedge effectiveness of forward contracts at the time of acquisition and at each reporting date. The ineffective portion attributable to fair value of these forward contracts has been recognised in the Statement of Profit and Loss and effective portion has been recorded in cash flow hedge reserve through other comprehensive income. During the year, the Company has recognised loss of Rs. 549.56 less in cash flow hedge reserve, through other comprehensive income, being effective portion of fair value of forward contracts outstanding as at March 31, 2020, including those contracts which were acquired upto December 31, 2019. The fair value is computed as difference between mark to market valuation as at March 31, 2020 and fair value as at date of acquisition of such forward contracts or January 1, 2020, whichever is later.

#### (b) Sensitivity

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rs. strengthens 5% against the relevant currency. For a 5% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profits or equity, and the balances below would be negative.

	As at March 31, 2020 (Rs in Lakhs) 5% Weakening* 5% Strengthening*	As at March 31, 2019 (Rs in Lakhs) 5% Weakening* 5% Strengthening*
Foreign currency monetary liabilities:		
Euro (EUR)	(0.23)	0.23
United States Dollar (USD)	(0.11)	0.11
Foreign currency monetary Assets:		
Euro (EUR)	(1.41)	1.41
United States Dollar (USD)	(1.03)	1.03
* Holding all other variables constant.		

#### (D) Interest rate risk

##### Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2020 the Company is not exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments are in fixed deposits bearing fixed interest rates.

##### Interest rate risk exposure

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

Particulars	(Rs. in Lakhs)	
	March 31, 2020	March 31, 2019
Variable rate borrowing	-	-
Fixed rate borrowing	7,704.41	8,858.09
<b>Total borrowings</b>	<b>7,704.41</b>	<b>8,858.09</b>

##### Sensitivity

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

##### 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.



**Nature Bio-Foods Limited**

**Notes forming part of financial statements for the year ended March 31, 2020**

**Note 30 : Capital management**

The Company's capital management objectives are :

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

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

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

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

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

Particulars	March 31, 2020	March 31, 2019
Total Borrowings	10,043.46	10,888.06
Less : Cash and cash equivalents	72.95	364.80
Net debt	9,970.51	10,523.26
Total Equity	14,094.29	12,576.15
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.71</b>	<b>0.84</b>

**Loan covenants**

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

- (a) Net debt/Tangible Net worth ratio shall be less than 2.5 times
- (b) Debt service coverage ratio ("DSCR") shall be greater than 1.50 times

The Company has complied with these covenants through out the reporting period.

Particulars	March 31, 2020	March 31, 2019
	In times	In times
(a) Net debt/Tangible Net worth ratio	0.72	0.84
(b) Debt service coverage ratio ("DSCR")	5.10	4.84



**Nature Bio-Foods Limited**

**Notes forming part of financial statements for the year ended March 31, 2020**

**Note 31 : Contingent Liabilities**

**Claims against the Company not acknowledged as debts:**

	March 31, 2020 Rs. in Lakhs	March 31, 2019 Rs. in Lakhs
Income tax demands (refer note (i),(ii),(iii) below)	6.24	5.15
<b>Total</b>	<b>6.24</b>	<b>5.15</b>

It is not possible for the company to estimate the timings or amount of cash outflows, if any, in respect of the above, pending resolution of the proceedings.

**Notes:**

(i) During the assessment year 2010-11 the Income tax department (Department) has added back Rs 2,442,523 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, 1961 on March 28, 2013 demanding Rs 514,888. The Company had contested the above before CIT(Appeals) and the Ld. CIT(Appeals) has dismissed the appeal vide order dated May 19, 2016. The Company had contested the above order before Hon'ble ITAT. No provision is necessary in this regard since the Company has been advised that it has a good case and chances of case decided against the Company is not probable. Aforesaid demand is including interest upto March 28, 2013 but excluding interest from April 1, 2013 onwards and penalty.

(ii) During the assessment year 2013-14 the department has issued notice of Penalty u/s 271 (1) (c) of the Income Tax Act, 1961 demanding Rs 100,185. The Company had contested the above before CIT(Appeals). No provision is necessary in this regard since the Company has been advised that it has a good case and chances of case decided against the Company is not probable.

(iii) During the assessment year 2014-15 the department has issued notice of Penalty u/s 271 (1) (c) of the Income Tax Act, 1961 demanding Rs 8498. The Company had contested the above before CIT(Appeals). No provision is necessary in this regard since the Company has been advised that it has a good case and chances of case decided against the Company is not probable.

**Note 32: Dues to Micro and Small Enterprises**

According to the information available with the Management, on the basis of intimation received from suppliers, regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to Micro, Small and Medium Enterprises under the said Act as follows:

Particulars	March 31, 2020 Rs. in Lakhs	March 31, 2019 Rs. in Lakhs
(i) Principal amount remaining unpaid at the end of the year	41.77	21.83
(ii) Interest due thereon remaining unpaid	-	1.04
(iii) The amount of interest paid along with the payment made to the suppliers beyond the appointed date	-	-
(iv) The amount of interest due and payable for the year	-	1.04
(v) The amount of interest accrued and remaining unpaid at the end of the year	-	1.04
(vi) The amount of further interest due and payable in the succeeding year, until such date when the interest dues as above are actually paid	-	-

**Note 33: Commitments**

**(a) Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	March 31, 2020 (Rs. in Lakhs)	March 31, 2019 (Rs. in Lakhs)
Property Plant and equipment (net of advance Rs. 65.48 Lakhs, March 31, 2019 - 266.55)	42.28	161.66
<b>Total</b>	<b>42.28</b>	<b>161.66</b>





Nature Bio-Foods Limited  
Notes forming part of financial statements for the year ended March 31, 2020

Note 34 : Related party disclosures

A. Name of the related parties and nature of relationship

(i) Related Parties where Control exists	Name of Entity
Nature of Relationship	LT Foods Limited
Holding Company	LT Foods Limited
(ii) Other Related Parties with whom there were transactions during the year	
Nature of Relationship	Name of Entity
Fellow Subsidiary Companies	Danawa Foods Limited
	LT Foods Americas Inc.
	LT Foods Europe BV
	Rachunath Agro Industries Private Limited
Wholly owned subsidiary Companies	Nature Bio Foods BV
	Ecopure Specialities Limited
	VK foods
Entities in which Key Management Personnel have significant influence	
	Nature Bio Foods Limited Employees Gratuity Assurance Scheme

(iii) Key Management Personnel (KMP)

Nature of Relationship	Name of Person
Key Management Personnel	Mr. Anmol Arora, Whole Time Director
	Mr. Vijay Kumar Arora, Director
	Mr. Jai Sheel Jhoroi, Whole Time Director & CEO (w.e.f May 23, 2018)
	Mr. Surinder Kumar Arora, Director & Chairman
	Mr. Ashwani Kumar Arora, Director
	Mr. Poppe Engbert Braam, Director
	Mr. Suresh Ch. Bha, Director (w.e.f Nov 15, 2018)
	Mr. Rakesh Kumar Srivastava, Director (w.e.f Nov 15, 2018)
	Mr. Surender Kumar Tuttleja, Director (w.e.f May 23, 2018)
	Ms. Ambika Sharma, Director (w.e.f Aug 17, 2018)



B. The nature and volume of transactions during the year with the above related parties are as follows:

Nature of transactions	Fellow Subsidiaries				Wholly owned subsidiary Companies		Entities in which Key Management Personnel have significant influence	Post-employment benefits plan Trusts	KMP	Total
	Holding Company				DO IT BV. (THI Jan '19)					
	Daawat Foods Limited	LT Foods Americas Inc.	Raghunath Agro Industries Private Limited	LT Foods Europe BV	Nature Bio Foods BV	Ecopure Specialities Limited				
Transactions during the year:										
Sale of goods	12.19	7,099.01	-	255.54	4,740.60	3,163.83	-	-	35,268.17	
Purchase of goods	(13.32)	(8,684.83)	-	(301.27)	(3,430.34)	944.02	(1,448.20)	-	(14,280.82)	
Rent paid	16.50	-	-	-	-	12.00	-	-	941.02	
Sale of PPE (including ROU)	(67.09)	-	-	-	-	532.19	-	-	43.62	
Rent Received	-	-	-	-	-	1.50	-	-	(82.09)	
Interest Income	-	-	-	-	-	218.20	-	-	632.19	
Loan Given	-	-	-	-	-	3,765.35	-	-	1.20	
Processing charges paid	160.82	316.46	-	-	-	-	-	-	218.20	
Corporate guarantee commission	(28.92)	(494.61)	-	-	-	-	-	-	3,765.35	
Reimbursement of expenses paid	(67.39)	64.79	-	25.30	-	-	-	-	-	
Reimbursement of expenses received	(27.48)	(18.64)	(0.32)	-	127.69	-	-	-	-	
Remuneration paid to KMP	-	-	-	-	-	-	-	-	96.80	
Investment in equity shares	-	-	-	-	-	(5.00)	-	-	(95.43)	
Director's sitting fee	-	-	-	-	-	-	-	-	(5.00)	
Employee's Contribution to Post-employment benefit trust	-	-	-	-	-	-	10.00	(6.30)	(6.80)	
	-	-	-	-	-	-	(16.00)	-	10.00	
	-	-	-	-	-	-	-	-	(16.00)	

C. Balance outstanding as at year end:

Nature of transactions	Fellow Subsidiaries				Wholly owned subsidiary Companies		Entities in which Key Management Personnel have significant influence	Post-employment benefits plan Trusts	KMP	Total
	Holding Company				DO IT BV.					
	Daawat Foods Limited	LT Foods Americas Inc.	Raghunath Agro Industries Private Limited	LT Foods Europe BV	Nature Bio Foods BV	Ecopure Specialities Limited				
Trade receivable	-	1,777.70	-	124.50	1,228.49	1,814.78	-	-	4,975.47	
Trade payables	(116.00)	(321.85)	-	(72.77)	(1,535.11)	-	(202.92)	-	(2,131.75)	
Other current assets (advances)	-	-	-	-	-	-	-	-	116.00	
Other Non Current Financial Asset	(1,126.71)	(222.28)	-	-	-	539.70	-	-	545.26	
Guarantees issued by	-	-	-	-	-	(34.62)	-	-	(3,393.71)	
	-	-	-	-	-	3,765.35	-	-	3,765.35	
	7,601.18	-	-	-	-	-	-	7,601.18	15,202.36	
	(8,746.91)	-	-	-	-	-	-	(8,746.91)	(17,493.82)	
Particulars	March 31, 2020						March 31, 2019			
Short term employee benefits	96.37						33.27			
Post-employment benefits	0.43						0.43			
Long term employee benefits	3.16						1.75			
Total	99.96						35.45			

Figures in brackets represents previous year's comparatives  
Note: All outstanding balances are unsecured and are payable/receivable in cash.





**Note 35 : Segment Reporting**

The Company's reporting segments are identified based on activities/products, risk and reward structure, organization structure and internal reporting systems. The operating segments are presented in a manner consistent with the internal reporting provided to the Chief operating decision maker (CODM). For management purposes, the Company is organized into business units based on its products and services and has three reportable segments as follows:

- (i) Rice
- (ii) Soybean
- (iii) Others - Comprises of pulses, oilseeds, dry fruits, spices etc.

The Company has identified its Whole Time Directors as CODM who assesses the financial performance and makes strategic decisions. The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

**(a) Summary of Segment Information:**

Particulars	RICE		SOYABEAN		OTHERS		UNALLOCABLE		(Rs. in Lakhs)	
	Year ended 31 Mar, 2020	Year ended 31 Mar, 2019	Year ended 31 Mar, 2020	Year ended 31 Mar, 2019	Year ended 31 Mar, 2020	Year ended 31 Mar, 2019	Year ended 31 Mar, 2020	Year ended 31 Mar, 2019	Year ended 31 Mar, 2020	Year ended 31 Mar, 2019
<b>REVENUE</b>										
Revenue from external customers	22,878.46	21,410.74	3,991.09	6,054.32	7,278.10	6,224.02	-	-	34,147.65	33,689.08
Other Operating Revenue	-	-	-	-	-	-	37.98	52.74	37.98	52.74
<b>Total Segment Revenue</b>	<b>22,878.46</b>	<b>21,410.74</b>	<b>3,991.09</b>	<b>6,054.32</b>	<b>7,278.10</b>	<b>6,224.02</b>	<b>37.98</b>	<b>52.74</b>	<b>34,185.63</b>	<b>33,741.82</b>
Other Income	131.25	113.71	121.28	-	111.87	138.36	539.66	336.63	894.06	578.70
<b>Total Segment Income</b>	<b>23,009.71</b>	<b>21,524.44</b>	<b>4,112.37</b>	<b>6,054.32</b>	<b>7,389.97</b>	<b>6,362.38</b>	<b>567.64</b>	<b>379.37</b>	<b>35,079.69</b>	<b>34,320.52</b>
<b>RESULTS</b>										
Segment Result	8,159.49	7,490.93	438.18	1,300.65	1,418.25	2,122.51	567.64	-	10,583.56	10,914.09
Less: Expenses	3,841.74	3,414.71	409.40	1,006.15	1,066.90	804.05	2,103.22	1,995.37	7,421.26	7,220.28
Operating income	4,317.75	4,076.22	28.78	294.50	351.35	1,318.46	(1,535.58)	(1,995.37)	3,162.30	3,693.81
Less: Finance Cost	-	-	-	-	-	-	676.50	843.12	676.50	843.12
<b>Segment Profit before taxation</b>									<b>2,485.80</b>	<b>2,850.69</b>
Tax expense	-	-	-	-	-	-	-	-	552.43	1,036.68
Other comprehensive income (net of taxes)	-	-	-	-	-	-	(415.23)	-	(415.23)	(14.30)
<b>Total comprehensive income for the year</b>									<b>1,518.14</b>	<b>1,799.72</b>
Segment Assets	18,845.95	15,236.09	1,287.56	870.36	3,514.40	2,791.02	-	-	23,647.91	18,897.48
Unallocated Assets	-	-	-	-	-	-	6,437.79	6,819.14	6,437.79	6,819.14
<b>Total Assets</b>									<b>30,085.70</b>	<b>25,716.62</b>
Segment Liabilities	4,030.51	986.62	-	11.52	-	442.13	-	-	4,030.51	1,440.26
Unallocated Liabilities	-	-	-	-	-	-	26,055.19	24,276.36	26,055.19	24,276.36
<b>Total Liabilities</b>									<b>30,085.70</b>	<b>25,716.62</b>
Capital Expenditure	475.49	1,093.71	-	-	-	-	-	-	475.49	1,093.71
Unallocable Expenditure	-	-	-	-	-	-	66.85	44.5	66.85	44.51
Depreciation/Amortization	462.66	493.35	-	-	-	-	-	-	462.66	493.35
Unallocable Depreciation	-	-	-	-	-	-	114.75	6.82	114.75	6.82
<b>Segment Revenue based on the locations of the customers :</b>									<b>577.41</b>	<b>500.17</b>
America	-	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-	-
India	-	-	-	-	-	-	-	-	-	-
Other than America, Europe & India	462.66	493.35	-	-	-	-	114.75	6.82	462.66	493.35
Notes :									<b>577.41</b>	<b>500.17</b>
(i) Unallocated expenses includes legal & professional expenses, travelling expenses, rates & taxes and business promotion expenses which are not attributable directly to each of the segment.									10,258.39	15,591.42
(ii) Unallocated assets include corporate assets, cash and bank balances, investments, loans, other financial assets and other non-allocable assets.									14,718.96	13,183.72
(iii) Unallocated liabilities include corporate liabilities, bank borrowings and other non-allocable liabilities.									8,568.06	4,314.79
<b>(b) Revenue from major customers:</b>									<b>34,185.63</b>	<b>33,741.82</b>
Revenue from major customers	-	-	-	-	-	-	-	-	10,258.39	15,591.42
Revenue from other customers	-	-	-	-	-	-	-	-	14,718.96	13,183.72
Revenue from other customers	-	-	-	-	-	-	-	-	8,568.06	4,314.79
Revenue from other customers	-	-	-	-	-	-	-	-	640.22	651.89
Revenue from other customers	-	-	-	-	-	-	-	-	<b>34,185.63</b>	<b>33,741.82</b>

The revenues of Rs. 15917.40 lakhs (March 31, 2019 Rs. 17,132.48 lakhs) are derived from three individual customers (including related parties).

Nature Bio-Foods Limited  
Notes forming part of financial statements for the year ended March 31, 2020

Note 36 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	(Rs. in Lakhs)	
		March 31, 2020	March 31, 2019
<b>Current</b>			
<b>Financial assets</b>			
Trade receivable	7 (d)	6,969.68	3,525.47
Cash and cash equivalents	7 (e)	72.95	364.80
Loans	7 (b)	1.41	4.90
Other Financial Assets	7 (c)	711.85	751.50
<b>Non-Financial assets</b>			
Inventory	11	13,974.34	15,371.99
<b>Total current assets pledged as security</b>	<b>A</b>	<b>21,730.23</b>	<b>20,018.66</b>
<b>Non-current assets</b>			
Property Plant and equipment	4	1,001.73	1,288.05
<b>Total non-current assets pledged as security</b>	<b>B</b>	<b>1,001.73</b>	<b>1,288.05</b>
<b>Total assets pledged as security</b>	<b>(A+B)</b>	<b>22,731.96</b>	<b>21,306.72</b>

Note 37 : Standards issued but not yet effective

Ministry of Corporate Affairs ('MCA') notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



**Nature Bio-Foods Limited**  
**Notes forming part of financial statements for the year ended March 31, 2020**

**Note 38: Transfer Pricing**

As per the international transfer pricing norms introduced in India with effect from April 1, 2001 and the domestic transfer pricing norms introduced with effect from April 1, 2012, the Company is required to use certain specified methods in computing arm's length price of international and domestic transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial period. However, in the opinion of the Management the same would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

**Note 39:** The Company is engaged into the business of manufacturing and selling rice and soyabean meal and therefore, its business falls under the category to provide 'essential services'. Due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, the State Government has granted permission to the Company to run its operations and based on management's assessment upto the date of approval of this Statement, the Company is very well equipped with a robust supply chain network and has no shortage with respect to raw material, including stock of paddy and rice, to fulfil the demand from both India and international markets. The Company has implemented risk mitigation strategies for the health and wellness of its employees/ workers and plant has been operating with all and necessary adherence to the guidelines issued by the respective authorities. Based on management's assessment of the impact on Company's operations, financial performance and position as at and for the year ended March 31, 2020, it has been concluded that there is no impact which is required to be recognized in these financial statements. Accordingly, no adjustments have been made to these financial statements.

**Note 40:** There are numerous interpretive issues relating to the Hon'ble Supreme Court (SC) judgement dated February 28, 2019 on provident fund on which the Company has obtained legal advice specifically on the retrospective applicability of the same. The Company has started recognising such expenditure/liability on account of enhanced provident fund contributions prospectively. Pending further clarification on the applicability of such ruling and on basis of the legal opinion so obtained, the management is of the view that such ruling is applicable prospectively.

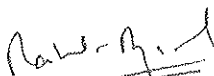
**Note 41: Previous year figures**

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

**Approval of financial statements** - The financial statements were authorised for issue by the Board of Directors on May 26, 2020.

For MSKA & Associates  
Chartered Accountants  
Firm Registration Number : 105047W

For and on behalf of the Board of Directors



**Rahul Aggarwal**  
Partner  
Membership Number: 505676



**Jai Sheef Oberoi**  
Director & CEO  
DIN No. 06919497



**Anmol Arora**  
Director  
DIN No. 07727210

Place: Gurugram  
Date : May 26, 2020

Place: Gurugram  
Date : May 26, 2020

Place: Gurugram  
Date : May 26, 2020