

Independent Auditor's Report

To
The Members
Sresta Natural Bioproducts Private Limited
Hyderabad

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of M/s **Sresta Natural Bioproducts Private Limited** which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss and Statement of Cash Flows for the year ended on that date, and Notes to the 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 financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2020, and its Profit and Cash Flows for the year ended on that date.

Basis of opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 is not applicable to the Company as it is an unlisted company.

Information other than the financial statements and auditor's report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to

Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management responsibility

The Company's Board of Directors is responsible for the matters in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the



company has adequate internal financial controls system 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 communicated 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.

We also provided 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. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

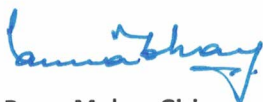
Report on Other Legal and Regulatory Requirements

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

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 appears from our examination of those books;
- (c) The Balance Sheet and the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses Unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us;
 - a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Gandhi & Gandhi
Chartered Accountant



Rama Mohan Giri
Partner

Mem No 29478

Firm Registration No: 000849S

August 27, 2020

UDIN :20029478AAAAEZ3896



Annexure A

referred to in paragraph 1 under 'Report on other legal and regulatory requirements'
M/s Sresta Natural Bioproducts Private Limited
FY 2019-20

We further report that:

- (i) (a) The company has maintained records showing particulars including quantitative details and situation of fixed assets as required by the Companies Act, 2013.
(b) The fixed assets have been physically verified by the management in accordance with the policy adopted. No material discrepancies were noticed on such verification.
(c) The title deeds of immovable properties are held in the name of the company.
- (ii) According to the information and explanation provided to us, inventory verification has been conducted at reasonable intervals by the management and as explained to us, no material discrepancies were noticed on physical verification.
- (iii) The company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the register maintained under section 189 of the of the Companies Act. Hence the sub-clauses (a), (b) and (c) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) The company has not accepted any deposits.
- (vi) We have reviewed the books of account relating to material, labour and other items of cost maintained by the company pursuant to the Rules made the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) (a) The Company has been regular in depositing the undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, goods and service tax, Customs Duty, Excise Duty cess and other statutory dues with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the company examined by us, there are dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute, except as per details below :

Name of the statute	Nature of dues	Amount due	Period to which the amount relates	Forum where the dispute is pending
Telangana VAT Act	VAT	9,14,985	2016-17 to 2017-18 (up to June 2017)	Appellate Deputy Commissioner(CT), Punjagutta division, Hyderabad

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank. The company has



GANDHI & GANDHI
CHARTERED ACCOUNTANTS

1002 Paigah Plaza, Basheerbagh, Hyderabad 500 063 India Ph: +91-40-6701 8000 email: info@gandhis.com
www.gandhis.com

not borrowed any funds by issue of debentures.

- (ix) The company has not made any public offer of its shares. Further, in our opinion and according to the information and explanations given to us, the terms loans obtained during the year under audit and in earlier years have been applied for the purpose for which they have been borrowed.
- (x) According to the information and explanations given to us, no fraud by or on the company by its officers has been noticed or reported during the year.
- (xi) The provisions of Section 197 are not applicable to the company.
- (xii) As the company is not a Nidhi company, the provisions of Nidhi Rules, 2014 are not applicable.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Gandhi & Gandhi
Chartered Accountants



Rama Mohan Giri
Partner

Mem No 29478

Firm Registration No: 000849S

August 27, 2020

UDIN :20029478AAAAEZ3896



**Annexure B to the Independent Auditor's Report
Referred to in paragraph 2(f) under 'Report on other legal and regulatory requirements'
Sresta Natural Bioproducts Private Limited**

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

We have audited the internal financial controls over financial reporting of Sresta Natural Bioproducts Private Limited ("the Company") as at 31st March 2020, 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A



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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

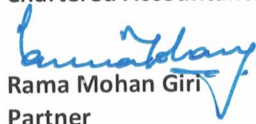
Opinion

According to the information and explanation given to us and the audit tests performed, in our opinion the Company has adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at year end, based on the internal control over financial reporting criteria established by the Company in meeting the essential components of internal controls commensurate to the nature and size of the business of the company.

Other Matters

The entity has maintained limited documentation for the internal control framework and the management review of its operating effectiveness. This was considered in determining the nature, timing, and extent of audit tests applied while assessing the adequacy and operating effectiveness of the internal controls over financial reporting and for our audit of the standalone financial statements of the Company.

Gandhi & Gandhi
Chartered Accountants


Rama Mohan Giri
Partner

Mem No 029478

Firm Registration No: 000849S

August 27, 2020

UDIN :20029478AAAAEZ3896



Sresta Natural Bioproducts Private Limited

CIN: U01122TG2004PTC042837

Balance sheet as on 31st March 2020

Particulars	Note	31.03.2020	31.03.2019
I. Equity and Liabilities			
Shareholder's Fund			
(a) Share Capital	1	18,25,63,800	18,24,83,800
(b) Reserves & Surplus	2	73,93,09,828	70,80,66,749
Share Application Money Pending Allotment		-	-
Non-Current Liabilities			
(a) Long-term borrowings	3.1	10,69,44,450	2,33,85,058
(b) Long-term provisions	3.2	80,33,401	69,41,991
Current Liabilities			
(a) Short-term borrowings	4.1	22,46,27,436	29,18,82,977
(b) Trade payables	4.2	34,78,52,583	28,68,15,620
(c) Other current liabilities	4.3	11,36,81,816	13,20,09,348
(d) Short-term provisions	4.4	56,93,175	33,55,834
		<u>1,72,87,06,489</u>	<u>1,63,49,41,376</u>
II. Assets			
Non-Current Assets			
(a) Property, Plant and Equipment	5.1	16,14,60,141	16,38,66,500
(b) Non-current investments	5.2	5,19,51,037	5,19,51,037
(c) Deferred tax asset (net)		4,82,36,079	5,61,64,513
(d) Long-term loans and advances	5.3	84,83,581	91,10,815
(e) Other non-current assets	5.4	15,59,97,174	18,15,29,136
Current Assets			
(a) Inventories	6.1	47,49,71,589	43,39,67,835
(b) Trade Receivables	6.2	61,89,56,850	48,79,86,338
(c) Cash and cash equivalents	6.3	4,91,27,799	7,18,47,729
(d) Short-term loans and advances	6.4	1,55,806	85,924
(e) Other current assets	6.5	15,93,66,433	17,84,31,549
		<u>1,72,87,06,489</u>	<u>1,63,49,41,376</u>
Accounting Policies	10		
Additional Notes to Accounts	11		

Notes referred above forms integral part of accounts.

Subject to our report of even date.

Gandhi & Gandhi
Chartered Accountants

Rama Mohan Giri

Rama Mohan Giri
Partner

Mem No. 029478

Firm Reg No : 000849S

August 27, 2020

UDIN: 20029478AAAAEZ3896



Sresta Natural Bioproducts Private Limited

S.R. Reddy

Rajashekar Reddy
Seelam

Managing Director

DIN : 00278954

Karaiyalan Venkatesan

Karaiyalan Venkatesan
CFO



Balasubramanian Narayanan

Balasubramanian Narayanan
Director

DIN : 03070468

Padmasri Samaleti

Padmasri Samaleti
Company Secretary

Sresta Natural Bioproducts Private Limited

CIN: U01122TG2004PTC042837

Statement of Profit & Loss for the year ended 31st March 2020

Particulars	Note	31.03.2020	31.03.2019
I. Revenue from Operations	7	2,16,71,40,990	1,75,77,92,254
II. Other Incomes	8	4,14,11,737	2,71,70,378
III. Total Revenue {I+II}		<u>2,20,85,52,727</u>	<u>1,78,49,62,632</u>
IV. Expenses			
Cost of materials consumed	9.1	1,23,96,46,576	90,02,62,210
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	9.2	(10,07,29,675)	(2,46,35,875)
Employee benefit expenses	9.3	13,89,35,622	10,08,94,897
Finance Cost	9.4	5,04,71,065	4,67,28,106
Depreciation and amortization of expenses	5.1	15,37,59,299	14,72,90,302
Operating & Other Expenses	9.5	68,55,73,779	62,99,11,140
		<u>2,16,76,56,665</u>	<u>1,80,04,50,780</u>
V. Profit before exceptional and extraordinary items and tax {III-IV}		4,08,96,062	(1,54,88,148)
VI. Tax expense			
(1) Earlier year tax		1,21,753	2,50,800
(2) Current Tax		-	-
(3) Deferred tax		79,28,434	(31,22,604)
(4) MAT Credit Utilised / (Entitlement)		18,11,195	-
		<u>98,61,382</u>	<u>(28,71,804)</u>
VII. Profit / (Loss) for the period {V-VI}		3,10,34,680	(1,26,16,344)
VIII. Earning per equity share			
(1) Basic		1.70	(0.70)
(2) Diluted		1.70	(0.70)

Notes referred above forms integral part of accounts.

Subject to our report of even date.

Gandhi & Gandhi
Chartered Accountants


Rama Mohan Giri
Partner

Mem No. 029478
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August 27, 2020

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Rajashekar Reddy

Seelam
Managing Director
DIN : 00278954



Karaiyalan
Venkatesan
CFO





Balasubramanian
Narayanan
Director
DIN : 03070468



Padmasri
Samaleti
Company Secretary

Sresta Natural Bioproducts Private Limited

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Cash Flow Statement for the year ending 31st March 2020

Sl	Particulars	Amount	Amount	Amount	Amount
A) Cash Flow from operating Activities					
	Net Profit (loss) after Tax	3,10,34,680			
	Add : Depreciation	1,48,29,949			
	Interest on Loans	4,70,84,670			
	Loan Processing Fees	16,11,300			
	Bank Charges	6,69,748			
	Bank Commission	11,05,347			
	Esop Salaries	2,08,400			
	Provision for Gratuity	36,89,279			
	Loss on sale of asset and Assets written off	1,76,051			
	Deferred Revenue Expenditure written off	13,89,29,350			
	Deferred Tax	79,28,434			
		<u>24,72,67,208</u>			
	Less : Deferred Revenue Expenditure	(11,85,71,829)			
	Gratuity paid	<u>(2,60,528)</u>			
			12,84,34,851		
	Less : Income Tax paid		-		
	Add/Less : Changes in Working Capital				
	Decrease/(Increase) in Inventories	(4,10,03,755)			
	Decrease/(Increase) in Trade Receivables	(13,09,70,512)			
	Decrease/(Increase) in Loans and advances	5,57,352			
	Decrease/(Increase) in Other Assets	2,42,39,557			
	Increase/(Decrease) in Trade Payables	6,10,36,963			
	Increase/(Decrease) in Other Current Liabilities	(1,83,27,532)			
			<u>(10,44,67,926)</u>		
	Net Cash flow from operating activities			2,39,66,925	
B) Cash flow from Investing activities					
	Purchase of Property, Plant and Equipment		(1,25,99,640)		
	Sale of Property, Plant and Equipment		-		
				(1,25,99,640)	
C) Cash flow from Financing activities					
	Issue of Equity Shares		80,000		
	Premium on Equity shares		-		
	Loans Borrowed - Net		1,63,03,851		
	Interest on Loans		(4,70,84,670)		
	Loan Processing Fees		(16,11,300)		
	Bank Charges		(6,69,748)		
	Bank Commission		(11,05,347)		
				<u>(3,40,87,214)</u>	
	Net increase in cash & cash equivalents				(2,27,19,929)
	Cash and Cash Equivalent at beginning of period				<u>7,18,47,729</u>
	Cash and Cash Equivalent at the end of the period				<u><u>4,91,27,800</u></u>

Subject to our report of even date.

Gandhi & Gandhi
Chartered Accountants

Rama Mohan Giri
Rama Mohan Giri
Partner

Mem No. 029478
Firm Reg No. 008495

August 27, 2020

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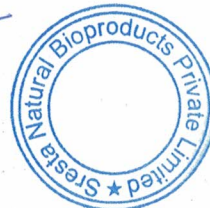


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Managing Director
DIN: 00278954

[Signature]

Karaiyalan Venkatesan
CFO



Sresta Natural Bioproducts Private Limited

Balasubramanian Narayanan

Balasubramanian Narayanan
Director
DIN: 03070468

[Signature]

Padmasri Samaleti
Company Secretary

Sresta Natural Bioproducts Private Limited

CIN: U01122TG2004PTC042837

Note 1: Share Capital of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Authorised Share Capital :		
Equity Share Capital :		
2,20,00,000(2,20,00,000) shares @ Rs. 10 each	22,00,00,000	22,00,00,000
Preference Share Capital :		
42,00,000 (42,00,000) shares @ Rs. 10 each	4,20,00,000	4,20,00,000
Issued Share Capital :		
Equity Share Capital :		
1,82,56,380 (1,82,48,380) shares @ Rs. 10 each	18,25,63,800	18,24,83,800
Preference Share Capital :		
Nil	-	-
Subscribed and fully Paid up		
Equity Share Capital :		
1,82,56,380 (1,82,48,380) shares @ Rs. 10 each	18,25,63,800	18,24,83,800
Preference Share Capital :		
Nil (Nil) shares @ Rs. 10 each	-	-
	18,25,63,800	18,24,83,800

Note 2: Reserves & Surplus of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Securities Premium		
Opening Balance	97,43,92,565	96,81,82,305
Add: Premium on issue of shares during the year	2,08,399	62,10,260
Less: Amount utilized	-	-
Closing Balance	97,46,00,964	97,43,92,565
Surplus / (deficit) balance in the Statement of Profit & Loss		
Opening Balance	(26,63,25,816)	(25,37,09,472)
Add: Profit / (loss) for the year	3,10,34,680	(1,26,16,344)
Closing Balance	(23,52,91,136)	(26,63,25,816)
Summary:		
Securities Premium	97,46,00,964	97,43,92,565
Surplus / (deficit) balance in the Statement of Profit & Loss	(23,52,91,136)	(26,63,25,816)
	73,93,09,828	70,80,66,749

Note 3.1: Long-term borrowings of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Secured:		
Vehicle Loans		
From banks	-	-
Working Capital Loans		
From Financial Institutions	-	18,85,061
Unsecured:		
Working Capital Loans		
From Financial Institutions	10,69,44,450	2,14,99,997
	10,69,44,450	2,33,85,058

Sresta Natural Bioproducts Private Limited



S.R. Reddy

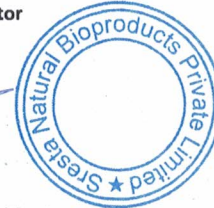
Rajashekar Reddy
Seelam
Managing Director
DIN : 00278954

Balasubramanian Narayanan

Balasubramanian Narayanan
Director
DIN : 03070468

K. Venkatesan

Karaiyalan Venkatesan
CFO



Padmasri Samaleti

Padmasri Samaleti
Company Secretary

Sresta Natural Bioproducts Private Limited

CIN: U01122TG2004PTC042837

Note 3.2: Long-term Provisions of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Provision for employee benefits - Gratuity	80,33,401	69,41,991
	<u>80,33,401</u>	<u>69,41,991</u>

Note 4.1: Short-term borrowings of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Secured:		
Working Capital Loans		
From banks	22,46,27,436	29,18,82,977
	<u>22,46,27,436</u>	<u>29,18,82,977</u>

Note 4.2: Trade Payables of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Trade Payables	34,78,52,583	28,68,15,620
	<u>34,78,52,583</u>	<u>28,68,15,620</u>

Note 4.3: Other Current Liabilities of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Advance received from customers	1,22,78,544	1,01,97,187
Current maturities of long term debts	4,67,18,388	7,34,14,795
Deposits Received	2,00,000	2,00,000
Employee Benefits Payable	66,71,430	45,67,562
Expenses Payable to Staff	25,45,424	23,74,387
Interest accrued on loans	13,11,443	6,33,192
Other Expenses Payable	3,13,70,130	3,04,51,542
Statutory Dues Payable	1,25,86,457	1,01,70,684
	<u>11,36,81,816</u>	<u>13,20,09,348</u>

Note 4.4: Short Term Provisions of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Provision for employee benefits - Gratuity	56,93,175	33,55,834
	<u>56,93,175</u>	<u>33,55,834</u>

Note 5.2: Non-current investments of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Investments in Unlisted Equity Instruments		
Investments in Foreign Subsidiaries	5,19,51,037	5,19,51,037
	<u>5,19,51,037</u>	<u>5,19,51,037</u>

Sresta Natural Bioproducts Private Limited

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K. Venkatesan

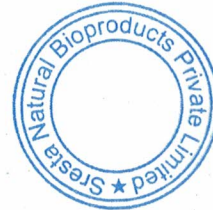
Karaiyalan
Venkatesan
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Balasubramanian
Narayanan
Director
DIN : 03070468

S. Padmasri

Padmasri
Samaleti
Company Secretary



Sresta Natural Bioproducts Private Limited

CIN: U01122TG2004PTC042837

Note 5.3: Long-term Loans & advances of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Security Deposits		
Unsecured & considered good	84,83,581	91,10,815
	84,83,581	91,10,815

Note 5.4: Other non-current assets of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Loans to Employees	1,91,119	61,282
Miscellaneous Expenditure to the extent not written off	15,58,06,055	18,14,67,854
	15,59,97,174	18,15,29,136

Note 6.1: Inventories of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Raw Material	17,60,97,750	16,77,53,360
Finished goods	27,23,71,810	21,96,93,824
Packing Material	4,35,49,155	3,52,88,707
	49,20,18,716	42,27,35,891
Add: Inventory valuation adjustment on closing stock	(1,70,47,127)	1,12,31,944
	47,49,71,589	43,39,67,835

Note 6.2: Trade Receivables of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Due for more than 6 months from its due date		
Unsecured & considered good	15,74,57,582	10,60,06,870
Unsecured & considered doubtful	3,83,82,274	2,43,26,442
Less : Provision for doubtful debts	(3,05,00,000)	(2,00,00,000)
	16,53,39,856	11,03,33,312
Due for less than 6 months from its due date		
Unsecured & considered good	45,36,16,994	37,76,53,026
	61,89,56,850	48,79,86,338

Note 6.3: Cash and cash equivalents of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Balances with Banks - Current Accounts	33,67,854	1,25,19,603
Other Bank Balances - Fixed Deposits	4,52,26,252	5,88,63,397
Cash on hand	5,33,692	4,64,728
	4,91,27,799	7,18,47,729

Note 6.4: Short-term Loans and Advances of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Loans to employees	1,55,806	85,924
	1,55,806	85,924

Sresta Natural Bioproducts Private Limited



S.R. Reddy

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Note 6.5: Other Current Assets of the company comprises of the following:

Particulars	31.03.2020	31.03.2019
Accrued Interest	23,67,307	39,02,583
Advance paid to vendors	40,99,048	1,02,49,498
Advance for Capital Assets	81,391	-
Customs Duty Credit Entitlement Receivable	10,36,247	46,61,447
Disputed tax	4,57,493	-
Employee advances for expenses	7,02,628	7,37,763
GST Input Credit	3,13,48,644	3,69,55,390
IGST Receivable	84,55,065	1,47,34,730
MAT Credit Entitlement	-	18,11,195
Miscellaneous Expenditure to the extent not written off	10,67,06,253	10,14,01,975
Prepaid Expenses	13,81,019	8,01,733
Refund from statutory authorities	27,31,338	31,75,236
	<u>15,93,66,433</u>	<u>17,84,31,549</u>

Sresta Natural Bioproducts Private Limited



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Karaiyalan Venkatesan

Karaiyalan
Venkatesan
CFO



S. Reddy

Padmasri
Samaleti
Company Secretary

Sresta Natural Bioproducts Private Limited

CIN: U01122TG2004PTC042837

Note 7: Revenue from Operations

Particulars	31.03.2020	31.03.2019
Revenue from		
Sale of products		
Domestic	1,44,96,29,886	1,19,28,21,609
Exports	70,39,43,685	55,12,83,858
Service Income	1,35,67,419	1,36,86,787
	<u>2,16,71,40,990</u>	<u>1,75,77,92,254</u>

Note 8: Other Incomes

Particulars	31.03.2020	31.03.2019
Customs Duty Credit Entitlement	58,04,115	2,17,084
Duty Drawback Claim	6,82,070	9,10,516
Foreign Exchange Fluctuation Gains	3,05,19,315	1,89,33,875
Interest on Deposits	33,06,951	41,21,650
Misc Income	10,99,287	8,94,544
GST Input on Opening Stock	-	1,66,741
Miscellaneous write offs	-	19,25,968
	<u>4,14,11,737</u>	<u>2,71,70,378</u>

Note 9.1: Cost of materials consumed

Particulars	31.03.2020	31.03.2019
Opening stock of raw material	20,30,42,067	10,82,38,680
Add: Purchases	<u>1,20,81,99,726</u>	<u>99,50,65,597</u>
	1,41,12,41,793	1,10,33,04,277
Less: Closing Stock of raw material	<u>17,15,95,217</u>	<u>20,30,42,067</u>
	<u>1,23,96,46,576</u>	<u>90,02,62,210</u>

Note 9.2: Changes in inventories of finished goods, work-in-progress and Stock-in-trade

Particulars	31.03.2020	31.03.2019
Opening Stock of Finished goods	21,96,93,824	19,50,57,949
Less: Closing Stock of Finished Goods	<u>32,04,23,499</u>	<u>21,96,93,824</u>
Increase / (decrease) in inventory	<u>(10,07,29,675)</u>	<u>(2,46,35,875)</u>

Note 9.3: Employee Benefit Expenses

Particulars	31.03.2020	31.03.2019
Salary	12,08,63,133	9,39,22,465
Bonus	32,10,680	23,40,129
Gratuity	36,89,279	36,32,303
Provision for incentives	1,11,72,530	10,00,000
	<u>13,89,35,622</u>	<u>10,08,94,897</u>

Sresta Natural Bioproducts Private Limited



S.R. Reddy

Rajashakar Reddy
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Sresta Natural Bioproducts Private Limited

CIN: U01122TG2004PTC042837

Note 9.4: Finance Cost

Particulars	31.03.2020	31.03.2019
Interest on Loans	4,70,84,670	4,39,72,096
Processing Fees	16,11,300	17,34,300
Bank Charges	6,69,748	1,66,330
Bank Commission	11,05,347	8,55,379
	<u>5,04,71,065</u>	<u>4,67,28,106</u>

Particulars	31.03.2020	31.03.2019
Operating Expenses:		
Certification Fee	60,41,294	40,32,805
Fuel & Power	1,02,32,728	56,20,156
Warehouse and Factory Rentals	1,77,01,729	1,70,42,385
Inward Freight and transportation	6,79,70,192	5,81,91,560
Labour and Hamali	1,06,68,203	69,31,008
Processing Charges	9,82,71,290	8,58,05,757
Stock Adjustment	2,87,57,259	2,54,90,912
Rent Cold Storage	56,91,675	61,03,327
Residuary operation expenses	2,56,61,397	1,40,67,879
Others Expenses:		
Advertisement Charges	1,23,52,577	76,31,212
Bad debts	-	1,35,23,223
Provision for doubtful debts	1,05,00,000	64,76,777
Business Promotion Expenses	97,33,136	76,13,458
C & F charges and secondary freight	11,38,74,127	9,87,61,224
Freight, Forwarding & Clearing - Exports	3,36,01,656	2,55,15,764
Consultancy Charges	1,25,81,585	80,86,481
Discount allowed	7,64,26,842	8,07,48,277
GST Expense	1,48,81,175	1,35,63,170
Sales Promotion	6,77,62,658	8,95,59,931
Travel Expenses - Domestic	1,12,78,743	94,07,816
Residuary other expenses	5,15,85,512	4,57,38,020
	<u>68,55,73,779</u>	<u>62,99,11,140</u>

Sresta Natural Bioproducts Private Limited



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Sresta Natural Bioproducts Private Limited

FY 2019-20

CIN: U01122TG2004PTC042837

Note 5.1: Property, Plant and Equipment

Particulars	Gross Block				Depreciation						Net Block	
	01.04.2019	Additions	Deductions	31.03.2020	Accumulated	For the year	Transfer to Retained earnings	Adjustment for sale	Adjustment for Written Off	Total	31.03.2020	31.03.2019
Vehicles	43,28,510	-	-	43,28,510	26,58,314	4,67,896	-	-	-	31,26,210	12,02,300	16,70,196
Computer	64,76,531	16,87,245	87,929	80,75,846	54,23,232	5,79,350	-	-	36,037	59,66,545	21,09,302	10,53,299
Computer Software	77,78,992	44,22,076	-	1,22,01,068	65,26,307	7,81,503	-	-	-	73,07,810	48,93,258	12,52,685
Equipment	44,95,355	88,416	-	45,83,771	29,90,366	3,90,846	-	-	-	33,81,211	12,02,560	15,04,990
Furniture & Fixture	1,56,85,116	1,01,874	-	1,57,86,990	61,50,017	14,81,187	-	-	-	76,31,204	81,55,786	95,35,099
Furniture & Fixture at HITA	15,82,913	8,07,307	-	23,90,220	4,24,340	1,64,075	-	-	-	5,88,414	18,01,806	11,58,573
Plant & Machinery	11,80,93,192	41,82,619	6,36,136	12,16,39,675	3,17,53,294	79,44,116	-	-	5,11,977	3,91,85,433	8,24,54,242	8,63,39,898
Electrical Equipment	1,05,53,039	1,91,759	-	1,07,44,798	35,19,970	10,02,002	-	-	-	45,21,973	62,22,825	70,33,069
Lease Hold Improvements												
Banjara Hills	1,90,634	-	-	1,90,634	1,10,628	21,363	-	-	-	1,31,991	58,643	80,006
Medchal Factory	68,99,476	1,16,390	-	70,15,866	16,15,190	2,78,637	-	-	-	18,93,827	51,22,039	52,84,286
Bidar	8,01,809	-	-	8,01,809	3,61,621	76,172	-	-	-	4,37,793	3,64,016	4,40,188
Shamirpet Factory	1,70,95,920	10,01,954	-	1,80,97,874	50,44,205	16,42,802	-	-	-	66,87,007	1,14,10,867	1,20,51,715
Land	3,64,62,496	-	-	3,64,62,496	-	-	-	-	-	-	3,64,62,496	3,64,62,496
	23,04,43,983	1,25,99,640	7,24,065	24,23,19,558	6,65,77,483	1,48,29,949	-	-	5,48,014	8,08,59,417	16,14,60,141	16,38,66,500



S.R. Reddy
Rajashekar Reddy
 Seelam
 Managing Director
 DIN : 00278954

[Signature]
Balasubramanian
 Narayanan
 Director
 DIN : 03070468

[Signature]
Karaiyalan
 Venkatesan
 CFO

[Signature]
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 Samaleti
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GANDHI & GANDHI
 CHARTERED ACCOUNTANTS
 Hyderabad, India
 Firm No. 0008495
 www.gandhis.com

Sresta Natural Bioproducts Pvt Ltd

FY 2019-20

Note 10: Significant Accounting Policies

1. Basis of preparation:

The financial statements are prepared under the historical cost convention, in accordance with the generally accepted accounting principles in India, Provisions of Companies Act, 2013 and applicable mandatory Accounting Standards.

2. Revenue Recognition:

Revenue is recognized to the extent that it can be reliably measured & is probable that the economic benefits will flow to the company.

Sale of goods:

Revenue from sale of goods is recognized when significant risks and rewards of ownership of the goods are transferred to the customer.

3. Income from Commodities Trading:

The realized gain or loss in respect of commodity hedging contracts which have been settled during the year, have been charged to profit and loss a/c.

4. Incomes & Expenditure:

The company maintains its accounts on accrual basis, except for the following that are recorded as soon as it is ascertained:

- Insurance claims are accounted for as and when received from the appropriate authorities.
- Service Tax refund is recognized as and when the claim is being filed

5. Use of estimates:

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

6. Property, Plant and Equipment:

Property, Plant and Equipment are stated at cost less accumulated depreciation.

The cost of an asset comprises of its purchase price & directly attributable costs of bringing the asset to working condition for its intended use reduced by CENVAT credit/GST Input availed. Own manufactured assets are capitalized at factory cost.



Sresta Natural Bioproducts Private Limited

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Padmasri
Padmasri
Samaleti
Company Secretary

Sresta Natural Bioproducts Pvt Ltd

FY 2019-20

7. Depreciation on Property, Plant and Equipment:

The Company charges depreciation on Straight Line Method using useful life of the assets prescribed in the Schedule II of the Companies Act, 2013. Depreciation to addition to assets is provided on pro rata basis.

Depreciation on assets acquired/disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

8. Investments:

Current investments are stated at lower of cost or fair market value. Long term investments are stated at cost after providing for diminution in value. Provision for diminution in value is made only when the decline is other than temporary in the opinion of the management.

9. Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. Cost comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. 'First-in-First-out' method is followed for determination of cost. The items of inventory which are sold at MRP are valued at MRP less appropriate percentage of gross margin.

10. Sundry Debtors and Loans & Advances:

Sundry Debtors and Loans & Advances are stated at their realisable value after providing for the bad debts, as considered necessary by the management.

11. Provision for Income Tax - Current and Deferred Tax:

Tax on income for the current year is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments / appeals.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the period and quantified using the tax rates and laws enacted or substantially enacted on the balance sheet date.

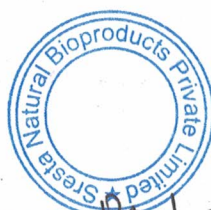
12. Employee Benefits:

The Company's contributions to Provident Fund are charged to Profit & Loss Account. Provision for Gratuity is made on the basis of actuarial valuation and charged to Profit & Loss Account.

Employee compensation expense on account of allotment of ESOP to employees is recognized in the year in which the option to purchase the share is exercised by the employee.

13. Borrowing Cost:

No borrowing costs have been capitalized during the year.



Sresta Natural Bioproducts Private Limited


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Company Secretary

Sresta Natural Bioproducts Pvt Ltd

FY 2019-20

14. Effects of changes in Foreign Exchange Rates:

The reporting currency of the company is Indian Rupee.

Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rates at the date of the transaction. Year-end balance in current assets / liabilities is accounted at rate prevailing on the reporting date.

15. Miscellaneous Expenditure:

Expenditure incurred on uncertified farmlands till such lands are certified as Organic Farm Lands is treated as Deferred Revenue Expenditure.

Expenses incurred during the current year for which the benefits are expected to be derived in future years are treated as Deferred Revenue Expenditure.

16. Amortization of Deferred Revenue Expenditure:

Expenditure incurred on uncertified farms and considered as Deferred Revenue Expenditure is amortized over a period of 5 years and charged to Profit & Loss Account from the year of certification.

Other Deferred Revenue Expenditure is charged off to Profit & Loss Account over the period during which benefits are expected.

17. Segment reporting:

The accounting policies adopted for segment reporting are in line with the accounting policies of the company. Segment revenue and segment expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue & expenses which relate to the company as a whole and are not allocable to segments on reasonable basis, have been included under "Unallocated Income / Expenses".

18. Research and Development:

Expenditure on Research and Development is charged to profit and loss account in the year of incurrence except in case of development of new product is undertaken where the same are deferred and expensed out over a reasonable period for which the benefit is received after commercial development of the products.

Research and development expenditure of revenue nature are charged to profit and loss account

Expenses in respect of major product development are, however treated as deferred revenue expenditure for amortization over a period of five years.

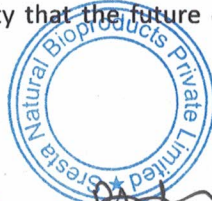
19. Contingencies & Events occurring after Balance Sheet date:

Contingencies that can be reasonably ascertained are provided for, if in the opinion of the company there is a probability that the future outcome may be materially detrimental to the company.

Sresta Natural Bioproducts Private Limited




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FY 2019-20

Note 11: Additional Notes to Accounts

1. Auditor's remuneration:

Particulars			Current Year	Previous Year
(a)	Statutory Audit	₹	7,00,000	7,00,000
(b)	Tax Audit	₹	3,50,000	3,50,000
(c)	Audit u/s 115JB-MAT	₹	40,000	40,000
(d)	Audit u/s 92E	₹	1,00,000	1,00,000
(c)	Consultancy	₹	3,10,000	3,10,000

2. Directors remuneration:

Name of the Director	Current year	Previous year
	Amount (₹)	Amount (₹)
S Rajashekar Reddy	1,02,31,996	66,21,996
N. Balasubramanian	1,21,86,408	1,02,42,612

3. In the opinion of Board of Directors, the Current Assets, Loans and Advances are approximately of the value stated if realized in ordinary course of business.

4. Deferred Tax:

	Current year	Previous year
Deferred Tax Asset		
i) On account of carry forward of loss.	10,23,77,597	13,21,00,828
ii) On disallowance of expenses	1,80,18,265	66,92,592
Deferred Tax Liability		
i) On excess depreciation claimed as per income tax act	60,85,435	90,82,750
ii) On account of Deferred Revenue Expenditure	6,60,74,348	7,35,46,156
Net Deferred Tax Asset	4,82,36,079	5,61,64,514

5. As per the provisions of Companies Act, 2013, depreciation is charged on systematic basis over the useful life of the assets prescribed in Schedule II to Companies Act, 2013.



Sresta Natural Bioproducts Private Limited

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**Balasubramanian
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Padmasri Samaleti

**Padmasri
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Company Secretary**

Sresta Natural Bioproducts Pvt Ltd

FY 2019-20

6. In accordance with the Payment of Gratuity Act, 1972 and Accounting Standard – 15 (revised) – Employee Benefits, the Company provided for gratuity covering eligible employees on the basis of actuarial valuation amounting to ₹1,37,26,576.

Profit & Loss Account	
	Amount (₹)
Current Service Cost	20,55,129
Interest Cost on benefit obligation	8,13,405
Expected return on plan assets	0
Net Actuarial (gain). Loss recognized in the year	8,20,745
Past services cost	0
Net Benefit expense	36,89,279
Actual return on plan assets	0
Balance Sheet	
Details of provision for Gratuity	
Change in the present value of the defined benefit obligation are as follows:	
Opening defined benefit obligation	1,02,97,825
Interest cost	8,13,405
Current services cost	20,55,129
Benefits paid	(2,60,528)
Actuarial (gains)/losses on obligation	8,20,745
Closing defined benefit obligation	1,37,26,575
The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the company's plans are shown below:	
Assumptions	Percentage
Salary Rise	8
Discount rate	6.79
Withdrawal Rate	47.6
Average Balance service	26.86 years



Sresta Natural Bioproducts Private Limited

S.R. Reddy
Rajashekar Reddy
Selam
Managing Director
DIN : 00278954

B. Narayanana
Balasubramanian
Narayanana
Director
DIN : 03070468

K. Venkatesan
Karaiyalan
Venkatesan
CFO

S. Padma R.
Padmasri
Samaleti
Company Secretary

Sresta Natural Bioproducts Pvt Ltd

FY 2019-20

7. Segment Reporting:

The Company has only one reportable Business Segment in terms of Accounting Standard 17 (AS 17) Segment Reporting, which is processing and sale of food products.

Geographical Segmental Reporting is as under:

Particulars	FY 2019-20			FY 2018-19		
	Domestic	Export	Total	Domestic	Export	Total
Segment Revenue						
Sales	1,44,96,29,886	70,39,43,685	2,15,35,73,571	1,19,28,21,609	55,12,83,858	1,74,41,05,467
Service Income	1,35,67,419	-	1,35,67,419	1,36,86,787	-	1,36,86,787
Total Revenue	1,46,31,97,305	70,39,43,685	2,16,71,40,990	1,20,65,08,396	55,12,83,858	1,75,77,92,254
Result						
Segment Result	61,76,26,742	32,47,46,108	94,23,72,850	54,84,30,882	26,64,96,144	81,49,27,026
Add: Other Income	1,08,92,423	3,05,19,315	4,14,11,737	82,36,503	1,89,33,875	2,71,70,378
Less: Unallocated expenses	-	-	94,27,12,474	-	-	82,66,09,256
Profit before tax	62,85,19,165	35,52,65,422	4,08,96,062	55,66,67,385	28,54,30,019	(1,54,88,148)
Tax expense	-	-	98,61,382	-	-	(28,71,804)
Net Profit	62,85,19,165	35,52,65,422	3,10,34,680	55,66,67,385	28,54,30,019	(1,26,16,344)

8. The company has not granted ESOPs to employees in the current period. Total number of 8,000 options were exercised and shares were allotted during the year. Difference in the fair value and exercise price aggregating to ₹2,08,400 is charged under employee benefit expenses. As on the balance sheet date 15,000 options remain unvested and there are no unexercised options.

9. Secured Loans and Bank Overdrafts:

Name of bank / Financial institution		Balance due	Secured against
HDFC – CC	₹	12,82,40,269	Current Assets, Movable Property, Plant and Equipment & personal property of directors as collateral.
HDFC – EPC	₹	6,39,42,354	
IndusInd Bank	₹	38,73,450	Stock at approved warehouses
Siemens Financial Services Pvt. Ltd.	₹	18,85,063	Plant and Machinery



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Karaiyalan Venkatesan
Karaiyalan Venkatesan
 CFO

Padmasri Samaleti
Padmasri Samaleti
 Company Secretary

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Sresta Natural Bioproducts Pvt Ltd

FY 2019-20

10. Related party disclosures: -

	Particulars	Nature of Relationship	Transaction	Amount (₹)
1	Fyve elements	Wholly Owned Subsidiary Company	Sale of goods	32,50,73,776
2	Bhumi Foods LLC	Wholly Owned Subsidiary Company of Sresta America Inc.	Sale of goods	19,63,21,734
4	Hita Life Ventures Private Limited	OPC owned by Director	Sale of goods	3,89,36,544
5	Hita Farms LLP	LLP in which Director is partner	Sale of goods	3,05,172
6	Renuka Seelam	Relative of Director	Office Rent (Registered Office)	3,78,000
7	Fyve Elements LLC	Wholly Owned Subsidiary Company	Corporate Guarantee issued to Responsibility Fair Trade Fund on behalf of the subsidiary company	18,09,26,160 is equal to \$24,00,000
8	S Rajashekar Reddy	Managing Director	Directors remuneration	1,02,31,996
9	N. Balasubramanian	Chief Executive Officer	Directors remuneration	1,21,86,408

The transactions with related parties have been made at prices which are reasonable having regard to the nature of the transaction.



Sresta Natural Bioproducts Private Limited

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Director
 DIN : 03070468

K. Karaiyalan
Karaiyalan
Venkatesan
CFO

J. Padmasri
Padmasri
Samaleti
Company Secretary

Sresta Natural Bioproducts Pvt Ltd

FY 2019-20

11. Foreign Currency Transactions:

Particulars		Current year (₹)	Previous year (₹)
i) Inflows			
	Export Sales	65,18,72,286	53,40,56,212
	Share Capital	NIL	NIL
ii) Out flows towards			
	Purchases & Expenses	19,33,422	86,69,001
	Property, Plant and Equipment	NIL	NIL
	Advance to Vendors	NIL	NIL
	Investments		
	Fyve Elements LLC	NIL	NIL
	Sresta Global FZE	NIL	NIL
	Sresta America INC	NIL	NIL

Foreign Exchange fluctuation gain of ₹3,05,19,315 are credited to profit and loss account during the year.

12. Previous year's figures have been regrouped / reclassified wherever necessary to confirm to the classification of the year.

13. Contingent Liabilities:

Particulars		Current year	Previous year
A. Bank Guarantee			
Guarantee given to Agricultural Produce Market Committee	₹	12,00,000	5,00,000
Guarantee given to Asst. Commissioner of Customs	₹	1,88,000	1,88,000
Guarantee given to Krishi Upaj Mandi Samiti	₹	3,00,000	3,00,000
Guarantee given to Agricultural and Processed Food	₹	11,00,000	11,00,000
B. Disputed Value Added Tax {Stay petition filed with the commercial Taxes Department of Telangana}		9,14,985	-
C. Service Tax Refund {Appeal filed by Service Tax Department is pending before the Service Tax Appellate Tribunal}	₹	-	8,12,598
D. Corporate guarantees given on behalf of wholly owned subsidiaries			
Responsibility Fair Trade Fund		\$24,00,000	\$24,00,000



Sresta Natural Bioproducts Private Limited

S.K. Reddy

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Balasubramanian

**Balasubramanian
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Director
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Karaiyala Venkatesan

**Karaiyala
Venkatesan
CFO**

Padmasri Samaleti

**Padmasri
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Company Secretary**

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FY 2019-20

14. Miscellaneous Expenditure:

a) Expenditure incurred on uncertified farms:

The company entered in to agreements with various farmers to convert their farmlands into certified organic farmlands. As per the specified organic standards the process period of conversions is about 3 to 4 years. During this period the company incurred various expenses to monitor the organic farming practices. Expenses incurred during such process period are considered as Deferred Revenue Expense.

The benefits of such expenses are expected to commence only on obtaining Organic Certification. The management thought fit to charge off the deferred revenue expenses from the year of certification over a period of 5 years.

Aggregate expenses treated as Deferred Revenue Expenses on account of this expense during the year are ₹76,95,794. Aggregate Deferred Revenue Expenses charged off to Profit & Loss Account during the year is ₹2,86,35,636. Aggregate Deferred Revenue Expenses charged off to Profit & Loss Account during the year on account of farmers withdrawing their lands from the organic farming are ₹3,24,368.

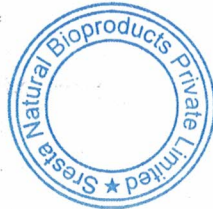
b) Other Deferred Revenue Expenditure:

Listing charges, Expenditure incurred on introducing the company's products in new export markets and expenditure incurred on development of new markets and launching of new products are considered as deferred revenue expenses as the management believes that benefits from such expenses will flow over several years and thought fit to charge off such expenses over 5 years.


Aggregate expenses treated as Deferred Revenue Expenses on account of these expenses during the year are ₹11,08,75,854. Aggregate Deferred Revenue Expenses charged off to Profit & Loss Account during the year is ₹10,99,69,346.


15. Previous year's figures have been regrouped / reclassified wherever necessary to confirm to the classification of the year.

16. Notes 1 to 11 form integral part of the accounts and have been duly authenticated.



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