ADF Foods (India) Limited
Balance Sheet as at March 31, 2021

Rs. Lakhs

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	Assets			
I.	**Non-current assets**			
	Property, plant and equipment	3	0.42	0.42
	Financial assets:			
	Loans	4	0.20	0.20
	Deferred tax assets (net)	5	13.13	13.37
	Income tax assets (net)	6	1.06	1.06
	Total non-current assets		**14.81**	**15.05**
II.	**Current assets**			
	Financial assets:			
	Trade receivables	7	14.26	24.99
	Cash and cash equivalents	8	9.74	9.14
	Others	9	0.04	-
	Other current assets	10	1.47	1.95
	Total current assets		**25.51**	**36.08**
	Total assets		**40.32**	**51.13**
	Equity and liabilities			
III.	**Equity**			
	Equity share capital	11	30.00	5.00
	Other equity	12	(25.88)	(21.64)
	Total equity		**4.12**	**(16.64)**
IV.	**Non-current liabilities**			
	Provisions	13	0.15	0.66
	Total non-current liabilities		**0.15**	**0.66**
V.	**Current liabilities**			
	Financial liabilities:			
	Trade Payables			
	a) Total outstanding dues to Micro enterprises and small enterprises		-	-
	b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	14	31.44	61.90
	Others	15	4.51	4.67
	Other current liabilities	16	0.10	0.53
	Provisions*	17	0.00	0.01
	Total current liabilities		**36.05**	**67.11**
	Total equity and liabilities		**40.32**	**51.13**
Accounting policies		2		

* Figures indicates less than Rs. 1000/-

The accompanying notes 1 to 32 form an integral part of financial statements

As per our report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 21, 2021

Signatures to Balance Sheet and Notes to Financial statements
For and on behalf of the Board

Bimal R. Thakkar
Director
DIN: 00087404
Place: London
Date: May 21, 2021

Shalaka Ovalekar
Director
DIN: 08217726
Place: Mumbai

ADF Foods (India) Limited
Statement of profit and loss for the year ended March 31, 2021

Rs. Lakhs

Particulars	Note No.	For the year ended	
		March 31, 2021	March 31, 2020
Income			
Revenue from operations	18	68.77	81.56
Other income	19	-	0.01
Total income		**68.77**	**81.57**
Expenses			
Purchase of stock in trade	20	43.30	58.27
Employee benefits expenses	21	0.92	2.92
Depreciation expenses	22	-	0.57
Other expenses	23	28.54	29.97
Total expenses		**72.76**	**91.73**
(Loss) before Tax		**(3.99)**	**(10.16)**
Tax expenses			
Current tax		-	-
Deferred tax		0.24	(0.09)
		0.24	**(0.09)**
(Loss) for the year ended		**(4.23)**	**(10.07)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit plans		0.01	(0.01)
Income tax relating to items that will not be reclassified to profit or loss *		(0.00)	0.00
Other Comprehensive income for the year ended		**0.01**	**(0.01)**
Total comprehensive income for the year ended		**(4.24)**	**(10.08)**
Earning per equity share [Nominal value per share Rs. 10/- each)			
Basic and Diluted	27	(8.35)	(20.15)

* Figures indicates less than Rs. 1000/-

The accompanying notes 1 to 32 form an integral part of the financial statements

As per our report of even date

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 21, 2021

Signatures to Statement of profit and loss account and Notes to Financial statements

For and on behalf of the Board

Bimal R. Thakkar
Director
DIN: 00087404
Place: London
Date: May 21, 2021

Shalaka Ovalekar
Director
DIN: 08217726
Place: Mumbai

ADF Foods (India) Limited
Cash Flow Statement for the year ended March 31, 2021

Rs. Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flow from Operating Activities		
Loss before Taxation	(3.99)	(10.16)
Adjustment for:		
Depreciation and amortisation	-	0.57
Interest income	-	(0.01)
Operating Profit before working capital changes	**(3.99)**	**(9.60)**
Adjustment for:		
(Increase) / Decrease in other Non current assets	-	(0.20)
(Increase) / Decrease in trade receivables	10.73	(23.11)
(Increase) / Decrease in Current financial assets	-	0.43
(Increase) / Decrease in Other current financial assets	(0.04)	-
(Increase) / Decrease in other current assets	0.48	0.38
Increase / (Decrease) in trade payable	(30.46)	31.77
Increase / (Decrease) in non current non financial liabilities	(0.51)	0.13
Increase / (Decrease) in current financial liabilities	(0.16)	(0.51)
Increase / (Decrease) in current non financial liabilities	(0.45)	1.14
	(24.40)	**0.43**
Taxes Paid (Net)	-	-
Net Cash Flow from / (used in) Operating Activities (A)	**(24.40)**	**0.43**
B. Cash Flow from Investing Activities		
Interest received	-	0.01
Net Cash Flow from/ (used in) Investing Activities (B)	**-**	**0.01**
C. Cash Flow from Financing Activities		
Issue of equity shares	25.00	-
Net cash flow from / (used in) financing activities (C)	**25.00**	**-**
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	**0.60**	**0.44**
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING OF THE YEAR	9.14	8.70
AS AT THE END OF THE YEAR		
Cash and Bank Balances	9.74	9.14
Unrealised Foreign Exchange Restatement in Cash and cash Equivalents	-	-
Cash and Cash Equivalents - Closing Balance	**9.74**	**9.14**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**0.60**	**0.44**
Notes:		
1. Cash and Cash Equivalents:		
Cash on hand	0.22	0.20
Balance with Bank	9.52	8.94
Cash and Cash Equivalents.	**9.74**	**9.14**

2. The cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (AS) 7 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.

3. Figures for the previous year have been regrouped/ restated wherever necessary to conform to current year's classification.

As per our report of even date.
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

Signature to the Cash Flow Statement and Notes to the financial statements

For and on behalf of the board

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 21, 2021

Bimal R. Thakkar
Director
DIN: 00087404
Place: London
Date: May 21, 2021

Shalaka Ovalekar
Director
DIN: 08217726
Place: Mumbai

ADF Foods (India) Limited
Statement Of Changes In Equity For the year ended March 31, 2021
(a) Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Rs. Lakhs	No. of Shares	Rs. Lakhs
Balance at beginning of the year	50,000	5.00	50,000	5.00
Issued during the year	250,000	25.00	-	-
Balance at end of the year	**300,000**	**30.00**	**50,000**	**5.00**

(b) Other Equity Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Retained earning		
Opening balance	**(21.64)**	**(11.56)**
Loss for the year	(4.23)	(10.07)
	(25.87)	**(21.63)**
Other Comprehensive income	0.01	(0.01)
Balance at the end of the year	**(25.88)**	**(21.64)**

The accompanying notes 1 to 32 form an integral part of financial statements

As per our report of even date

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166

Signature to statement of Change in Equity and Notes to the Financial Statements

For and on behalf of the Board

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 21, 2021

Bimal R. Thakkar
Director
DIN: 00087404
Place: London
Date: May 21, 2021

Shalaka Ovalekar
Director
DIN: 08217726
Place: Mumbai

1 Company Overview

Description of Business

ADF Foods (India) Limited ("the Company") is a company incorporated under the provisions of the Companies Act, 1956. The company is wholly owned subsidiary of ADF Foods Limited. ("The holding company") which is domiciled in India having registered office at 83/86 G.I.D.C Industrial Estate, Nadiad, Gujarat.

The Company is engaged in the business of trading in food specialty products.

The Company is dependent upon its holding company for carrying its operations.

Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the period ended March 31, 2021 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

Current versus non-current classification all assets and liabilities have been classified as current or non-current as per the Company's normal 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 taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non-current.

Basis of Measurement

The Ind AS Financial Statements have been prepared using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind AS.

Going Concern uncertainty

The Company had only one customer throughout the year and the volume of trading activity with the said customer has reduced substantially over a period. Company's current liabilities exceeded its current assets by Rs. 10.54 lakh as on March 31, 2021. These factors indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Company is working on plans to revive its existing business as well as exploring newer business opportunities. The Holding Company has also undertaken to provide the support at least for the forthcoming twelve months, with any financial support the Company may require in order to pursue its operations and honour its commitments to enable the Company to continue as a going concern for the foreseeable future.

If the Company is unable to continue in operational existence for foreseeable future, the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

Key Accounting Estimates and Judgements:

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial period, are included in the following notes:
(a) Measurement of defined benefit obligations.
(b) Measurement and likelihood of occurrence of provisions and contingencies.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company has considered the possible effects that may result from the pandemic relating to COVID 19 in the preparation of these financial statements including the recoverability and carrying amount of its assets comprising Property, Plant and Equipment, Intangible assets, receivables and other financial assets. The Company has considered internal and external information upto the date date of approval of these financial statement and expects that the carrying amount of these assets will be recovered. Further, the company is debt free and would have adequate liquidity available to honour its liabilities and obligations, as and when due. The impact of COVID 19 on the Company's Financial Statements may differ from that estimated as at the date of approval of these Financial Statements. The management will continue to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting year during which the change has occurred.

2 Significant Accounting Policies

2.1 Property, Plant and Equipment

2.1.1 Initial Recognition

Property, Plant and Equipment are initially recognised at cost which comprises of purchase price including import duties, non-refundable taxes and any directly attributable cost of bringing the assets to its present condition and location for its intended use, including the cost of replacing parts only when future economic benefit associated to that cost will flow to the company and its cost can be reliably measured, borrowing costs for long term construction projects if the recognition criteria are met and present value of any expected cost for decommissioning, restoration and similar liability of an asset after its use is included in the cost of respective asset. On replacement of a component, its carrying amount is derecognised.

Further, in case the component was not depreciated separately, the cost of incoming component is used as an indication to determine the cost of the replaced part at the time of capitalising.

2.1.2 Subsequent Recognition

Subsequent recognition is at Cost less accumulated depreciation and accumulated impairment losses, if any. Impairment testing is undertaken at the balance sheet date if there are indicators.

2.1.3 Disposal or Retirement

The carrying value is eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.1.4 Component Accounting

The Company identifies and determines cost of each component of an asset separately, if the component has a materially different useful life as compared to entire asset and its cost is significant of the total cost.

2.1.5 Depreciation

Depreciation is calculated on Straight Line Basis as per the useful lives specified in Schedule II to the Companies Act, 2013 on pro rata basis or up to the date of assets has been sold or discarded as the case may be.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

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

2.2 Inventories

Inventories are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs are computed on the weighted average basis and are net of GST credits.

2.3 Cash and Cash Equivalents

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

For the purpose of the statement of cash flow, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.4 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.

2.4.1 Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

2.4.1.1 Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.4.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

2.4.1.2.1 Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, debt instruments at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

2.4.1.2.2 Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to ‘other income’ in the Statement of Profit and Loss.

2.4.1.2.3 Financial assets at fair value through profit or loss

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as ‘other income’ in the Statement of Profit and Loss.

2.4.1.2.4 Financial assets as Equity Investments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

The Company makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as ‘other income’ in the Statement of Profit and Loss.

2.4.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4.1.4 Impairment

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The company follows ‘Simplified Approach’ for recognition of impairment allowance. This approach doesn’t require the Company to track changes in credit risk. Rather, it recognises impairment allowances based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. Lifetime ECL are expected credit losses resulting from all possible defaults over the expected life of a financial instrument. ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

2.4.2 Financial Liabilities

(i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

(ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(iii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to loans and borrowings.

(iv) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(v) Offsetting of financial instruments

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

2. 5 Share Capital

Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

2.6 Provisions, Contingent Liabilities and Contingent Assets

2.6.1 Provisions

Provisions are recognised 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. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of 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.

2.6.2 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 the obligation or a reliable estimate of the amount cannot be made.

2.6.3 Contingent Assets

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the Notes to the financial statements.

2.7 Revenue Recognition

2.7.1 Revenue from Operations

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.
Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

2.7.2 Non-operating revenue

Other Income

Interest and other income is recognized on accrual basis using the effective interest rate (EIR) method.

2.8 Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

a) <u>Short-term employee benefits</u>

i) Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting year and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

b) Long Term Employee Benefit Plan

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the year in which the absences occur.

c) Post Separation Employee Benefit Plan

i) **Defined Benefit Plan :** Gratuity, as per Payment Of Gratuity Act, 1972

- Post separation benefits of Directors on the basis of actuarial valuation as per IND AS-19.

- Gratuity Liability on the basis of actuarial valuation as per IND AS-19.
  Liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting year less the fair value of plan assets.

  The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting year on government bonds that have terms approximate 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.

- Actuarial gain / loss pertaining to above and other components of re-measurement of net defined benefit liability (asset) are accounted for as OCI. All remaining components of costs are accounted for in Statement of Profit and Loss.

ii) Defined Contribution Plans: Provident fund as per Provident Fund Act, 1952

Defined contribution plans are Employee Provident Fund scheme for employees. The Company’s contribution to defined contribution plans is recognised as an expense in the Statement of Profit and Loss as they fall due.

2.9 Taxes

2.9.1 Current Taxes

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the company and its branch operate and generate taxable income. 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.

Income tax expense is recognized in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity/OCI, in which case it is recognized in other comprehensive income. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary timing differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and MAT credit entitlements only if it is probable that future taxable amounts will be available to utilise those temporary differences, losses and credit.

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 is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.10 Earnings Per Share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit for the year attributed to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

3. Recent Indian Accounting Standards (Ind As)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

ADF Foods (India) Limited
Notes forming part of financial statements for the year ended March 31, 2021

Rs. Lakhs

3 **Property, Plant and Equipment**

Property, Plant and Equipment	Vehicles
Gross carrying amount as at April 1, 2019	**4.21**
Additions	**-**
Deductions	**-**
As at March 31, 2020	**4.21**
Gross carrying amount as at April 1, 2020	**4.21**
Additions	**-**
Deductions	**-**
As at March 31, 2021	**4.21**
Accumulated depreciation as at April 1, 2019	**3.22**
Depreciation for the year	0.57
Deductions	-
As at March 31, 2020	**3.79**
Accumulated depreciation April 1, 2020	**3.79**
Depreciation for the year	-
Deductions	-
As at March 31, 2021	**3.79**
Net carrying amount as at March 31, 2020	**0.42**
Net carrying amount as at March 31, 2021	**0.42**

4 **Non - Current loans**

Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Security deposits	0.20	0.20
Total	**0.20**	**0.20**

5 **Deferred tax assets / liabilities and tax expenses**

Amounts recognised in statement of profit and loss

Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Current income tax		
Current tax on profit for the year	-	-
Prior year's tax adjustment	-	-
Total current tax expenses	**-**	**-**
Deferred income tax (net)		
Decrease / (increase) in deferred tax assets	0.24	(0.09)
Total deferred tax expenses / (benefit)	**0.24**	**(0.09)**
Income tax expenses reported in the Statement of profit and loss	**0.24**	**(0.09)**

Tax expenses reported in other comprehensive income

Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Item that will not be reclassified subsequently to profit or loss		
Re-measurements of defined benefit plans*	(0.00)	0.00
Total	**(0.00)**	**0.00**

* Figure indicate less than Rs. 1000/-

ADF Foods (India) Limited
Notes forming part of financial statements for the year ended March 31, 2021
Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate

Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Profit from continuing operations before income tax expenses	(3.99)	(10.16)
Indian tax rate	26.00%	26.00%
Tax at the India tax rate	**-**	**-**
Others	0.24	(0.09)
Closing balance	**0.24**	**(0.09)**

Movement in deferred tax balances for the year ended March 31, 2021 Rs. Lakhs

Particulars	Net Balance April 01, 2020	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2021
Deferred tax assets / (liabilities)				
Property, plant and equipment	0.43	(0.08)	-	0.35
Employee benefits *	0.22	(0.16)	0.00	0.06
MAT credit Entitlement	12.72	-	-	12.72
Net Deferred tax assets / (liabilities)	**13.37**	**(0.24)**	**0.00**	**13.13**

* Figures indicates less than Rs. 1000/-

Movement in deferred tax balances for the year ended March 31, 2020 Rs. Lakhs

Particulars	Net Balance April 01, 2019	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2020
Deferred tax assets / (liabilities)				
Property, plant and equipment	0.38	0.05	-	0.43
Employee benefits*	0.18	0.04	(0.00)	0.22
MAT credit Entitlement	12.72	-	-	12.72
Net Deferred tax assets / (liabilities)	**13.28**	**0.09**	**(0.00)**	**13.37**

* Figures indicates less than Rs. 1000/-

6 Income tax assets (net) Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Advance payment of income tax (Net)	1.06	1.06
Total	**1.06**	**1.06**

7 Current trade receivables Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Unsecured, Considered good		
Others	14.26	24.99
Unsecured, Credit Impaired		
Others	-	0.80
	14.26	25.79
Less: Allowances for credit impaired	-	(0.80)
Total receivables	**14.26**	**24.99**

8 Cash and cash equivalents Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Balance with banks		
In Current account	9.52	8.94
Cash on hand	0.22	0.20
Total	**9.74**	**9.14**

9 Other current financial assets Rs. Lakhs

Particulars	March 31, 2021	March 31,2020
Receivable from related Party		
ADF Foods Limited	0.04	-
Total	**0.04**	**-**

10 Other current assets Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Unsecured, considered good		
Balance with government authorities	1.35	1.75
Prepaid expenses	0.12	0.20
Total	**1.47**	**1.95**

11 Share capital

Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Authorised		
1,00,00,000 (Previous year 2020: 1,00,00,000) equity shares of Rs. 10/- each fully paid	1,000.00	1,000.00
Issued, subscribed and fully paid		
300,000 (Previous year 2020: 50,000) equity shares of Rs. 10/- each	30.00	5.00
Total Issued, subscribed and fully paid	**30.00**	**5.00**

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

Particulars	No. of shares	Rs. Lakhs
Equity shares of Rs. 10 each		
Issued, subscribed and fully paid		
As at April 1, 2019	**50,000**	**5.00**
Issued during the year	-	-
As at March 31, 2020	**50,000**	**5.00**
Issued during the year	250,000	25.00
As at March 31, 2021	**300,000**	**30.00**

(b) Terms / rights attached to equity shares

The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholding information:

Particulars	March 31, 2021	March 31, 2020
Equity shares held by:		
ADF Foods Limited	300,000	50,000
Total	**300,000**	**50,000**

(d) Details of equity shares held by Shareholder holding more than 5% of the aggregate shares in the company

Particulars	March 31, 2021	March 31, 2020
ADF Foods Limited		
No. of Shares	300,000	50,000
%	**100.00%**	**100.00%**

12 Other equity

Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Reserves and surplus		
Retained earning		
Opening balances	(21.64)	(11.56)
Less: Loss for the year	(4.23)	(10.07)
Closing balance	**(25.87)**	**(21.63)**
Items of other comprehensive income recognized directly in retained earnings:		
Re-measurement loss on defined benefit plans	0.01	(0.01)
Tax on movement during the year *	(0.00)	0.00
Net surplus in the statement of profit and loss	**0.01**	**(0.01)**
Total Reserves and Surplus	**(25.88)**	**(21.64)**

* Figures indicates less than Rs. 1000/-

ADF Foods (India) Limited

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

13 Non current provision **Rs. Lakhs**

Particulars	**March 31, 2021**	**March 31, 2020**
Provision for employee benefit (Refer Note no. 26)		
For compensated absences	0.06	0.11
For compensated sick leaves	0.01	-
For gratuity	0.08	0.55
Total	**0.15**	**0.66**

14 Current trade payables **Rs. Lakhs**

Particulars	**March 31, 2021**	**March 31, 2020**
Total outstanding dues of creditors other than Micro enterprises and small enterprises		
Related party (ADF Foods Limited)	28.33	61.20
Others	3.11	0.70
Total	**31.44**	**61.90**

15 Other financial liabilities **Rs. Lakhs**

Particulars	**March 31, 2021**	**March 31, 2020**
Others	4.51	4.67
Total	**4.51**	**4.67**

16 Other current liabilities **Rs. Lakhs**

Particulars	**March 31, 2021**	**March 31, 2020**
Statutory dues and other liabilities	0.10	0.53
Total	**0.10**	**0.53**

17 Current provisions **Rs. Lakhs**

Particulars	**March 31, 2021**	**March 31, 2020**
Provision for employee benefits (Refer Note No. 26)		
For compensated absences *	0.00	0.00
For compensated sick leaves*	0.00	-
For gratuity*	0.00	0.01
Total	**0.00**	**0.01**

* Figures indicates less than Rs. 1000/-

ADF Foods (India) Limited

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

18 Revenue from operations **Rs. Lakhs**

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Sale of products	68.77	81.56
Total	**68.77**	**81.56**

19 Other income **Rs. Lakhs**

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Other interest income	-	0.01
Total	**-**	**0.01**

20 Purchase of stock in trade **Rs. Lakhs**

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Purchases of stock in trade	43.30	58.27
Total	**43.30**	**58.27**

21 Employees' benefit expenses **Rs. Lakhs**

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Salaries and wages	0.75	2.77
Contribution to provident fund and other funds	0.17	0.15
Total	**0.92**	**2.92**

22 Depreciation **Rs. Lakhs**

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Depreciation expenses	-	0.57
Total	**-**	**0.57**

23 Other expenses **Rs. Lakhs**

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Insurance	0.14	0.17
Rates and taxes	0.31	1.14
Printing and stationery expenses	-	0.01
Freight and forwarding expenses	11.78	16.93
Sales commission and claims	3.39	2.83
Advertisement	-	2.00
Sales and marketing expenses	6.90	1.09
Legal and professional fees	0.74	0.71
Payment to auditor (Refer Note no. 23.1)	5.25	5.00
Miscellaneous expenses	0.03	0.09
Total	**28.54**	**29.97**

23.1

Payment to Auditors:	For the year ended	
	March 31, 2021	March 31, 2020
Payment to auditor comprise :		
For statutory Audit	3.75	3.50
For other services	1.50	1.50
Total	**5.25**	**5.00**

24. Dues to Micro, Small and Medium enterprises

Micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Total outstanding dues to micro enterprises and small enterprises amounting to Rs. Nil (previous Year; Rs. Nil). The disclosures pursuant to MSMED Act based on the books of account are as under:

Rs. Lakhs

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
Dues remaining unpaid	Nil	Nil
Principal	Nil	Nil
Interest	Nil	Nil
Interest paid in terms of Section 16 of MSMED Act	Nil	Nil
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year but without adding the interest specified under the MSMED Act	Nil	Nil
Amount of interest accrued and remaining unpaid	Nil	Nil
Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

25. Related party transactions

(A) Related parties and their relationship:

Sr. No	**Category and related parties**	**Names**
1	Holding company	ADF Foods Limited
2	Fellow Subsidiaries	ADF Foods UK limited
3	Fellow Subsidiaries	ADF Holdings (USA) Limited
4	Fellow Subsidiaries	ADF Foods (USA) Limited
5	Key Managerial Personnel	Bimal .R. Thakkar (Director) Shalaka S. Ovalekar (Director) Viren Merchant (Director)

(B) Transactions with related parties: **Rs. Lakhs**

Particulars	**Financial Year**	**Holding company**
Purchase of goods*	2020-21	43.30
	2019-20	58.27
Share Capital	2020-21	25.00
	2019-20	-
Balance at the year end		
Trade Payable	2020-21	28.33
	2019-20	61.20
Other current financial Assets	2020-21	0.04
	2019-20	-

* The given transaction is net of tax

26. Disclosure under Indian Accounting Standards [IND AS] 19 "Employee Benefits"

The Company has classified various employee benefits as under:

Defined contribution plans

The Company has recognized Rs.0.09 Lakhs (previous year: Rs. 0.06 Lakhs) in the Statement of Profit and Loss towards contribution to Provident Fund and Employees' Pension Scheme, 1995 for the year.

Defined benefit plan

a. Compensated absence

Provision for compensated absence is made for outstanding leave balance at basic salary cost for outstanding leave balance at the year end which can be utilized in future and are en-cashable. Amount of Rs.0.06 Lakhs (Previous year: Rs. 0.11 Lakhs) has been recognized in balance sheet of which Rs.0.06 Lakhs (Previous year: Rs. 0.11 Lakhs) shown under long term provision and balance Rs. 0.00 Lakhs* (Previous year Rs. 0.00 Lakhs*) is shown under short term provision as given in the Actuarial report as on March 31, 2021.

Expenses of Rs. (0.04)Lakhs (Previous year: Rs. 0.04 Lakhs) are recognized in the Statement of Profit and Loss.

* Figure Indicates less than Rs. 1000/-

b. Compensated sick leave

Provision for compensated sick leave is made for outstanding sick leave balance at the year end at gross salary which can be utilized in future and are non en-cashable. Amount of Rs. 0.01 lakhs (Previous year: Rs.Nil) has been recognised in balance sheet of which Rs.0.01 lakhs (Previous year: Rs. Nil) shown under long term provision and balance Rs. 0.00 lakhs* (Previous year: Rs. Nil) is shown under short term provision as given in the Actuarial report as on March 31, 2021.
Expenses of Rs. 0.01 lakhs (Previous year: Rs. Nil) are recognised in the Statement of Profit and Loss.

* Figure Indicates less than Rs. 1000/-

c. Gratuity as per Payment of Gratuity Act, 1972

Unfunded

Valuation in respect of Gratuity has been carried out by an independent actuary, as at the reporting date, based on the following assumptions:

The amounts recognized in the financial statements are as under:

Rs. Lakhs

	Particulars	**Gratuity**	
		2020-21	**2019-20**
I	**Present value of obligation**		
	Opening Balance of present value of Obligation	0.56	0.46
	Interest cost	-	0.03
	Current service cost	0.05	0.06
	Liability Transferred In/ Acquisitions	0.04	
	Benefit paid	(0.58)	-
	Actuarial (gain) / loss on obligation – Due to Change in Financial Assumption*	(0.00)	0.03
	Actuarial (gain) / loss on obligation – Due to Experience	0.01	(0.02)
	Closing Balance of present value of Obligation	0.08	0.56
II	**Change in Plan assets**		
	Opening Balance of present value of Plan Assets	-	-
	Expected return on Plan assets	-	-
	Contributions	-	-
	Benefit paid	-	-
	Actuarial (gain) / loss on Plan Assets	-	-
	Closing Balance of Fair value of plan assets net of pending transfer	-	-
III	**Amount Recognised in the Balance Sheet**		
	Closing Balance of Present Value of Obligation	0.08	0.56
	Closing Balance of Fair value of plan assets net of pending transfer	-	-
	Unfunded Liabilities recognized in the Balance Sheet	0.08	0.56

ADF Foods (India) Limited

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

	Particulars	**Gratuity**	
		2020-21	**2019-20**
IV	**Expenses Recognised in Profit and Loss Account**		
	Current service cost	0.05	0.05
	Interest cost	-	0.03
	Expected return on plan assets	-	-
	Net actuarial (gain) / loss to be recognized	-	-
	Expenses recognized in Profit and Loss Account	0.05	0.08
V	**Expenses recognized in Other Comprehensive Income (OCI)**		
	Actuarial (Gains)/Losses on Obligation For the Period	0.01	0.01
	Return on Plan Assets, Excluding Interest Income	-	-
	Changes in Assets ceiling	**-**	-
	Net (Income)/Expense for the Period Recognised in OCI	0.01	0.01
VI	**Actuarial assumptions :**		
	Discount rate	**6.90%**	**6.59%**
	Rate of return on plan assets	**N.A**	**N.A**
	Salary escalation	**6.00%**	**6.00%**
	Mortality	Indian Assured lives Mortality(2006-08) Ultimate	

* Figure Indicates less than Rs. 1000/-

Maturity Analysis of Benefits payments: From the fund

Rs. Lakhs

Projected Benefi ts Payable in Future Years From the Date of Reporting	**2020-21**	**2019-20**
1st Following Year*	0.00	0.01
2nd Following Year*	0.00	0.01
3rd Following Year*	0.00	0.01
4th Following Year*	0.00	0.01
5th Following Year*	0.00	0.01
Sum of Years 6 to 10	0.01	0.79
Sum of Years 11 and above	0.65	-

* Figures indicates less than Rs. 1000/-

Sensitivity Analysis

Projected Benefit Obligation on Current Assumptions	**2020-21**	**2019-20**
Projected Benefit Obligation on Current Assumptions	0.08	0.56
Delta effect on + 1% Change in Rate of Discounting	(0.02)	(0.03)
Delta effect on - 1% Change in Rate of Discounting	0.02	0.03
Delta effect on + 1% Change in Rate of Salary Increase	0.02	0.03
Delta effect on - 1% Change in Rate of Salary Increase	(0.02)	(0.03)
Delta effect on + 1% Change in Rate of Employee Turnover*	0.00	0.00
Delta effect on - 1% Change in Rate of Employee Turnover*	(0.00)	(0.00)

* Figures indicates less than Rs. 1000/-

27. Computation of earnings per share **Rs. Lakhs**

Particulars	**2020-21**	**2019-20**
Net profit / (Loss) as per statement of profit and loss	(4.23)	(10.07)
Weighted average number of equity shares outstanding during the period	50,685	50,000
Total Number of shares	300,000	50,000
Basic and Diluted earnings per share (Rs)	(8.35)	(20.15)
Nominal value per share (Rs)	10	10

28. Segment reporting

General Information:

Factors used to identify the entity's reportable segments, including the basis of organisation

For management purposes, the Company has only one reportable segment namely, "Processed Food". The Board of Director of the company acts as the Chief Operating Decision Maker ("CODM"). The CODM evaluates the company's performance and allocates resources based on an analysis of various performance indicators.

Information about Product and Services
The Company has revenue from external customer to the extent of Rs.68.77 lakhs (Previous year: Rs. 81.56 lakhs)

Information about Geographical Areas

The Revenue from India is Rs. 68.77 Lakhs & from Outside India Rs.Nil (Previous year :In India – Rs. 81.56 lakhs & outside India – Rs.Nil) & The Non-currents assets other than financial instruments & deferred tax assets from India are Rs.1.48 lakhs. (PPE+Income Tax) (Previous year Rs. 1.48 lakh and from outside India are Rs.Nil Previous year: Rs. Nil)

Information about Major Customers:

The Company has only one customer for the year ended March 31, 2021.

29. Financial instruments – Fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Rs. Lakhs

March 31, 2021	**Carrying amount**				**Fair value**			
	Fair value through profit and loss	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets								
Non - Current								
Loans	-	-	0.20	0.20	-	-	-	-
Current								
Trade Receivables	-	-	14.26	14.26	-	-	-	-
Cash and cash equivalents	-	-	9.74	9.74	-	-	-	-
Other Current financial assets			0.04	0.04				
	-	**-**	**24.24**	**24.24**	**-**	-	-	-

ADF Foods (India) Limited

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

March 31, 2021	**Carrying amount**				**Fair value**			
	Fair value through profit and loss	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Liabilities								
Current								-
Trade payables	-	-	31.44	31.44	-	-	-	-
Other Current Financial Liabilities	-	-	4.51	4.51	-	-	-	-
	-	-	**35.95**	**35.95**	**-**	-	-	-

Rs. Lakhs

March 31, 2020	**Carrying amount**				**Fair value**			
	Fair value through profit and loss	**Fair value through other comprehensive income**	**Amortised Cost**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets								
Non - Current								
Loans	-	-	0.20	0.20	-	-	-	-
Current								
Trade Receivables	-	-	24.99	24.99	-	-	-	-
Cash and cash equivalents	-	-	9.14	9.14	-	-	-	-
	-	**-**	**34.33**	**34.33**	**-**	-	-	-
Financial Liabilities								
Current								-
Trade payables	-	-	61.90	61.90	-	-	-	-
Other Current Financial Liabilities	-	-	4.67	4.67	-	-	-	-
	-	-	**66.57**	**66.57**	**-**	-	-	-

Fair Value Hierarchy

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements). The categories used are as follows:

• Level 1: Quoted prices for identical instruments in an active market;
• Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
• Level 3: Inputs which are not based on observable market data.

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with prior years.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values 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 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.
2. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
3. Loans – Security Deposits have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

30. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Credit risk

The Company is exposed to credit risk, which is the risk that arises when a counter party defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company's business is such that it has only a single customer. The Company manages its credit risk by continuous monitoring of the ageing of its receivables. The carrying amount of financial assets represents the maximum credit exposure. Based on prior experience and an assessment of the current economic environment, management believed there is no credit risk provision required.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 14.26 lakhs (March 31, 2020 – Rs. 24.99 lakhs) shown as current as at reporting date. Trade receivables are typically unsecured. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company expects that estimate of expected credit loss for impairment is immaterial based on historical trend and the nature of business. No provision is considered necessary as at reporting date other than disclosed in Note 7 and Management continuously assesses the requirement for provision on ongoing basis. During the period, the Company made no write-offs of trade receivables except for those disclosed in financial statements.

Liquidity risk

The Company manages liquidity risk by continuously monitoring the forecasted and actual cash flows. It matches its outflows to its inflows, thereby ensuring that it does not have any operational cash shortfalls which need to be funded.

Rs. Lakhs

March 31, 2021		**Contractual cash flows**				
	Carrying Amount	**Total**	**Within 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Financial Liabilities						
Current						
Trade payables						
a) Dues of Micro & Small Enterprises	-	-	-	-	-	-
b) Dues of creditors other than Micro & Small Enterprises	31.44	31.44	31.44	-	-	-
Other Financial Liabilities	4.51	4.51	4.51	-	-	-
	35.95	**35.95**	**35.95**	**-**	**-**	**-**

Rs. Lakhs

March 31, 2020		**Contractual cash flows**				
	Carrying Amount	**Total**	**Within 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Financial Liabilities						
Current						
Trade payables						
c) Dues of Micro & Small Enterprises	-	-	-	-	-	-
d) Dues of creditors other than Micro & Small Enterprises	61.90	61.90	61.90	-	-	-
Other Financial Liabilities	4.67	4.67	4.67	-	-	-
	66.57	**66.57**	**66.57**	**-**	**-**	**-**

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. There are two types of market risks, namely, currency risk and interest rate risk. Exposure to currency risk related primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency. The Company does not have a significant exposure to currency risk. The Company has no exposure to interest rate risk as it has neither any interest bearing investments nor borrowings.

Capital Management

The Company's capital management objective is to
-> ensure that the Company will be able to continue as a going concern.
-> maintain strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.
The board of directors monitors the return on capital employed.

31. The Company had made a Preferential Issue of 250,000 (previous year Nil) equity shares of face value Rs.10 each fully paid up for cash at a price of Rs. 10/- per equity share aggregating Rs. 25.00 Lakh. The aforementioned 250,000 (previous year Nil) equity shares were allotted on March 31st, 2021. The net proceeds from the issue of the above mentioned equity shares were used to meet the business requirement.

32. The previous year's figures have been regrouped / restated wherever necessary.

For and on behalf of the Board

Bimal R. Thakkar	**Shalaka Ovalekar**
Director	**Director**
DIN: 00087404	**DIN: 08217726**
Place: London	**Place: Mumbai**
Date: May 21, 2021	