

ADF Foods UK Limited
Balance Sheet as at March 31, 2021

Rs. Lakhs

Particulars	Note No.	As at	As at
		March 31, 2021	March 31, 2020
Assets			
Non-current assets			
Investment in subsidiaries	3	7,068.16	6,710.08
Financial assets			
Other non-current assets	4	-	359.12
Total non-current assets		7,068.16	7,069.20
Current assets			
Inventories	5	3.08	11.37
Financial assets			
Trade receivables	6	56.32	47.99
Cash and cash equivalents	7	42.76	48.62
Loans	8	-	7.14
Other non financial assets	9	4.94	1.52
Total current assets		107.10	116.64
Total assets		7,175.26	7,185.84
Equity and liabilities			
Equity			
Share capital	10	6,967.13	6,609.04
Other equity	11	179.82	442.17
Total equity		7,146.95	7,051.21
Non-current liabilities			
Deferred tax liability	12	-	39.81
Total non-current liabilities		-	39.81
Current liabilities			
Financial liabilities			
Trade payables			
1) Total outstanding dues of Micro enterprises and small enterprises		-	-
2) Total outstanding dues of creditors other than Micro enterprises and small enterprises	13	0.06	18.48
Other current financial liabilities	14	21.64	74.97
Other current non financial liabilities	15	-	1.37
Income tax liabilities (net)	16	6.61	-
Total current liabilities		28.31	94.82
Total equity and liabilities		7,175.26	7,185.84
Significant Accounting policies	2		

The accompanying notes 1 to 28 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

Signatures to Balance Sheet and Notes to
Financial statements

For and on behalf of the Board

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 19, 2021

Bimal R. Thakkar
Director
DIN: 00087404
Place: London
Date: May 19, 2021

ADF Foods UK Limited		Rs. Lakhs	
Statement of Profit and Loss for the year ended March 31, 2021			
Particulars	Note No.	For the year ended	For the year ended
		March 31, 2021	March 31, 2020
Income			
Revenue from operations	17	314.34	137.22
Other income	18	51.38	4.84
Total income		365.72	142.06
Expenses			
Purchase of traded goods	19	263.99	119.19
Change in inventories of traded goods	20	8.29	(11.37)
Employee benefits expenses	21	-	0.34
Other expenses	22	33.05	16.82
Total expenses		305.33	124.98
Profit before Tax		60.39	17.08
Tax expenses			
Current tax		6.61	-
Deferred tax		-	-
Total tax expenses		6.61	-
Profit for the year		53.78	17.08
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss			
Exchange differences in translating the financial statements of foreign operations		3.23	0.31
Income tax relating to items that will not be reclassified to profit or loss		-	(0.08)
Other Comprehensive income for the year ended		3.23	0.23
Total Comprehensive income for the year ended		57.01	17.31
Earning per equity share			
[Nominal Value per share £1 each]			
Basic	23	2.58	0.82
Diluted	23	0.72	0.26

The accompanying notes 1 to 28 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

Signatures to Statement of Profit and Loss and
Notes to Financial statements

For and on behalf of the Board

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 19, 2021

Bimal R. Thakkar
Director
DIN: 00087404
Place: London
Date: May 19, 2021

Particulars	For the year ended	For the year ended
	March 31, 2021	March 31, 2020
A. Cash Flow from Operating Activities		
Profit/(Loss) before Taxation	60.39	17.08
Adjustment for:		
Dividend income	(0.05)	(0.04)
Operating Profit before working capital changes	60.34	17.04
Adjustment for:		
(Increase)/Decrease in Trade receivables	(4.16)	(46.51)
(Increase) / Decrease in Inventories	8.93	(11.02)
(Increase) / Decrease in Non-Current non Financial Assets	376.09	(348.07)
(Increase) / Decrease in Current Financial Assets	7.48	(0.00)
(Increase) / Decrease in Current non Financial Assets	(3.24)	0.26
Increase / (Decrease) in Trade Payable	(19.29)	17.91
Increase / (Decrease) in Non-Current Liabilities	(1.43)	1.32
Increase / (Decrease) Current Financial Liabilities	(57.59)	64.16
Cash generated from operating activities	367.13	(304.91)
Taxes Paid (Net of refunds)		-
Net Cash Flow from / (used in) Operating Activities (A)	367.13	(304.91)
B. Cash Flow from Investing Activities		
Investment in subsidiary	(385.07)	(809.38)
Dividend Received from subsidiary*	0.05	0.04
Net Cash Flow from/ (used in) Investing Activities (B)	(385.02)	(809.34)
C. Cash Flow from Financing Activities		
Application money Received	(376.09)	348.07
Issue of Shares	385.07	809.38
Dividend paid	(0.05)	(0.04)
Net cash flow from / (used in) financing activities (C)	8.93	1,157.41
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(8.96)	43.16
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING OF THE YEAR	48.62	4.31
Unrealised Foreign Exchange Restatement in Cash and cash Equivalents	3.10	1.15
Cash and Cash Equivalents - Closing Balance	42.76	48.62
Notes:		
1. Cash and Cash Equivalents:		
(a) Cash on Hand*	0.00	0.00
(b) Balance with banks	42.76	48.62
Cash and Cash Equivalents.	42.76	48.62

* Figures less than Rs. 1000/-

2. The cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind 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 confirm to current year's classification.

As per our report of even date

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

Signatures to the cash flow statements and
Notes to the financial statements

For and on behalf of the Board

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

Place: Mumbai

Date: May 19, 2021

Bimal R. Thakkar

Director

DIN: 00087404

Place: London

Date: May 19, 2021

ADF Foods UK Limited

Statement of Changes in Equity For the year ended March 31, 2021

(a) Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
Equity Share Capital				
Balance at beginning of the year	2,085,281	1,826.29	2,085,281	1,826.29
Issued during the year	-	-	-	-
Balance at the end of the year	2,085,281	1,826.29	2,085,281	1,826.29
Preference Share Capital				
Balance at beginning of the year	5,106,434	4,782.75	4,207,716	3,961.23
Issued during the year	395,726	358.09	898,718	821.52
Balance at the end of the year	5,502,160	5,140.84	5,106,434	4,782.75
Total Share Capital		6,967.13		6,609.04

(b) Other Equity

Particulars	Rs. Lakhs	
	March 31, 2021	March 31, 2020
Foreign currency translation reserve:		
As per last balance sheet	77.11	76.88
Add: Adjustment	39.81	-
Other comprehensive income (net)	3.23	0.31
	120.15	77.19
Deferred Tax on Foreign Currency Translation Reserve	-	(0.08)
Closing balance	120.15	77.11
Share application money	-	359.12
Retained earning		
Opening balance	5.94	(11.10)
Add: Profit/(Loss) for the period	53.78	17.08
Less: Dividend paid	(0.05)	(0.04)
	53.73	17.04
Closing balance	59.67	5.94
Total Other Equity	179.82	442.17

The accompanying notes 1 to 28 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

Signatures to Statement of changes in equity
and Notes to Financial statements
For and on behalf of the Board

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 19, 2021

Bimal R. Thakkar
Director
DIN: 00087404
Place: London
Date: May 19, 2021

ADF Foods UK Limited

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

1 Company Overview

Description of Business

ADF Foods (UK) Limited (“the Company”) is a private company limited by shares, registered in England & Wales. The Address of the registered office is Amba House, 4th Floor, Kings Suit, 15 College Road, Harrow, Middlesex, HA11BA.

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

Basis of Preparation of Financial Statements

The Financial Statements of the Company have been prepared in accordance with the accounting policies adopted by ADF Foods Limited, the consolidating company as stated in Notes 2.1 to 2.10 below. The Balance Sheet, Statement of Profit and Loss and the Statement of Changes in Equity have been prepared and presented in the format prescribed under Division II of Schedule III to the Companies Act, 2013. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 - Statement of Cash Flows. The disclosure requirements with respect to the items of Balance Sheet and Statement of Profit and Loss are presented by way of notes forming part of the financial statements.

These financial statements have been prepared for the submission to the holding company, to enable it to prepare its consolidated Ind AS 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 on a going concern basis 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 as required by relevant Ind AS.

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 year, are included in the following notes:

- (a) Measurement and likelihood of occurrence of provisions and contingencies.

ADF Foods UK Limited

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

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 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.

ADF Foods UK Limited

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

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.

ADF Foods UK Limited

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

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 tax credits if any.

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.

ADF Foods UK Limited

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

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 FVTOCI 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 FVTOCI. Fair value changes excluding dividends, on an equity instrument measured at FVTOCI 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

ADF Foods UK Limited

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

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.

ADF Foods UK Limited

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

(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 Segment Reporting

The Chairman and Managing Director assesses performance of the Company as Chief Operating Decision Maker (“CODM”). The Company has identified reportable segments in a manner consistent with internal reporting provided to the Chief Operating Decision Maker.

2.7 Provisions, Contingent Liabilities and Contingent Assets

2.7.1 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.

ADF Foods UK Limited

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

2.7.2 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.

2.7.3 Contingent Assets

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

2.8.1 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.

2.8.2 Non-operating revenue

Other Income

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

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

ADF Foods UK Limited

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

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 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.

ADF Foods UK Limited

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

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 UK Limited
Notes to financial statements for the year ended March 31, 2021

3 Investments in subsidiaries		Rs. Lakhs	
Particulars	March 31, 2021	March 31, 2020	
Investments in equity instruments:			
Investment in Subsidiary (Unquoted) (At Amortised cost)			
ADF Holdings (USA) Limited			
Face Value	\$125	\$125	
Number of shares	2,014,645	2,014,645	
Investment in Rs. Lakhs	1,760.03	1,760.03	
Investments in preference shares:			
Investment in Subsidiary (Unquoted) (At Amortised cost)			
ADF Holdings (USA) Limited			
Face value	£ 1	£ 1	
Number of shares	5,559,335	5,163,609	
Investment in Rs. Lakhs	5,308.13	4,950.05	
Investments in subsidiaries	7,068.16	6,710.08	
Aggregate amount of unquoted investments	7,068.16	6,710.08	
Aggregate amount of impaired value of investments	-	-	

4 Other non-current assets		Rs. Lakhs	
Particulars	March 31, 2021	March 31, 2020	
Share application money	-	359.12	
Total	-	359.12	

5 Inventories		Rs. Lakhs	
Particulars	March 31, 2021	March 31, 2020	
(Valued at lower of cost and net realizable value)			
Traded Goods	3.08	11.37	
Total	3.08	11.37	

6 Current trade receivables		Rs. Lakhs	
Particulars	March 31, 2021	March 31, 2020	
Unsecured, Considered good			
Others	56.32	47.99	
Less: Impairment allowances	-	-	
Total	56.32	47.99	

7 Cash and cash equivalents		Rs. Lakhs	
Particulars	March 31, 2021	March 31, 2020	
Balance with banks			
in Current account	42.76	48.62	
Cash on hand*	0.00	0.00	
Total	42.76	48.62	

* indicates figures less than Rs. 1000/-

ADF Foods UK Limited

Notes to financial statements for the year ended March 31, 2021

8 Current loans

Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Loans to related party - ADF Holdings (USA) Limited	-	7.14
Total	-	7.14

9 Other current non financial assets

Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Balance with government authorities	0.36	0.25
Advance to vendor	-	0.59
Other receivables	3.75	-
Prepaid Expenses	0.83	0.68
Total	4.94	1.52

10 Share capital

Rs. Lakhs

Particulars	March 31, 2021	March 31, 2020
Issued, subscribed and fully paid share capital		
Equity shares:		
20,85,281 (Previous year 2020: 20,85,281) equity shares of £1 each	1,826.29	1,826.29
	1,826.29	1,826.29
Preference shares:		
55,02,160 (Previous year 2020: 51,06,434) preference shares of £1 each	5,140.84	4,782.75
	5,140.84	4,782.75
Total issued, subscribed and fully paid share capital	6,967.13	6,609.04

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

Particulars	No. of shares	Rs. Lakhs
Equity shares of £ 1 each		
Issued, subscribed and fully paid		
As at April 1, 2019	2,085,281	1,826.29
Issued during the year	-	-
As at March 31, 2020	2,085,281	1,826.29
Issued during the year	-	-
As at March 31, 2021	2,085,281	1,826.29

ADF Foods UK Limited

Notes to financial statements for the year ended March 31, 2021

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

Particulars	No. of shares	Rs. Lakhs
Preference shares of £ 1 each		
Issued, subscribed and fully paid		
As at April 1, 2019	4,207,716	3,961.23
Issued during the year	898,718	821.52
As at March 31, 2020	5,106,434	4,782.75
Issued during the year	395,726	358.09
As at March 31, 2021	5,502,160	5,140.84

(C) Terms / rights attached to equity shares

The Company has two class of shares:

Equity Shares having a par value of £ 1 . Each holder of equity shares is entitled to one vote per share.

Preference Shares are eligible for dividend.

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.

(d) Shareholding information:

Particulars	March 31, 2021	March 31, 2020
Equity shares held by:		
ADF Foods Limited	2,085,281	2,085,281
Total	2,085,281	2,085,281
Preference shares held by		
ADF Foods Limited	5,502,160	5,106,434
Total	5,502,160	5,106,434

(e) Details of 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 Equity Shares	2,085,281	2,085,281
%	100%	100%
No. of Preference Shares	5,502,160	5,106,434
%	100%	100%

11 Other equity

Particulars	Rs. Lakhs	
	March 31, 2021	March 31, 2020
Foreign currency translation reserve		
As per last balance sheet	77.11	76.88
Add: Adjustments	39.81	-
Other comprehensive income (net)	3.23	0.31
	120.15	77.19
Deferred tax on Foreign Currency Translation Reserve	-	(0.08)
Closing balance	120.15	77.11
Share application Money	-	359.12
Retained earning		
Opening balance	5.94	(11.10)
Add: profit for the Year	53.78	17.08
Less: Dividend paid	(0.05)	(0.04)
	53.73	17.04
Closing balance	59.67	5.94
Total Other Equity	179.82	442.17

ADF Foods UK Limited**Notes to financial statements for the year ended March 31, 2021****12 Deferred tax liabilities** **Rs. Lakhs**

Particulars	March 31, 2021	March 31, 2020
Opening balance	39.81	39.73
Tax (expenses)/income during the year recognized in other comprehensive income	-	0.08
Less: Adjustment	(39.81)	-
Closing balance	-	39.81

13 Current trade payables **Rs. Lakhs**

Particulars	March 31, 2021	March 31, 2020
Total outstanding dues of creditors other than Micro enterprises and small enterprises	0.06	18.48
Total	0.06	18.48

14 Other current financial liabilities **Rs. Lakhs**

Particulars	March 31, 2021	March 31, 2020
Others - Outstanding Liabilities	21.64	74.97
Total	21.64	74.97

15 Other current non financial liabilities **Rs. Lakhs**

Particulars	March 31, 2021	March 31, 2020
Advance from Customer	-	1.37
Total	-	1.37

16 Income Tax Liabilities (Net) **Rs. Lakhs**

Particulars	March 31, 2021	March 31, 2020
Provision for Tax	6.61	-
Total	6.61	-

ADF Foods UK Limited
Notes to financial statements for the year ended March 31, 2021

17	Revenue from operations	Rs. Lakhs	
Particulars	For the year ended	For the year ended	
	March 31, 2021	March 31, 2020	
Sale of Traded Products	314.34	137.22	
Total	314.34	137.22	

18	Other income	Rs. Lakhs	
Particulars	For the year ended	For the year ended	
	March 31, 2021	March 31, 2020	
Exchange fluctuation gain	-	0.27	
Dividend from Subsidiary	0.05	0.04	
Liabilities no longer required written back	1.50	-	
Miscellaneous income	49.83	4.53	
Total	51.38	4.84	

19	Purchase of traded goods	Rs. Lakhs	
Particulars	For the year ended	For the year ended	
	March 31, 2021	March 31, 2020	
Purchases	263.99	119.19	
Total	263.99	119.19	

20	Change in inventories of traded goods	Rs. Lakhs	
Particulars	For the year ended	For the year ended	
	March 31, 2021	March 31, 2020	
Inventories at the beginning of the year			
Stock in trade	11.37	-	
	11.37	-	
Less: Inventories at the end of the year			
Stock in trade	3.08	11.37	
Total	8.29	(11.37)	

21	Employee benefits expenses	Rs. Lakhs	
Particulars	For the year ended	For the year ended	
	March 31, 2021	March 31, 2020	
Salaries and wages	-	0.34	
Total	-	0.34	

22	Other expenses	Rs. Lakhs	
Particulars	For the year ended	For the year ended	
	March 31, 2021	March 31, 2020	
Rates and taxes	0.03	-	
Communication expenses	0.21	1.79	
Travelling and conveyance expenses	0.46	5.31	
Freight and forwarding expenses	16.78	0.68	
Sales expenses	7.75	-	
Warehouse expenses	0.73	-	
Foreign Exchange Loss	0.46	-	
Legal and professional fees	3.41	6.93	
Public welfare	0.54	-	
Balances written off	0.62	-	
Miscellaneous expenses	2.06	2.11	
Total	33.05	16.82	

ADF Foods UK Limited

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

23. Computation of earnings per share

Rs. Lakhs

Particulars	2020-21	2019-20
Net profit as per statement of profit and loss	53.78	17.08
Weighted average number of equity shares outstanding during the year	20,85,281	20,85,281
Basic earnings per share (Rs)	2.58	0.82
Diluted earnings per share (Rs.)	0.72	0.26
Nominal value per share (Rs)	10	10

24. 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 (India) limited ADF Foods (USA) Limited
3	Direct Subsidiaries	ADF Holdings (USA) Limited
5	Key Managerial Personnel	Bimal R. Thakkar (Director) Viren A.Merchant (Director) Jay M. Mehta (Director)

(B) Transactions with related parties:

Rs. Lakhs

Particulars	Financial Year	Direct Subsidiary company	Holding Company
Dividend Paid	2020-21	-	0.05
	2019-20	-	0.04
Dividend received	2020-21	0.05	-
	2019-20	0.04	-
Preference shares Issued	2020-21	-	358.09
	2019-20	-	821.52
Share application money received	2020-21	-	-
	2019-20	-	359.12
Share application money paid	2020-21	-	-
	2019-20	359.12	-
Investment in preference shares	2020-21	358.09	-
	2019-20	821.52	-

ADF Foods UK Limited

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

(C) Balance outstanding at the year end:

Rs. Lakhs

Particulars	Financial Year	Direct Subsidiary company	Holding Company
Loan given	2020-21	-	-
	2019-20	7.14	-
Share Application money	2020-21	-	-
	2019-20	-	359.12
Other non – current assets	2020-21	-	-
	2019-20	359.12	-

25. Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is Director (Mr. Bimal Thakkar) of the Company.

Operating segments:

The Operating Segment is the level at which discrete financial information is available. Business segments are identified considering :

- a) the nature of products and services
- b) the differing risks and returns
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems.

Revenue and expenses directly attributable to segments are reported under each reportable segment.

Exceptional items and other expenses which are not attributable or allocable to segments are separately disclosed. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities. The Company has identified following 2 reportable segments, in a manner consistent with internal reporting provided to the Chief Operating Decision Maker:

1. Process and Preserved food
2. Agency Distribution Business

ADF Foods UK Limited

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

Primary Segment Disclosure – Business segment for the year ended March 31, 2021

					Rs. Lakhs
	Particulars	Financial Year	Process and Preserved foods	Agency Distribution Business	Total
A	Segment Revenue from operations				
	External Revenue	2020-21	-	314.34	314.34
		2019-20	-	137.22	137.22
	Less: Intersegment Revenue	2020-21	-	-	-
		2019-20	-	-	-
	Total segment revenue	2020-21	-	314.34	314.34
		2019-20	-	137.22	137.22
B	Segment results	2020-21	-	66.83	66.83
		2019-20	-	26.43	26.43
	Add/(Less):				
	Finance Cost	2020-21	-	-	-
		2019-20	-	-	-
	Other Unallocable income /(expenditure)	2020-21	-	(6.44)	(6.44)
		2019-20	-	(9.35)	(9.35)
	Profit before Exceptional Items and Tax	2020-21	-	-	-
		2019-20	-	-	-
	Exceptional Items	2020-21	-	-	-
		2019-20	-	-	-
C	Profit before tax for the year	2020-21	-	60.39	60.39
		2019-20	-	17.08	17.08
D	Segment Assets	2020-21	-	107.10	107.10
		2019-20	-	116.64	116.64
	Add: Unallocable corporate assets	2020-21	-	7,068.16	7,068.16
		2019-20	-	7,069.20	7,069.20
	Total Assets	2020-21	-	7,175.26	7,175.26
		2019-20	-	7,185.84	7,185.84
E	Segment Liabilities	2020-21	-	24.79	24.79
		2019-20	-	124.75	124.75
	Add: Unallocable corporate liabilities	2020-21	-	3.52	3.52
		2019-20	-	9.88	9.88
	Total Liabilities	2020-21	-	28.31	28.31
		2019-20	-	134.63	134.63
F	Capital Employed (Assets – Liabilities)	2020-21	-	82.31	82.31
		2019-20	-	(8.11)	(8.11)
	Add: Unallocable corporate liabilities	2020-21	-	7,064.64	7,064.64
		2019-20	-	7,059.32	7,059.32
	Total Capital Employed	2020-21	-	7,146.95	7,146.95
		2019-20	-	7,051.21	7,051.21

ADF Foods UK Limited

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

26. 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								
Other non – current assets	-	-	-	-	-	-	-	-
Current								
Trade Receivables	-	-	56.32	56.32	-	-	-	-
Cash and cash equivalents	-	-	42.76	42.76	-	-	-	-
Loans	-	-	-	-	-	-	-	-
	-	-	99.08	99.08	-	-	-	-
Financial Liabilities								
Current								
Trade payables	-	-	0.06	0.06	-	-	-	-
Other Current Financial Liabilities	-	-	21.64	21.64	-	-	-	-
	-	-	21.70	21.70	-	-	-	-

ADF Foods UK Limited

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

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								
Other non – current assets	-	-	359.12	359.12	-	-	-	-
Current								
Trade Receivables	-	-	47.99	47.99	-	-	-	-
Cash and cash equivalents	-	-	48.62	48.62	-	-	-	-
Loans	-	-	7.14	7.14	-	-	-	-
	-	-	462.87	462.87	-	-	-	-
Financial Liabilities								
Current								
Trade payables	-	-	18.48	18.48	-	-	-	-
Other Current Financial Liabilities	-	-	74.97	74.97	-	-	-	-
	-	-	93.45	93.45	-	-	-	-

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 the prior years.

ADF Foods UK Limited

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

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.

27. 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 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. 56.32 lakhs (March 31, 2020 – Rs.47.99 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 6 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.

ADF Foods UK Limited

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

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	0.06	0.06	0.06	-	-	-
Other Financial Liabilities	21.64	21.64	21.64	-	-	-
	21.70	21.70	21.70	-	-	-

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	18.48	18.48	18.48	-	-	-
Other Financial Liabilities	74.97	74.97	74.97	-	-	-
	93.45	93.45	93.45	-	-	-

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.

ADF Foods UK Limited

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

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.

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

For and on behalf of the Board

Bimal R. Thakkar

Director

Place: London

Date: May 19, 2021