

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Nature Bio-Foods Limited

**Report on the Audit of the Standalone Financial Statements****Opinion**

We have audited the standalone financial statements of Nature Bio-Foods Limited ("the Company"), which comprise the balance sheet as at 31st March 2021, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit, its other comprehensive income, its changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the standalone financial statements and our auditor's report thereon. The other information has not been made available to us.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is material inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the directors report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take the appropriate action as applicable under the relevant laws and regulations.



### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, Other Comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone<sup>1</sup> financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account



- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W



**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 21505676AAAABE7527

Place: Gurugram  
Date: May 26, 2021

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NATURE BIO-FOODS LIMITED

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



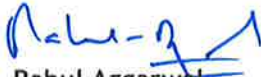
# MSKA

## & Associates

Chartered Accountants

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

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W



Rahul Aggarwal  
Partner  
Membership No. 505676  
UDIN: 21505676AAAABE7527

Place: Gurugram  
Date: May 26, 2021

### ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NATURE BIO-FOODS LIMITED

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i.
  - (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
  - (b) All the fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying them each year, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No Material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The inventory (excluding Stock in transit & stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. The Company has granted loans, secured or unsecured to its Indian subsidiary Company covered in the register maintained under section 189 of the Companies Act 2013.
  - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the Company listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
  - (b) In case of the loans granted to the Company listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have been stipulated and the borrower have been regular in the payment of principal and interest.
  - (c) There are no amounts overdue for more than ninety days in respect of the loan granted to Company listed in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.



- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of TDS, though there has been slight delay in few cases, and is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues as at March 31, 2021 of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	514,888	A.Y. 2010-11	ITAT
Income Tax Act, 1961	Penalty u/s 271 (1) (c)	100,185	A.Y. 2013-14	CIT (Appeals)
Income Tax Act, 1961	Penalty u/s 271 (1) (c)	8,498	A.Y. 2014-15	CIT (Appeals)
Income tax Act, 1961	Income tax demand	448,913	A.Y 2018-19	CIT (Appeals)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.



- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W



**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 21505676AAAABE7527

Place: Gurugram  
Date: May 26, 2021



### ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF NATURE BIO-FOODS LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Nature Bio Foods Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.



### Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

### Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

### Opinion

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W



**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 21505676AAAABE7527

Place: Gurugram  
Date: May 26, 2021


**Nature Bio-Foods Limited**  
**Balance sheet as at March 31, 2021**

	Notes	March 31, 2021 (Rs. In Lakhs)	March 31, 2020 (Rs. In Lakhs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,374.11	2,601.56
Right of use assets	5	237.13	171.80
Capital work-in-progress	4	86.55	93.73
Intangible assets	6	2.37	4.05
Financial assets			
i) Investments	7 (a)	1,514.02	14.02
ii) Loans	7 (b)	3,800.43	3,800.13
iii) Other financial asset	7 (c)	13.24	16.24
Deferred tax assets (net)	8	67.68	300.09
Current tax assets (net)	9	503.75	278.17
Other non-current assets	10	227.84	368.10
<b>Total non-current assets</b>		<b>9,827.12</b>	<b>7,647.89</b>
<b>Current assets</b>			
Inventories	11	19,569.48	13,974.34
Financial assets			
i) Trade receivables	7 (d)	3,697.13	6,969.68
ii) Cash and cash equivalents	7 (e)	48.41	72.95
iii) Loans	7 (b)	-	1.41
iv) Other financial assets	7 (c)	1,001.06	711.85
Other current assets	12	1,134.98	707.58
<b>Total current assets</b>		<b>25,451.06</b>	<b>22,437.81</b>
<b>Total assets</b>		<b>35,278.18</b>	<b>30,085.70</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)	11,865.06	9,941.27
<b>Total equity</b>		<b>16,018.06</b>	<b>14,094.27</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	15 (a)	2,713.08	2,374.11
ii) Other financial liabilities	15 (b)	239.80	167.01
Provisions	16	116.57	75.19
<b>Total non-current liabilities</b>		<b>3,069.45</b>	<b>2,616.31</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i) Borrowings	15 (a)	8,302.70	7,601.18
ii) Trade payables,			
a) total outstanding dues of micro and small enterprises	15 (c)	79.44	41.77
b) total outstanding dues other than (ii) (a) above	15 (c)	4,903.44	3,537.74
iii) Other financial liabilities	15 (d)	125.58	825.68
Provisions	16	16.30	33.61
Other current liabilities	17	2,763.21	1,335.14
<b>Total current liabilities</b>		<b>16,190.67</b>	<b>13,375.12</b>
<b>Total liabilities</b>		<b>19,260.12</b>	<b>15,991.43</b>
<b>Total equity and liabilities</b>		<b>35,278.18</b>	<b>30,085.70</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 : 15676

Place: Gurugram  
Date : May 26, 2021

For and on behalf of the Board of Directors

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

Place: Delhi  
Date : May 18, 2021

  
**Anmol Arora**  
Director  
DIN No. 07727210

Place: Delhi  
Date : May 18, 2021

**Nature Bio-Foods Limited**  
**Statement of Profit and Loss for the year ended March 31, 2021**

Particulars	Notes	Year ended March 31, 2021 (Rs. In Lakhs)	Year ended March 31, 2020 (Rs. In Lakhs)
<b>Income</b>			
Revenue from operations	18	40,464.26	34,185.63
Other income and other gains/(losses)	19	548.73	894.06
<b>Total income</b>		<b>41,012.99</b>	<b>35,079.69</b>
<b>Expenses</b>			
Cost of materials consumed	20	25,199.16	15,160.60
Purchase of stock-in-trade		8,215.33	7,443.28
Changes in inventories of finished goods and stock-in-trade	21	(3,705.16)	1,892.26
Employee benefit expense	22	1,369.63	1,296.26
Finance costs	23	765.12	676.51
Depreciation and amortisation expense	24	745.14	577.41
Litigation Claim	25 (a)	-	421.37
Other expenses	25	6,800.21	5,126.22
<b>Total expenses</b>		<b>39,389.43</b>	<b>32,593.91</b>
<b>Profit before tax</b>		<b>1,623.56</b>	<b>2,485.78</b>
<b>Income tax expense</b>			
- Current tax	27	557.79	900.00
- Tax related to earlier years		-	(141.58)
- Deferred tax	8	(42.03)	(205.99)
<b>Total Tax expense</b>		<b>515.76</b>	<b>552.43</b>
<b>Profit for the year</b>		<b>1,107.80</b>	<b>1,933.35</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)	1.16	(6.12)
Income tax relating to these items	8	(0.29)	2.14
<u>2. Items that will be reclassified to profit or loss:</u>			
Profit/(Loss) on cashflow hedge reserve		1,089.26	(549.56)
Income tax relating to these items		(274.14)	138.31
<b>Other comprehensive income for the year, net of tax</b>		<b>815.99</b>	<b>(415.23)</b>
<b>Total comprehensive income for the year</b>		<b>1,923.79</b>	<b>1,518.12</b>
<b>Earnings per equity share of Rs. 10 each :</b>			
Basic (Rs.)	26	42.63	74.40
Diluted (Rs.)		42.63	74.40

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, 2021

For and on behalf of the Board of Directors

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

Place: Delhi  
Date : May 18, 2021

  
**Armol Arora**  
Director  
DIN No. 07727210

Place: Delhi  
Date : May 18, 2021

**Nature Bio-Foods Limited**  
**Cash Flow Statement For the Year ended March 31, 2021**

	(Rs. In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	1,623.56	2,485.78
<b>Adjustment for:</b>		
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortization expense	745.14	577.41
Interest income	(302.45)	(219.33)
Unrealised Loss on MTM forwards	(76.06)	76.06
Unrealised Gain on foreign currency transaction	4.61	(180.94)
Liabilities no longer required and written back	(34.37)	(16.86)
Bad and Doubtful debts	-	9.93
Loss/(profit) on sale of property, plant & equipments (net)	(0.30)	(11.71)
Provision for Employee benefits	36.46	-
loss on account of fire	111.42	-
Finance cost	717.57	631.74
<b>Operating profit before change in operating assets &amp; liability</b>	<b>2,825.58</b>	<b>3,352.08</b>
<b>Change in operating assets &amp; liability</b>		
Increase/ (Decrease) in trade payables	1,428.29	1,903.41
Increase/ (Decrease) in other financial liabilities	6.44	(46.58)
Increase/ (Decrease) in other current liabilities	1,428.07	1,084.26
Increase/ (Decrease) in provisions	(11.22)	(16.49)
(Increase)/ Decrease in trade receivables	3,277.38	(3,283.73)
(Increase)/ Decrease in inventories	(5,706.56)	1,397.66
(Increase)/ Decrease in other financial assets	335.96	239.81
(Increase)/ Decrease in other non current financial assets	1.11	(3,780.04)
(Increase)/ Decrease in other current assets	(427.40)	1,305.57
(Increase)/ Decrease in other non current asset	140.26	7.25
Cash generated/(used in) operations	<b>3,297.91</b>	<b>2,163.20</b>
Direct taxes paid (net of refunds)	783.35	765.43
<b>Net cash from/(used in) operating activities</b>	<b>2,514.56</b>	<b>1,397.77</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant equipment and intangible assets (including capital work-in-progress)	(1,595.60)	(542.34)
Sale proceeds from property, plant and equipment	48.96	291.57
Interest received	219.97	22.67
Investment in equity shares of subsidiary Company	(1,500.00)	-
<b>Net cash from/(used in) investing activities</b>	<b>(2,826.67)</b>	<b>(228.10)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from term loan	-	48.43
Repayment of term loan	(68.18)	(56.38)
Proceeds from/(repayment) of packing credit loan (net)	684.33	(1,145.74)
Interest paid	(328.58)	(307.83)
<b>Net cash from/(used in) financing activities</b>	<b>287.57</b>	<b>(1,461.52)</b>
Net increase in cash and cash equivalents	(24.54)	(291.85)
Cash and cash equivalents at the beginning of the year	72.95	364.80
Cash and cash equivalents at the end of the year	<b>48.41</b>	<b>72.95</b>
<b>Cash and cash equivalents comprises:</b>		
Cash on hand	0.68	1.56
Balances with the banks:		
- in current accounts	47.73	52.39
-Deposits with original maturity Less than 3 months	-	19.00
	<b>48.41</b>	<b>72.95</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 26, 2021

Place: Delhi  
Date : May 18, 2021

Place: Delhi  
Date : May 18, 2021

**Nature Bio-Foods Limited**  
**Statement of Changes in Equity for the year ended March 31, 2021**

**a) Equity share capital**


	Notes	Rs. in Lakhs
As at April 01, 2019	13	200.10
Add: Shares issued during the year		-
As at March 31, 2020	13	200.10
Add: Shares issued during the year		-
As at March 31, 2021	13	200.10

**b) Other equity**

	Notes	Retained Earnings	Securities Premium	Equity component of compound financial instrument	Cash Flow Hedging Reserve	Total
<b>Balance as at April 01, 2019</b>	14	8,418.25	4.90	3,952.90	-	12,376.05
Profit for the year		1,933.35	-	-	-	1,933.35
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>1,929.37</b>	<b>-</b>	<b>-</b>	<b>(411.25)</b>	<b>1,518.12</b>
<b>Balance as at March 31, 2020</b>	14	<b>10,347.62</b>	<b>4.90</b>	<b>3,952.90</b>	<b>(411.25)</b>	<b>13,894.17</b>
<b>Balance as at April 1, 2020</b>	14	10,347.62	4.90	3,952.90	(411.25)	13,894.17
Profit for the year		1,107.80	-	-	-	1,107.80
Remeasurement of Defined Benefit Obligations (Net of Tax)		0.87	-	-	-	0.87
Profit on Cash Flow Hedge (Net of Tax)		-	-	-	815.12	815.12
<b>Total comprehensive income for the year</b>		<b>1,108.67</b>	<b>-</b>	<b>-</b>	<b>815.12</b>	<b>1,923.79</b>
<b>Balance as at March 31, 2021</b>	14	<b>11,456.29</b>	<b>4.90</b>	<b>3,952.90</b>	<b>403.87</b>	<b>15,817.96</b>

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, 2021

For and on behalf of the Board of Directors

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

Place: Delhi  
Date : May 18, 2021

  
**Anmol Arora**  
Director  
DIN No. 07727210

Place: Delhi  
Date : May 18, 2021

**NATURE BIO-FOODS LIMITED**  
**FOR THE YEAR ENDED MARCH 31, 2021**

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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 basmati rice and manufacturing of rice 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.

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

**(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. 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.

Effective from 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 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  
Notes forming part of the financial statements for the year ended March 31, 2021  
Note 4 : Property, plant and equipment

Description	(Rs. In Lakhs)									
	Leasehold Land	Building	Plant and machinery	Furniture and fixture	Vehicles	Office equipment	Computers	Lab Equipments	Total	Capital Work in Progress
<b>Year ended March 31, 2020</b>										
Gross carrying amount										
Opening gross carrying amount	271.27	1,904.03	944.75	146.96	339.85	300.00	65.40	28.58	4,000.84	287.59
Additions during the year	-	499.64	38.28	5.43	111.68	52.62	8.05	-	715.70	168.46
Reclassified on account of adoption of Ind AS 116 (Refer to note 5)	271.27	-	-	-	-	-	-	-	271.27	-
Disposals during the year	-	-	22.60	0.05	77.14	-	-	-	99.79	362.22
<b>Closing gross carrying amount</b>	-	<b>2,403.67</b>	<b>960.43</b>	<b>152.34</b>	<b>374.39</b>	<b>382.62</b>	<b>73.45</b>	<b>28.58</b>	<b>4,345.48</b>	<b>93.77</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	20.43	62.65	64.58	11.45	4.59	564.93	-
Redefined on account of adoption of Ind AS 116 (Refer to note 5)	1.38	-	-	-	-	-	-	-	1.38	-
Disposals during the year	-	-	8.31	0.03	60.23	-	-	-	68.57	-
<b>Closing accumulated depreciation</b>	-	<b>706.05</b>	<b>510.67</b>	<b>90.84</b>	<b>154.17</b>	<b>198.08</b>	<b>70.56</b>	<b>13.55</b>	<b>1,743.92</b>	-
<b>Net carrying amount</b>	-	<b>1,697.62</b>	<b>449.76</b>	<b>61.50</b>	<b>220.22</b>	<b>184.54</b>	<b>2.89</b>	<b>15.03</b>	<b>2,601.56</b>	<b>93.77</b>
<b>Year ended March 31, 2021</b>										
Gross carrying amount										
Opening gross carrying amount	-	2,403.67	960.43	152.34	374.39	352.62	73.45	28.58	4,345.48	93.73
Additions during the year	-	738.92	756.41	-	-	29.03	18.10	-	1,542.46	-
Disposals during the year	-	54.07	-	-	-	-	-	-	54.07	86.48
<b>Closing gross carrying amount</b>	-	<b>3,088.52</b>	<b>1,716.84</b>	<b>152.34</b>	<b>374.39</b>	<b>381.65</b>	<b>91.55</b>	<b>28.58</b>	<b>5,833.97</b>	<b>86.55</b>
<b>Accumulated depreciation</b>										
Opening accumulated depreciation	-	706.05	510.67	90.84	154.17	198.08	70.56	13.55	1,743.92	-
Depreciation charge during the year	-	407.72	160.49	16.45	67.65	56.69	11.69	0.87	721.25	-
Disposals during the year	-	5.41	-	-	-	-	-	-	5.41	-
<b>Closing accumulated depreciation</b>	-	<b>1,108.36</b>	<b>671.16</b>	<b>106.99</b>	<b>221.82</b>	<b>254.76</b>	<b>82.25</b>	<b>14.42</b>	<b>2,459.76</b>	-
<b>Net carrying amount</b>	-	<b>1,980.16</b>	<b>1,045.69</b>	<b>45.36</b>	<b>152.58</b>	<b>126.89</b>	<b>9.30</b>	<b>14.16</b>	<b>3,374.11</b>	<b>86.55</b>

(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, Plant & Machinery 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. 47.06 lakhs as stated in Note 34.

(vi) Additions during the year include assets transferred from subsidiary amounting to Rs 818.64 lakhs as stated in Note 34.

(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 the financial statements for the year ended March 31, 2021**

**Note 5 : Right of use assets**

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

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

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

Following are the changes in the carrying value of right to use of the assets for the year end 31st March 2021

Particulars	Category of Assets	Total
	Land	
<b>Balance as at April 1, 2020</b>	171.80	171.80
Additions	86.47	86.47
Deletion	-	-
Depreciation	(21.14)	(21.14)
<b>Balance as at March 31, 2021</b>	<b>237.13</b>	<b>237.13</b>

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, 2021

Particulars	As at 31st March 2021	As at 31st March 2020
Current lease liabilities (Refer note 15 (d))	23.74	5.26
Non Current lease liabilities (Refer note 15 (b))	239.80	167.01

The following is the movement in lease liability during the year ended March 31, 2021

Particulars	As at 31st March 2021	Year ended 31 st March 2020
<b>Balance at the beginning</b>	<b>172.27</b>	<b>21.25</b>
Additions	86.47	180.88
Finance cost accrued there on	32.83	14.17
Deletions	-	(20.60)
Payment of lease liability	(28.03)	(23.44)
<b>Balance at the end</b>	<b>263.54</b>	<b>172.27</b>

The table provides details regarding the contractual maturities of Lease liabilities as at March 31, 2021 on undiscounted basis:

Particulars	As at 31st March 2021	As at 31st March 2020
Less than one year	37.43	23.44
One to five years	205.52	136.72
More than Five years	280.03	176.65
<b>Total</b>	<b>522.98</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 the financial statements for the year ended March 31, 2021

**Note 6 : Intangible assets****(Rs. In Lakhs)**

<b>Particulars</b>	<b>Computer Software</b>	<b>Total</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>
<b>Year ended March 31, 2021</b>		
<b>Gross carrying amount</b>		
Opening gross carrying amount	12.23	12.23
Additions during the year	1.07	1.07
Disposals during the year	-	-
<b>Closing gross carrying amount</b>	<b>13.30</b>	<b>13.30</b>
<b>Opening accumulated amortisation</b>		
Opening accumulated amortisation	8.18	8.18
Amortisation charge during the year	2.75	2.75
Disposals during the year	-	-
<b>Closing accumulated depreciation</b>	<b>10.93</b>	<b>10.93</b>
<b>Closing net carrying amount</b>	<b>2.37</b>	<b>2.37</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, 2021**

**Note 7 : Financial Assets**

7 (a) Non-current investments	(Rs. In Lakhs)	
	March 31, 2021	March 31, 2020
<b>Investment in equity instruments (fully paid up)</b>		
<b>Subsidiaries:</b>		
36,21,430 ( March 31, 2020 : 50,000) equity shares of Ecopure Specialities Limited, India (refer note (i) below)	1,505.00	5.00
10 ( March 31, 2020 : 10) equity shares of Nature Bio Foods BV, Netherland	0.01	0.01
<b>Total (equity instruments)</b>	<b>1,505.01</b>	<b>5.01</b>
<b>Investments at fair value through statement of profit &amp; loss</b>		
Keyman insurance policy	9.01	9.01
<b>Total non current investments</b>	<b>1,514.02</b>	<b>14.02</b>
Aggregate amount of quoted investments and market value there of	-	-
Aggregate amount of unquoted investments; and	1,505.01	5.01
Aggregate amount of impairment in value of investments	-	-

(i) During the FY 2020-21, Company had invested Rs. 1,500 lakhs (3,571,430 equity shares having face value of Rs 10 at a premium of Rs 32) in Ecopure Specialities limited (Subsidiary) .

7 (b) Loans	(Rs. In Lakhs)			
	As at March 31, 2021		As at March 31, 2020	
	Current	Non Current	Current	Non Current
Security deposits	-	35.08	1.41	34.78
Loan to Subsidiary	-	3,765.35	-	3,765.35
<b>Total Loans</b>	<b>-</b>	<b>3,800.43</b>	<b>1.41</b>	<b>3,800.13</b>
<b>Break-up of security details</b>				
Loans considered good- Secured	-	-	-	-
Loans considered good- Unsecured	-	3,800.43	1.41	3,800.13
Loans which have significant increase in credit risk	-	-	-	-
Loans- credit impaired	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,800.43</b>	<b>1.41</b>	<b>3,800.13</b>
Less: Loss allowance	-	-	-	-
<b>Total Loans</b>	<b>-</b>	<b>3,800.43</b>	<b>1.41</b>	<b>3,800.13</b>

(a) No loans are due from director or other officer of the company either severally or jointly with any other persons other than disclosed above. Further, no loans are due from firms or private companies respectively in which director is partner, director or member other than disclosed above.

7 (c) Other Financial assets	(Rs. In Lakhs)			
	As at March 31, 2021		As at March 31, 2020	
	Current	Non Current	Current	Non Current
Foreign exchange forward contracts	539.69	-	0.00	-
Interest accrued but not due on fixed deposits	1.23	-	1.01	-
Interest accrued and due on advance to related Party (refer note no 34)	278.64	-	196.38	-
Subvention on interest expense receivable	-	-	1.28	-
Export incentive recoverable	178.50	-	169.85	-
Bank deposits*	3.00	12.25	-	15.25
<i>Derivatives not designated as hedges:</i>				
Derivative component of compound financial instrument	-	0.99	-	0.99
Receivable Against Capital Goods (refer note no 34)	-	-	343.33	-
<b>Total other financial assets</b>	<b>1,001.06</b>	<b>13.24</b>	<b>711.85</b>	<b>16.24</b>

\* 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, 2021**

<b>Note 7 (d) : Trade receivables</b>	<b>(Rs. In Lakhs)</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Trade receivables	787.80	1,994.22
Receivables from related parties (refer note 34 & note (i) below)	2,909.33	4,975.46
<b>Total Receivables</b>	<b>3,697.13</b>	<b>6,969.68</b>
 <b>Break-up of Trade Receivables</b>		
Trade receivable considered good- Secured	-	-
Trade receivable considered good- Unsecured	3,697.13	6,969.68
Trade receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
<b>Total</b>	<b>3,697.13</b>	<b>6,969.68</b>
Less: Allowance for doubtful debts	-	-
<b>Total Trade receivables</b>	<b>3,697.13</b>	<b>6,969.68</b>
 (i) Includes receivables from companies in which Director of the Company is also a Director	 1,732.04	 1,814.78

<b>Note 7 (e): Cash and cash equivalents</b>	<b>(Rs. In Lakhs)</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Cash and cash equivalents</b>		
Cash on hand	0.68	1.56
Balances with banks		
- in current accounts	47.73	52.39
-Deposits with original maturity Less than 3 months	-	19.00
	<b>48.41</b>	<b>72.95</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, 2021**

**Note 8 : Deferred tax assets**

The balance comprises temporary differences attributable to:

**Deferred Tax Assets:**

Provision for employees benefits

Depreciation

Derivative MTM

Lease Assets

**Total**

**Deferred tax liabilities:**

Derivative MTM

	(Rs. In Lakhs)	
	March 31, 2021	March 31, 2020
Provision for employees benefits	33.45	27.39
Depreciation	163.41	115.23
Derivative MTM	-	157.46
Lease Assets	6.65	-
<b>Total</b>	<b>203.51</b>	<b>300.09</b>
<b>Deferred tax liabilities:</b>		
Derivative MTM	135.83	-
<b>Net deferred tax assets/(liabilities)*</b>	<b>67.68</b>	<b>300.09</b>

\* 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	Lease Assets	Derivative MTM	Total
<b>As at April 01, 2019</b>	97.00	30.79	10.86	-	(185.01)	(46.36)
(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>115.23</b>	<b>27.39</b>	<b>-</b>	<b>-</b>	<b>157.46</b>	<b>300.09</b>
(Charged)/credited:						
- to profit or loss	48.18	6.36	-	6.65	(19.14)	42.03
- to Other comprehensive income	-	(0.29)	-	-	(274.14)	(274.44)
<b>As at March 31, 2021</b>	<b>163.41</b>	<b>33.45</b>	<b>-</b>	<b>6.65</b>	<b>(135.83)</b>	<b>67.68</b>

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

Advance income tax [net of provision for tax Rs. 3,120.99 Lakhs (previous year Rs. 3,952.51 Lakhs)]

**Total current tax assets (net)**

	(Rs. In Lakhs)	
	March 31, 2021	March 31, 2020
Advance income tax [net of provision for tax Rs. 3,120.99 Lakhs (previous year Rs. 3,952.51 Lakhs)]	503.75	278.17
<b>Total current tax assets (net)</b>	<b>503.75</b>	<b>278.17</b>

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

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, 2021	March 31, 2020
Prepaid expenses	0.48	0.74
Advance to MVL Credit Holding & Leasing Limited (refer note (i) below)	110.00	250.00
Advance to First Idea Builders (refer note (i) below)	78.00	78.00
Interest accrued and due on advance for property	39.36	39.36
<b>Total other non-current assets</b>	<b>227.84</b>	<b>368.10</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, 2021**

<b>Note 11 : Inventories</b>	<b>(Rs. In Lakhs)</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Raw materials	8,291.85	6,529.15
Semi Finished Goods	4,710.54	2,281.02
Finished goods	3,974.67	2,181.01
Traded goods	1,905.64	2,423.66
Stores and spares	116.82	48.95
Packing Material	569.96	510.55
<b>Total inventories</b>	<b>19,569.48</b>	<b>13,974.34</b>

**Note:**

(i) Write down of inventories to net realisable value amounted to Rs. 31.28 lakhs on finished goods (March 31, 2020 - Rs. 35.53 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.

<b>Note 12 : Other current assets</b>	<b>(Rs. In Lakhs)</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Prepaid expenses	228.31	106.83
Advance to employees	13.18	5.37
Advances to vendors	544.25	191.09
Balance with government authority	258.26	328.25
Capital Advance	36.44	70.48
Advance to related parties (refer note 34 & note (i) below)	54.53	5.56
<b>Total other current assets</b>	<b>1,134.98</b>	<b>707.58</b>

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



## 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, 2019	2,500,000	250.00	2,400,000	240.00
Increase during the period				
As at March 31, 2020	2,500,000	250.00	2,400,000	240.00
Increase during the year				
As at March 31, 2021	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, 2019	2,001,000	200.10
Add: Shares issued during the year	-	-
As at March 31, 2020	2,001,000	200.10
Add: Shares issued during the year	-	-
As at March 31, 2021	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, 2021		As at March 31, 2020	
	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, 2021		As at March 31, 2020	
	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, 2021	March 31, 2020
Balance at the beginning of the year	3,952.90	3,952.90
Add : Equity component of financial instrument issue during the year - net of transaction costs (refer note (i) below)	-	-
<b>Balance at the end of the year</b>	<b>3,952.90</b>	<b>3,952.90</b>

Note (i): During the FY 2018-19 the Company 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 are subscribed by India Agri Business Fund II Ltd and 23980 CCCPS are 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. The presentation of the liability, equity and derivative portion of these shares is explained in Note 2(xx).

## Note 14 (b) : Reserves and Surplus

Particulars	Rs. in Lakhs	
	March 31, 2021	March 31, 2020
Securities premiums	4.90	4.90
Retained earnings	11,456.29	10,347.62
Cash flow hedging reserves	403.87	(411.25)
<b>Total Reserves &amp; Surplus</b>	<b>11,865.06</b>	<b>9,941.27</b>

## (i) Securities premium

	Rs. in Lakhs	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year (refer Note (a) below)	4.90	4.90
Add: Securities Premium on issue of equity shares	-	-
<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, 2021	March 31, 2020
Balance at the beginning of the year	10,347.62	8,418.25
Net profit for the year	1,107.80	1,933.35
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment defined benefit obligation, net of tax (refer note 16a)	0.87	(3.98)
<b>Balance at the end of the year</b>	<b>11,456.29</b>	<b>10,347.62</b>

## (iii) Cash flow hedging reserves

	Rs. in Lakhs	
	March 31, 2021	March 31, 2020
Balance at the beginning of the year	(411.25)	-
Less: Profit/(Loss) on cashflow hedge reserve, net of tax (refer note (b) below)	815.12	(411.25)
	<b>403.87</b>	<b>(411.25)</b>

Note (a): During the FY 2018-19, 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 (b): 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 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. 5.33 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, 2021	March 31, 2020
Leave obligations not expected to be settled within the next 12 months	27.36	4.84

(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.

The Company provides for gratuity for employees with Canara HSBC OBC Term Insurance in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognized funds in India.

**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, 2021	March 31, 2020
Current service cost	20.14	16.54
Interest cost	5.34	5.25
Past Service Cost	-	-
Adjustment	-	-
<b>Amount recognised in the statement of profit and loss</b>	<b>25.48</b>	<b>21.79</b>

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

Description	(Rs. In Lakhs)	
	March 31, 2021	March 31, 2020
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>94.78</b>	<b>70.88</b>
Current service cost	20.14	16.54
Interest cost	6.08	5.69
Actuarial loss/(gain) recognised during the year	(1.01)	7.00
Benefits paid	(18.72)	(5.33)
Past service cost	-	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>101.27</b>	<b>94.78</b>

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

Description	(Rs. In Lakhs)	
	March 31, 2021	March 31, 2020
<b>Liability as at the start of the year</b>	<b>82.87</b>	<b>64.96</b>
Total Charge /(Credit) recognised in profit & Loss	25.48	21.79
Total Remeasurements recognised in Other comprehensive income/loss	(1.16)	6.12
Adjustment	-	-
Benefits paid	(7.00)	(10.00)
<b>Liability as as at the end of the year</b>	<b>100.19</b>	<b>82.87</b>
<b>Current Liability as at the end of the year</b>	<b>10.97</b>	<b>12.52</b>
<b>Non current Liability as at the end of the year</b>	<b>89.22</b>	<b>70.35</b>

ii(d) Change in fair value of assets:

Description	(Rs. In Lakhs)	
	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning of the year	11.92	5.92
Interest Income Plan Assets	0.72	0.45
Actual Company Contributions	7.00	10.00
Actuarial Gains/(Losses)	0.16	0.88
Benefits paid	(18.72)	(5.33)
<b>Fair value of plan assets at the end of the year</b>	<b>1.08</b>	<b>11.92</b>



(Rs. In Lakhs)

## Note 15 : Financial Liabilities

## Note 15 (a) Borrowings

## Secured:

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

From banks

From other financial institutions

Packing credit loan from Banks (refer note (i), (ii) &amp; (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))

	March 31, 2021		As at March 31, 2020	
	Non Current	Current	Non Current	Current
From banks	17.85	17.20	57.50	-
From other financial institutions	-	-	45.73	-
Packing credit loan from Banks (refer note (i), (ii) & (iii) below)	-	8,285.50	-	7,601.18
Unsecured:				
Liability component of compound financial instrument - net of transaction costs (refer note 14 (a)(i))	2,695.23	-	2,339.06	-
	2,713.08	8,302.70	2,442.29	7,601.18
Less : Current maturities of long term debts (included in note 15(d))	-	-	68.18	-
	<b>2,713.08</b>	<b>8,302.70</b>	<b>2,374.11</b>	<b>7,601.18</b>

## (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 &amp; 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 installment	Balance outstanding March 31, 2021	Balance outstanding March 31, 2020
<b>Vehicle loans</b>							
HDFC Bank	48.43	2019-20	9.50%	Mar,5,2023	55.65	32.92	47.30
Yes Bank	19.28	2018-19	9.05%	June 22, 2021	22.13	1.76	8.45
Yes Bank	4.00	2018-19	9.04%	June 22, 2021	4.59	0.37	1.75
Diamler Financial Services Private Limited	65.00	2017-18	9.71%	Jan 13, 2021	80.19	-	45.73
						<b>35.05</b>	<b>103.23</b>

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

## Financial year:

2020-21

2021-22

2022-23

	March 31, 2021	March 31, 2020
2020-21	-	68.18
2021-22	17.85	17.85
2022-23	17.20	17.20
	<b>35.05</b>	<b>103.23</b>

(b) Packing credit Loan- Loan taken from banks repayable within six months or nine months from the date as per the applicable terms of different banks and having floating interest rate

## (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 (including Current maturities of long term borrowings)

Non-Current borrowings

Net Debt

	(Rs. In Lakhs)	
	March 31, 2021	March 31, 2020
Cash and cash equivalents	48.41	72.95
Current borrowings (including Current maturities of long term borrowings)	(8,302.70)	(7,669.35)
Non-Current borrowings	(2,713.08)	(2,374.11)
Net Debt	<b>(10,967.37)</b>	<b>(9,970.51)</b>

## Particulars

Net debt as on March 31, 2019

Cash &amp; Cash Equivalent Movement

Cash movement of loan :

-Proceeds

-Repayment

Current maturities of long term borrowings

Interest expense

Interest paid

Net debt as on March 31, 2020

Cash &amp; Cash Equivalent Movement

Cash movement of loan :

-Proceeds

-Repayment

Current maturities of long term borrowings

Interest expense

Interest paid

Net debt as on March 31, 2021

	Cash and cash equivalents	Current Borrowings	Non-Current Borrowings	Rs. in Lakhs Total
Net debt as on March 31, 2019	364.80	(8,802.14)	(2,085.91)	(10,523.26)
Cash & Cash Equivalent Movement	(291.85)	-	-	(291.85)
Cash movement of loan :				
-Proceeds	-	(24,221.43)	-	(24,221.43)
-Repayment	-	25,375.14	-	25,375.14
Current maturities of long term borrowings	-	(20.89)	20.89	-
Interest expense	-	297.94	(318.95)	(21.01)
Interest paid	-	(297.97)	9.86	(288.11)
Net debt as on March 31, 2020	72.95	(7,669.35)	(2,374.11)	(9,970.51)
Cash & Cash Equivalent Movement	(24.54)	-	-	(24.54)
Cash movement of loan :				
-Proceeds	-	(31,815.00)	-	(31,815.00)
-Repayment	-	31,198.85	-	31,198.85
Current maturities of long term borrowings	-	(17.20)	17.20	-
Interest expense	-	(318.12)	(363.78)	(681.90)
Interest paid	-	318.12	7.62	325.74
Net debt as on March 31, 2021	48.41	(8,302.70)	(2,713.08)	(10,967.37)



**Nature Bio-Foods Limited**

Notes forming part of the financial statements for the year ended March 31, 2021

<b>Note 15 (b) : Other non-current financial liabilities</b>	<b>(Rs. In Lakhs)</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Lease obligation (Refer Note 5)	239.80	167.01
<b>Total other non-current financial liabilities</b>	<b>239.80</b>	<b>167.01</b>

<b>Note 15 (c) : Trade payables</b>	<b>(Rs. In Lakhs)</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Trade Payables: Micro and small enterprises (refer note 32)	79.44	41.77
Trade payable : Others (refer note (ii) below)	4,703.69	3,421.74
Trade payable to related Parties (refer note 34 and note (i) below)	199.75	116.00
<b>Total trade payables</b>	<b>4,982.88</b>	<b>3,579.51</b>

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

	199.75	116.00
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<b>Note 15 (d) : Other current financial liabilities</b>	<b>(Rs. In Lakhs)</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Current maturities of long term borrowings (refer note 15 (a))	-	68.18
Employees benefits payable	74.46	-
Employee related payable	3.35	9.71
Payable to fair farming foundation	24.03	57.66
Payable for finance lease obligations	23.74	5.26
Capital creditors	-	59.25
Derivative hedging component	-	625.62
<b>Total other current financial liabilities</b>	<b>125.58</b>	<b>825.68</b>



**Nature Bio-Foods Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2021**

Note 16 : Provisions	(Rs. In Lakhs)			
	March 31, 2021		As at March 31, 2020	
	Current	Non Current	Current	Non Current
<b>(i) Employee benefit obligations (refer note 16 (a))</b>				
Gratuity	10.97	89.21	12.52	70.35
Compensated absences	5.33	27.36	21.09	4.84
<b>Total provisions</b>	<b>16.30</b>	<b>116.57</b>	<b>33.61</b>	<b>75.19</b>

Note 17 : Other current liabilities	(Rs. In Lakhs)	
	March 31, 2021	March 31, 2020
	Statutory dues	64.64
Advances from customers	2,698.57	1,287.86
<b>Total other current liabilities</b>	<b>2,763.21</b>	<b>1,335.14</b>



**Nature Bio-Foods Limited****Notes forming part of financial statements for the year ended March 31, 2021**

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:

**(Rs. In Lakhs)**

<b>Assumptions</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Discount rate	6.39%	6.15%
Estimated Rate of Return on Plan Assets	6.39%	6.15%
Withdrawal rate	17.05%	18.86%
Mortality Rate	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Rate of increase in compensation	10.00%	9.00%

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:

<b>Description</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	101.27	94.78
- Impact due to increase of 1 %	(5.35)	(4.52)
- Impact due to decrease of 1 %	6.12	4.96
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	101.27	94.78
- Impact due to increase of 1 %	6.08	4.61
- Impact due to decrease of 1 %	(5.24)	(4.46)

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 for next 10 years (undiscounted)**

<b>Description</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Within next 12 months	11.32	12.51
Between 2-5 years	50.47	51.39
Beyond 5 years	47.47	30.88

**(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 49.28 lakhs (March 31, 2020: Rs 52.16 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)**

	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Provident fund	49.28	52.16
Employees' State Insurance	6.03	8.04
<b>Total</b>	<b>55.31</b>	<b>60.20</b>





**Nature Bio-Foods Limited**

Notes forming part of the financial statements for the year ended March 31, 2021

<b>Note 18 : Revenue from operations</b>	<b>(Rs. In Lakhs)</b>	
	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
<b>Sale of products *</b>		
Export	30,360.51	25,617.57
Domestic	10,008.74	8,530.08
<b>Other operating revenues *</b>		
Sales of Scrap	95.01	37.98
<b>Total revenue from operations</b>	<b>40,464.26</b>	<b>34,185.63</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:

	<b>(Rs. In Lakhs) Year ended March 31, 2021</b>	<b>(Rs. In Lakhs) Year ended March 31, 2020</b>
<b>Contract price</b>	40,484.91	34,507.73
Adjustments for :		
Discounts	(135.04)	(257.93)
Refunds/Adjustment	114.39	(64.17)
<b>Revenue from operations</b>	<b>40,464.26</b>	<b>34,185.63</b>



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

	(Rs. In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) Other income</b>		
Export incentives	210.23	183.09
Interest income from financial assets at amortised cost :		
(i) Deposits with banks	1.23	1.14
(ii) Others (refer note (i) below)	301.23	218.20
Income from freight assistance scheme	-	20.00
Liabilities no longer required written back	34.37	16.86
Profit on sale of Fixed Assets	0.30	11.71
Miscellaneous income	1.37	15.41
<b>Total other income</b>	<b>548.73</b>	<b>466.41</b>

Note (i): Others include interest on inter corporate advance to Ecopure Specialities limited

**(b) Other gains/ (losses)**

	(Rs. In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Net gain/(loss) on foreign currency transaction and translations	-	351.70
Net Gain on foreign exchange forward contracts	-	75.95
<b>Total other gain/(losses)</b>	<b>-</b>	<b>427.65</b>
<b>Total (a+b)</b>	<b>548.73</b>	<b>894.06</b>



**Nature Bio-Foods Limited**

Notes forming part of financial statements for the year ended March 31, 2021

	(Rs. In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Note 20 : Cost of materials consumed</b>		
<b>a) Cost of raw material consumed</b>		
Inventory at the beginning of the year	6,529.15	6,018.01
Add : Purchases during the year	25,918.31	15,011.18
	32,447.46	21,029.19
Less : Inventory at the end of the year	8,291.85	6,529.15
<b>Cost of raw material consumed during the year (a)</b>	<b>24,155.61</b>	<b>14,500.04</b>
<b>b) Cost of packing material consumed</b>		
Inventory at the beginning of the year	510.55	511.54
Add : Purchases during the year	1,102.96	659.57
	1,613.51	1,171.11
Less : Inventory at the end of the year	569.96	510.55
<b>Cost of packing material consumed during the year (b)</b>	<b>1,043.55</b>	<b>660.56</b>
<b>Cost of material consumed during the year (a+b)</b>	<b>25,199.16</b>	<b>15,160.60</b>

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

	(Rs. In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the beginning of the year		
Semi Finished Goods	2,281.02	4,835.37
Finished Goods	2,181.01	1,379.11
Stock in Trade	2,423.66	2,563.47
Total inventories at the beginning of the year	6,885.69	8,777.95
Inventories at the end of the year		
Semi Finished Goods	4,710.54	2,281.02
Finished Goods	3,974.67	2,181.01
Stock in Trade	1,905.64	2,423.66
Total inventories at the end of the year	10,590.85	6,885.69
<b>Net (increase)/decrease</b>	<b>(3,705.16)</b>	<b>1,892.26</b>



Note 22 : Employee benefits expense	(Rs. In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	1,203.53	1,127.53
Gratuity (refer note 16(a))	25.48	21.79
Contribution to provident and other funds (refer note 16(a))	55.31	60.20
Leave compensation	10.98	6.10
Staff welfare expenses	74.33	80.64
<b>Total Employee benefit expense</b>	<b>1,369.63</b>	<b>1,296.26</b>

Note 23 : Finance costs	(Rs. In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>(a) Interest expense on :</b>		
(i) Borrowings (net of subvention interest income of Rs 354.94 lakhs (March 31, 2020 Rs 293.29 lakhs))	325.74	315.68
(ii) Interest on financial liabilities not at fair value through profit or loss	356.16	309.09
(iii) Interest on Statutory dues	2.84	-
(iv) Others	32.83	6.98
<b>(b) Bank charges</b>	47.55	44.76
<b>Total finance costs</b>	<b>765.12</b>	<b>676.51</b>

Note 24 : Depreciation and amortisation expense	(Rs. In Lakhs)	
	Year ended March 31, 2021	Year ended March 31, 2020
(i) Depreciation of property, plant and equipment (refer note 4)	721.25	564.93
(ii) Amortization of Right to use asset (refer note 5)	21.14	9.08
(iii) Amortisation of intangible assets (refer note 6)	2.75	3.40
<b>Total Depreciation and amortisation expense</b>	<b>745.14</b>	<b>577.41</b>



Note 25 : Other expenses	(Rs. In Lakhs)	
	Year ended	Year ended
	March 31, 2021	March 31, 2020
Milling charges and other process charges	450.17	550.35
Rent	295.96	230.69
Consumption of stores and spares parts	503.27	287.26
Power and fuel	368.98	244.66
Labour Charges	139.19	22.65
Insurance charges	98.64	62.58
Rates and taxes	92.71	44.42
Auditors' remuneration (refer note 25 (b) below)	16.25	12.71
Telephone and communication charges	16.27	12.58
Legal and professional charges	219.40	197.33
Repairs and maintenance		
-Plant and machinery	34.69	41.26
-Buildings	11.40	22.65
-Others	83.83	57.33
Conveyance	34.38	20.51
Tour and travelling expenses	93.51	270.21
Donations	0.03	1.50
Corporate social responsibility expenditure (refer note (25 (c) below)	65.73	30.45
Freight, Clearing & Forwarding	2,252.99	1,610.51
Testing, inspection and certification	1,282.48	981.98
Business promotion	160.46	167.28
Brokerage and commission	51.65	34.47
Loss on account of Fire	111.42	-
Bad debts written off	-	9.93
Loss on Exchange	150.82	-
Commission guarantee (refer note 34)	93.11	65.16
Miscellaneous expenses	172.87	147.75
<b>Total other expenses</b>	<b>6,800.21</b>	<b>5,126.22</b>

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

Food Tech Claim	-	421.37
<b>Total</b>	<b>-</b>	<b>421.37</b>

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

As auditor:

-Statutory audit fees	12.50	7.00
-Others	3.75	5.00
-Re-imburement of expenses	-	0.71
<b>Total</b>	<b>16.25</b>	<b>12.71</b>

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

Contribution to Fair Farming Foundation	60.90	30.45
Other's	4.83	-
(i) Gross amount required to be spent by the company during the year	61.49	59.21
(ii) Amount spent during the year	65.73	30.45



**Nature Bio-Foods Limited****Notes forming part of the financial statements for the year ended March 31, 2021****Note 26 : Earnings per share (EPS)**

	March 31, 2021	March 31, 2020
(a) Net profit after tax available for equity shareholders (Rs. in Lakhs)	1,107.80	1,933.35
(b) Weighted average number of equity shares of Rs. 10 each outstanding during the year	2,001,000	2,001,000
(c) Weighted average number of equity shares and potential equity shares during the year (refer note (ii) below)	2,598,738	2,598,738
Basic earnings per share (in rupees) (a/c) [refer note (i) below]	42.63	74.40
Diluted earnings per share (in rupees) (a/c)	42.63	74.40

Note (i): In 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 :**

	March 31, 2021	March 31, 2020
Weighted average number of equity shares	2,001,000	2,001,000
Adjustments for calculation of diluted earning per share: - Cumulative compulsorily convertible preference shares	597,738	597,738
Weighted average number of equity shares and potential equity shares during the year	<b>2,598,738</b>	<b>2,598,738</b>

**Note 27 : Income tax expenses**

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

**(a) Income tax expense :**

	(Rs. In Lakhs)	
	March 31, 2021	March 31, 2020
<b>Current tax</b>		
Current tax on profits for the year	557.79	900.00
Tax related to earlier years	-	(141.58)
<b>Total current tax expense</b>	<b>557.79</b>	<b>758.42</b>
<b>Deferred tax (refer note 8)</b>		
Decrease (increase) in deferred tax assets	(177.86)	(20.97)
(Decrease) increase in deferred tax liabilities	135.83	(185.02)
<b>Total deferred tax expense/(benefit)</b>	<b>(42.03)</b>	<b>(205.99)</b>
<b>Income tax expense</b>	<b>515.76</b>	<b>552.43</b>

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

Profit before income taxes	1,623.56	2,485.78
Tax at the India's statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	408.62	625.42

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

Donation	0.01	0.19
Corporate social responsibility expense	16.54	3.83
Interest on CCCPS	89.64	77.77
Fee, Interest & penalties paid	-	0.34
Deduction under Chapter VIA	-	(1.00)
Others	0.95	0.28
Tax Rate Impact	-	(12.83)
Adjustment for current tax relating to earlier years	-	(141.58)
<b>Total income tax expense</b>	<b>515.76</b>	<b>552.43</b>

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 in the previous year.



Note 28 : Fair value measurements

(i) Financial instruments by category

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	9.01	-	1,505.01	9.01	-	5.01
Security deposits	-	-	35.08	-	-	36.19
Loans	-	-	3,765.35	-	-	3,765.35
Foreign exchange forward contracts	539.69	-	-	0.00	-	-
Interest accrued	-	-	279.86	-	-	198.67
Export incentive	-	-	178.50	-	-	169.85
Bank deposits	-	-	15.25	-	-	15.25
Derivative component of compound financial instrument	0.99	-	-	0.99	-	-
Receivable against Capital Goods	-	-	-	-	-	343.33
Trade receivables	-	-	3,697.13	-	-	6,969.68
Cash and cash equivalents	-	-	48.41	-	-	72.95
<b>Total financial assets</b>	<b>549.69</b>	<b>-</b>	<b>9,524.59</b>	<b>10.00</b>	<b>-</b>	<b>11,576.28</b>
<b>Financial liabilities</b>						
Borrowings	-	-	11,015.78	-	-	9,975.28
Finance obligation	-	-	239.80	-	-	167.01
Current maturities of long term borrowings	-	-	-	-	-	68.18
Employees payable	-	-	77.80	-	-	9.71
Other payables	-	-	47.77	-	-	62.91
Capital creditors	-	-	-	-	-	59.25
Derivative Hedging Component	-	-	-	625.62	-	-
Trade payables	-	-	4,982.88	-	-	3,579.51
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>16,364.03</b>	<b>625.62</b>	<b>-</b>	<b>13,921.85</b>

(ii) Fair value hierarchy

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

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

(Amount in Rs. Lakhs)

Particulars	Notes	March 31, 2021			March 31, 2020		
		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)	-	539.69	-	-	-	-
Derivative component of compound financial instrument	7 (c)	-	0.99	-	-	0.99	-
<b>Financial liabilities</b>							
Foreign exchange forward contracts	15 (d)	-	-	-	-	625.62	-

Valuation process and technique used to determine fair value

(i) The fair value of investments in government securities and quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.

(ii) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

(ii) In order to arrive at the fair value of unquoted investments, the company obtains independent valuations. The techniques used by the valuer are as follows:

- Asset approach - Net assets value method
- Income approach - Discounted cash flows ("DCF") method
- Market approach - Enterprise value/Sales multiple method

Derivative financial assets/liabilities:

The Company enters into derivative financial instruments with various counterparties and financial institutions with investment grade credit ratings.

Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs.

The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.



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

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

(Amount in Rs. Lakhs)

Particulars	Notes	March 31, 2021			March 31, 2020		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets</b>							
Investments	7 (a)	-	-	1,505.01	-	-	5.01
Security deposits	7 (b)	-	-	35.08	-	-	36.19
Loans	7 (b)	-	-	3,765.35	-	-	3,765.35
Interest accrued	7 (c)	-	-	279.86	-	-	198.67
Export incentive	7 (c)	-	-	178.50	-	-	169.85
Bank deposits	7 (c)	-	-	15.25	-	-	15.25
Trade receivables	7 (d)	-	-	3,697.13	-	-	6,969.68
Cash and cash equivalents	7 (e)	-	-	48.41	-	-	72.95
Receivable against Capital Goods	7 (c)	-	-	-	-	-	343.33
<b>Financial liabilities</b>							
Borrowings	15 (a)	-	-	11,015.78	-	-	9,975.28
Finance obligation	15 (b)	-	-	239.80	-	-	167.01
Current maturities of long term borrowings	15 (d)	-	-	-	-	-	68.18
Employees payable	15 (d)	-	-	77.80	-	-	9.71
Other payables	15 (d)	-	-	47.77	-	-	62.91
Capital creditors	15 (d)	-	-	-	-	-	59.25
Trade payables	15 (c)	-	-	4,982.88	-	-	3,579.51

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.





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	Current 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 Cash against documents 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 purpose, there is no trend that the company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provides for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature.

**(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.

**(1) Maturity profile of financial liabilities**

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

Contractual maturities of financial liabilities	Carrying Value	Less than 6 Months			More than 6 months up to 1 year	More than 1 year	Total
		Less than 6 Months	More than 6 months up to 1 year	More than 1 year			
<b>As at March 31, 2021</b>							
Borrowings (refer note 15 (a))	11,015.78	8,305.70	-	2,713.08	-	-	11,015.78
Trade payables (refer note 15 (c))	4,982.88	4,944.51	38.37	-	-	-	4,982.88
Other financial liabilities (refer note 15 (b) & (d))	115.71	115.71	11.87	239.80	-	-	365.38
<b>Total</b>	<b>16,364.04</b>	<b>13,960.92</b>	<b>50.24</b>	<b>2,952.88</b>	<b>-</b>	<b>-</b>	<b>16,364.04</b>
<b>As at March 31, 2020</b>							
Borrowings (refer note 15 (a))	9,975.28	7,601.18	-	2,374.11	-	-	9,975.29
Trade payables (refer note 15 (c))	3,579.51	3,367.13	-	212.37	-	-	3,579.51
Other financial liabilities (refer note 15 (b) & (d))	992.69	773.52	52.16	167.01	-	-	992.69
<b>Total</b>	<b>14,547.48</b>	<b>11,741.83</b>	<b>52.16</b>	<b>2,753.49</b>	<b>-</b>	<b>-</b>	<b>14,547.49</b>

**(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, 2021

(1) 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 Rupee 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, 2021		As at March 31, 2020	
	Foreign currency in Lakhs	Rs. in Lakhs	Foreign currency in Lakhs	Rs. in Lakhs
Trade payable				
Euro (EUR)	3.96	255.27	4.64	284.69
United States Dollar (USD)	1.87	127.68	2.14	169.16
Singapore Dollar (SGD)	0.13	7.89	0.51	25.71
Trade receivable				
Euro (EUR)	7.21	670.42	28.12	2,326.10
United States Dollar (USD)	0.00	661.28	32.68	2,472.62

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

Particulars	Year end spot rate	
	March 31, 2021	March 31, 2020
Euro (EUR)	86.10	89.68
United States Dollar (USD)	73.60	76.66
Singapore Dollar (SGD)	54.33	59.55

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, 2021		March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
Euro (EUR)	9,21,60	11,628.13	8,926.79	11,628.13
United States Dollar (USD)	6,534.73	-	6,534.73	-

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

As at March 31, 2021

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									
(1) A - Foreign exchange forward contracts - USD	6,334.73	-	179.93	-	30 April 2021 - 28 Feb 2022	1:1	76.27	179.93	179.93
(1) B - Foreign exchange forward contracts - EURO	9,124.50	-	359.76	-	15 April 2021 - 10 Feb 2022	1:1	94.83	359.76	359.76

For the year ended March 31, 2021

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 cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedges				
Foreign currency risk				
(1) Foreign exchange forward contracts	3,089.26	-	(355.89)	Revenue and other income



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

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					
<b>Cash flow hedge</b>									
Foreign currency risk									
(i) A - Foreign exchange forward contracts - USD	11,528.13	-	-	(509.49)	17 April 2020 - 12 March 2021	1:1	73.45	(509.49)	(512.46)
(i) B - Foreign exchange forward contracts - EURO	8,393.70	-	-	(116.12)	30 April 2020 - 26 Feb 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 cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
<b>Cash flow hedge</b>				
Foreign currency risk				
(i) 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 testing (Retrospective and Prospective) have been carried out using Dollar Offset Method by a management expert, engaged by the Company.

**Movements in cash flow hedging reserve**

Particulars	March 31, 2021	March 31, 2020
Opening Balance	(411.25)	-
Add: Changes in fair value of forward contracts	733.41	(549.56)
Less: Amount reclassified to profit or loss- Loss/(Profit)	355.85	-
Less: Tax impact to above (net)	(274.14)	138.31
<b>Change during the year</b>	<b>815.12</b>	<b>(411.25)</b>
<b>Closing Balance</b>	<b>403.87</b>	<b>(411.25)</b>

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 Company. 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 profit of Rs. 1,089.26 lacs in cash flow hedge reserve, through other comprehensive income, being effective portion of fair value of forward contracts outstanding as at March 31, 2021. The fair value is computed as difference between mark to market valuation as at March 31, 2021 and fair value as at date of acquisition of such forward contracts, whichever is later.



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

(b) Sensitivity

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjust their translation at the period end for a 1% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rs. strengthens 1% against the relevant currency. For a 1% 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, 2021 (Rs in Lakhs)		As at March 31, 2020 (Rs in Lakhs)	
	1% Weakening*	1% Strengthening*	1% Weakening*	1% Strengthening*
Euro (EUR)	(2.73)	2.73	(14.60)	14.60
United States Dollar (USD)	(3.92)	3.92	(17.29)	17.29
Singapore Dollar(SGD)	0.05	(0.05)	0.19	(0.19)

\* 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, 2021 the Company is 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, 2021	March 31, 2020
Variable rate borrowing	8,285.50	7,601.18
Fixed rate borrowing	35.06	103.23
<b>Total borrowings</b>	<b>8,320.56</b>	<b>7,704.41</b>

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. A positive number below indicates a decrease in profit or equity where the interest rate strengthens 50 basis points. For a 50 basis points weakening of the interest rate, there would be a comparable impact on the profits or equity, and the balances below would be negative.

	As at March 31, 2021 (Rs in Lakhs)		As at March 31, 2020 (Rs in Lakhs)	
	50bp Weakening*	50bp Strengthening*	50bp Weakening*	50bp Strengthening*
-Impact due to increase of 50 basis points	(31.00)	31.00	(28.44)	28.44

\*Holding all other variable constant

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, 2021**

**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.

<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Total Borrowings	11,015.78	10,043.46
Less : Cash and cash equivalents	48.41	72.95
Net debt	10,967.37	9,970.51
Total Equity	16,018.06	14,094.27
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.68</b>	<b>0.71</b>



**Nature Bio-Foods Limited**  
**Notes forming part of financial statements for the year ended March 31, 2021**

**Note 31 : Contingent Liabilities**

Claims against the Company not acknowledged as debts:	March 31, 2021 Rs. In Lakhs	March 31, 2020 Rs. In Lakhs
Income tax demands (refer note (i),(ii),(iii) & (iv) below)	10.72	6.24
<b>Total</b>	<b>10.72</b>	<b>6.24</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) For 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) For 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) For 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.

(iv) For the assessment year 2018-19 the department has issued assessment order u/s 143 (3) of the Income Tax Act, 1961 added back amount of Rs 1,320,720 and has demanded amount of Rs. 448,913. The Company has decided to file rectification under section 154 of Income tax act, 1961 & 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, 2021 Rs. In Lakhs	March 31, 2020 Rs. In Lakhs
(i) Principal amount remaining unpaid at the end of the year	79.44	41.77
(ii) Interest due thereon remaining unpaid	0.33	-
(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	0.33	-
(v) The amount of interest accrued and remaining unpaid at the end of the year	0.33	-
(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:

Property Plant and equipment (net of advance Rs.36.44 Lakhs, March 31, 2020 - 70.48 Lakhs)	March 31, 2021 (Rs. in Lakhs)	March 31, 2020 (Rs. in Lakhs)
	83.39	42.28
<b>Total</b>	<b>83.39</b>	<b>42.28</b>



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 Holding Company	LT Foods Limited
(ii) Other Related Parties with whom there were transactions during the year	
Nature of Relationship Fellow Subsidiary Companies	Dawat Foods Limited LT Foods Americas Inc. LT Foods Europe BV
Wholly owned subsidiary Companies	Nature Bio Foods BV Ecopure Specialites Limited
Step down Subsidiary	Nature Bio Foods Inc
Post-employment benefits plan Trust	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 Oberoi, Whole Time Director & CEO Mr. Surinder Kumar Arora, Director & Chairman Mr. Ashwani Kumar Arora, Director Mr. Suneet Gupta, Director Mr. Rajesh Kumar Srivastava, Director Mr. Surender Kumar Tuteja, Director Ms. Ambika Sharma, Director Mr. Atul Garq, CFO upto 28th January 2021 Mr. Sandeep Rustogi, CFO (w.e.f. 29th February 2021)



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

Nature of transactions	Holding Company	Fellow Subsidiaries			Wholly owned subsidiary Companies		Step down Subsidiary	Post-employment benefits plan Trusts	KMP	Total		
		Daawat Foods Limited		LT Foods Americas Inc.	LT Foods Europe EV	Nature Bio Foods BV					Ecopure Specialities Limited	NBF Inc.
		19.12 (12.19)	6,884.19 (7,099.01)	551.54 (252.54)	7,254.69 (4,740.60)	3,978.22 (3,163.83)					4,849.34 (944.02)	
Transactions during the year:												
Sale of goods	-						1,121.16	-	19,808.92 (5,268.37)			
Purchase of goods	-						-	-	4,849.34 (944.02)			
Purchase of fixed assets	-						-	-	818.64			
Rent paid	16.50 (16.50)						-	-	22.50 (43.62)			
Sale of PPE (including ROU)	-						-	-	47.06			
Rent Received	-						-	-	(632.19)			
Interest Income	-						-	-	1.20 (1.20)			
Loan Given	-						-	-	301.23 (218.20)			
Testing Charges	171.24						-	-	(3,765.35)			
Transportation Charges	3.50						-	-	171.24			
Processing charges paid	118.54 (160.82)						-	-	3.50			
Corporate guarantee commission	93.11 (65.16)						-	-	268.88 (477.28)			
Reimbursement of expenses paid	15.90 (35.42)						-	-	93.11 (65.16)			
Reimbursement of expenses received	115.40 (159.63)						-	-	47.84 (96.06)			
Remuneration paid to KMP	-						-	-	917.87 (320.68)			
Investment in equity shares	-						-	-	142.39 (96.80)			
Director's sitting fee	-						-	-	1,500.00			
Employer's Contribution to Post-employment benefit trust	-						-	-	5.20			
							7.00 (10.00)	-	7.00 (10.00)			

## C. Balance outstanding as at year end:

Nature of transactions	Holding Company	Fellow Subsidiaries			Wholly owned subsidiary Companies		Step down Subsidiary	Post-employment benefits plan Trusts	KMP	Total		
		Daawat Foods Limited		LT Foods Americas Inc.	LT Foods Europe EV	Nature Bio Foods BV					Ecopure Specialities Limited	NBF Inc.
		10.11 (124.50)	409.90 (1,777.79)	10.11 (124.50)	505.57 (1,283.48)	1,732.04 (1,614.78)					251.71	
Balance outstanding as at year end:												
Trade receivable	-						-	-	2,909.33 (4,975.46)			
Trade payables	199.75 (116.00)						-	-	199.75 (116.00)			
Other current assets & Other financial assets	-						-	-	333.17 (545.27)			
Other Non Current Financial Asset	-						-	-	3,765.35 (3,765.35)			
Guarantees issued by	8,285.50 (7,601.18)						-	-	16,571.00 (15,202.36)			

Particulars	March 31, 2021	March 31, 2020
Short term employee benefits	141.98	96.37
Post-employment benefits	0.41	0.43
Long term employee benefits	6.88	3.16
<b>Total</b>	<b>149.27</b>	<b>99.96</b>

Figures in brackets represents previous year's comparatives

Note: 1. All outstanding balances are unsecured and are payable/receivable in cash.

2. The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.





**Nature Bio-Foods Limited**  
Notes forming part of financial statements for the year ended March 31, 2021

**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		TOTAL	
	Year ended 31 Mar, 2021	Year ended 31 Mar, 2020	Year ended 31 Mar, 2021	Year ended 31 Mar, 2020	Year ended 31 Mar, 2021	Year ended 31 Mar, 2020	Year ended 31 Mar, 2021	Year ended 31 Mar, 2020	Year ended 31 Mar, 2021	Year ended 31 Mar, 2020
<b>REVENUE</b>										
Revenue from external customers	28,756.57	22,878.46	6,004.42	3,991.09	5,608.26	7,278.10	-	37.98	40,369.25	34,147.65
Other Operating Revenue	-	-	-	-	-	-	95.01	37.98	95.01	37.98
<b>Total Segment Revenue</b>	<b>28,756.57</b>	<b>22,878.46</b>	<b>6,004.42</b>	<b>3,991.09</b>	<b>5,608.26</b>	<b>7,278.10</b>	<b>95.01</b>	<b>37.98</b>	<b>40,464.26</b>	<b>34,185.63</b>
Other Income	-	131.25	150.33	121.28	59.91	111.87	338.50	529.66	548.73	894.06
<b>Total Segment Income</b>	<b>28,756.57</b>	<b>23,009.71</b>	<b>6,154.75</b>	<b>4,112.37</b>	<b>5,668.17</b>	<b>7,389.97</b>	<b>433.51</b>	<b>567.64</b>	<b>41,012.99</b>	<b>35,079.69</b>
<b>RESULTS</b>										
Segment results	3,627.19	4,317.75	431.38	28.78	421.09	351.34	(2,090.98)	(1,535.58)	2,388.68	3,162.29
Less: Finance Cost	-	-	-	-	-	-	765.12	676.51	765.12	676.51
<b>Segment Profit before taxation</b>	<b>3,627.19</b>	<b>4,317.75</b>	<b>431.38</b>	<b>28.78</b>	<b>421.09</b>	<b>351.34</b>	<b>765.12</b>	<b>676.51</b>	<b>1,623.56</b>	<b>2,485.78</b>
Tax expense	-	-	-	-	-	-	-	-	515.76	552.43
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-	815.99	(415.23)
<b>Total comprehensive income for the year</b>	<b>3,627.19</b>	<b>4,317.75</b>	<b>431.38</b>	<b>28.78</b>	<b>421.09</b>	<b>351.34</b>	<b>765.12</b>	<b>676.51</b>	<b>1,923.79</b>	<b>1,518.12</b>
Segment Assets	24,789.00	18,845.95	11.46	1,287.56	2,166.30	3,514.40	-	-	26,966.76	23,647.91
Unallocated Assets	-	-	-	-	-	-	8,311.42	6,437.79	8,311.42	6,437.79
<b>Total Assets</b>	<b>24,789.00</b>	<b>18,845.95</b>	<b>11.46</b>	<b>1,287.56</b>	<b>2,166.30</b>	<b>3,514.40</b>	<b>8,311.42</b>	<b>6,437.79</b>	<b>35,278.18</b>	<b>30,085.70</b>
Segment Liabilities	8,169.12	4,930.51	-	-	-	-	-	-	8,169.12	4,030.51
Unallocated Liabilities	-	-	-	-	-	-	27,109.06	26,055.19	27,109.06	26,055.19
<b>Total Liabilities</b>	<b>8,169.12</b>	<b>4,930.51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,109.06</b>	<b>26,055.19</b>	<b>35,278.18</b>	<b>30,085.70</b>
Capital Expenditure	1,595.60	475.5	-	-	-	-	-	-	1,595.60	475.49
Unallocable Expenditure	-	-	-	-	-	-	-	66.9	-	66.85
<b>Total Capital Expenditure</b>	<b>1,595.60</b>	<b>475.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66.9</b>	<b>1,595.60</b>	<b>542.34</b>
Depreciation/Amortization	576.57	462.66	-	-	-	-	-	-	576.57	462.66
Unallocable Depreciation	-	-	-	-	-	-	168.57	114.75	168.57	114.75
<b>Total Depreciation/Amortization</b>	<b>576.57</b>	<b>462.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168.57</b>	<b>114.75</b>	<b>745.14</b>	<b>577.41</b>
<b>Segment Revenue based on the locations of the customers :</b>										
America	14,221.04	10,258.39	-	-	-	-	-	-	14,221.04	10,258.39
Europe	15,101.75	14,718.96	-	-	-	-	-	-	15,101.75	14,718.96
India	10,103.74	8,568.06	-	-	-	-	-	-	10,103.74	8,568.06
Other than America, Europe & India	1,037.73	640.22	-	-	-	-	-	-	1,037.73	640.22
<b>Total Segment Revenue based on the locations of the customers</b>	<b>40,464.26</b>	<b>34,185.63</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,464.26</b>	<b>34,185.63</b>

**Notes :**

- (i) Unallocated expenses includes legal & professional expenses, travelling expenses, rates & taxes and business promotion expenses & other non allocable expenses which are not attributable directly to each of the segment.
- (ii) Unallocated assets include corporate assets, cash and bank balances, investments, loans, other financial assets and other non-allocable assets.
- (iii) Unallocated liabilities include corporate liabilities, bank borrowings and other non-allocable liabilities.

**(b) Revenue from major customers:**

The revenues of Rs. 18,17,10 lakhs (March 31, 2020 Rs. 15,517.40 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, 2021**

**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, 2021	March 31, 2020
<b>Current</b>			
<b>Financial assets</b>			
Trade receivable	7 (d)	3,697.13	6,969.68
Cash and cash equivalents	7 (e)	48.41	72.95
Loans	7 (b)	-	1.41
Other Financial Assets	7 (c)	1,001.06	711.85
<b>Non-Financial assets</b>			
Inventory	11	19,569.48	13,974.34
Other Current Assets			
<b>Total current assets pledged as security</b>	<b>A</b>	<b>24,316.08</b>	<b>21,730.23</b>
<b>Non-current assets</b>			
Property Plant and equipment	4	1,482.87	1,001.74
<b>Total non-current assets pledged as security</b>	<b>B</b>	<b>1,482.87</b>	<b>1,001.74</b>
<b>Total assets pledged as security</b>	<b>(A+B)</b>	<b>25,798.95</b>	<b>22,731.97</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, 2021.



**Nature Bio-Foods Limited**  
**Notes forming part of financial statements for the year ended March 31, 2021**

**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 company and its 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, 2021, 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:** On 22nd Jan 2021, there was a fire incidence in the factory premises, the Company has filed documents for insurance claim. While the surveyor report is yet to be finalised, basis discussion between the company and the surveyor, the company is expecting to recover the maximum amount of claim. At this stage, in view of reasonable conservatism, the loss amounting to Rs 111.42 lakhs has been recorded in the books."

The Receivable against the said claim is yet to be recognised in the books and necessary impact is yet to be taken in financials.

**Note 42: Previous year figures**

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

**Note 43: Approval of financial statements** - The financial statements were authorised for issue by the Board of Directors on May 18, 2021.

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



**Rahul Aggarwal**  
Partner  
Membership Number: 505676

Place: Gurugram  
Date : May 26, 2021

For and on behalf of the Board of Directors



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

Place: Delhi  
Date : May 18, 2021



**Anmol Arora**  
Director  
DIN No. 07727210

Place: Delhi  
Date : May 18, 2021