

KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF ADF FOODS UK LIMITED

REPORT ON THE SPECIAL PURPOSE IND AS FINANCIAL STATEMENTS FOR THE
YEAR ENDED MARCH 31, 2024.

Opinion

We have audited the accompanying Special Purpose IND AS Financial Statements of **ADF FOODS UK LIMITED** ('the Company') which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Other Comprehensive Income, the Statements of Changes in Equity and the Statements of Cash Flow statement for the year then ended and notes to Special Purpose IND AS Financial Statement, including summary of Material Accounting Policies (hereinafter referred to as the "Special Purpose IND AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose IND AS Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, of their state of affairs of the Company as at March 31, 2024 and its profit position of changes in equity and cash flows for the year then ended on that date.

Basis for Opinion

We conducted our audit of the Special Purpose IND AS Financial Statements in accordance with the standards on auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 'Special Purpose IND AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose IND AS Financial Statements.

Management's Responsibility for the IND AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Special Purpose Financial Statements in terms of the requirements of Companies Act, 2013 (herein after referred to as "the Act") that give a true and fair view of the financial statements of the Group in accordance with the accounting principles generally accepted in India, including the IND AS specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and free from material misstatements, whether due to fraud or error.



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In preparing the Special Purpose IND AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose IND AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Special Purpose IND AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.



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

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

Restriction of Use

This Special Purpose Financial Statements have been prepared to enable the **ADF FOODS LIMITED** ('Holding Company') to comply with the requirements of section 129(3) of the Act. These financial statements are not statutory financial statements of the Company. As a result, this Special Purpose IND AS Financial Statements, may not be suitable for any other purpose and it is not intended to be and should not be used by or distributed to other parties, by any person and should be used only for the specified purpose mentioned above.

Accordingly, we do not accept or assume any liability or any duty of care in case this report is issued, for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W100166**



**Sai Venkata Ramana Damarla
Partner
Membership No. 107017
UDIN: 24107017BKERTM2130**

**Place: Mumbai
Dated: May 4, 2024**

ADF Foods UK Limited
Balance Sheet as at March 31, 2024

Particulars	Note No.	Rupees in Lakhs	
		As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Financial assets			
Investments	3	8,729.11	8,729.11
Total non-current assets		8,729.11	8,729.11
Current assets			
Inventories	4	141.03	138.54
Financial assets			
Trade receivables	5	398.37	426.71
Cash and cash equivalents	6	284.39	426.19
Other non financial assets	7	44.67	6.15
Total current assets		868.46	997.59
Total assets		9,597.57	9,726.70
Equity and liabilities			
Equity			
Equity share capital	8	8,628.08	8,628.08
Other equity	9	680.07	520.96
Total equity		9,308.15	9,149.04
Liabilities			
Current liabilities			
Financial liabilities			
Trade payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises			
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	10	159.74	512.38
Other financial liabilities	11	95.70	15.94
Income tax liabilities (net)	12	33.98	49.34
Total current liabilities		289.42	577.66
Total liabilities		289.42	577.66
Total equity and liabilities		9,597.57	9,726.70
Material accounting policies	2		

The accompanying notes 1 to 24 form an integral part of the financial statements.

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

Sai Venkata Ramana Damarla
PARTNER
Membership Number 107017

Place: Mumbai
Date: May 4, 2024

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

Bimal R. Thakkar
Director
DIN: 00087404
Place: KUNAWAT
Date: May 01, 2024



ADF Foods UK Limited
Statement of Profit and Loss for the year ended March 31, 2024

Particulars	Note No.	Rupees in Lakhs	
		For the year ended March 31, 2024	For the year ended March 31, 2023
Income			
Revenue from operations	13	2,156.45	1,992.65
Other income	14	8.69	0.99
Total income		2,165.14	1,993.64
Expenses			
Purchase of stock-in-trade	15	1,573.67	1,450.34
Changes in inventories of stock-in-trade	16	77.61	(6.33)
Other expenses	17	337.68	299.12
Total expenses		1,988.97	1,743.13
Profit before Tax		176.17	250.51
Tax expense			
Current tax		34.21	49.15
Deferred tax		-	-
(Excess) provision of earlier year		(4.17)	-
Total tax expense		30.04	49.15
Profit / (Loss) for the year		146.13	201.36
Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or (loss)			
Re-measurements of the defined benefit plans		-	-
Income tax on above item		-	-
B. Items that will be reclassified subsequently to profit or (loss)			
Exchange differences in translating the financial statements of foreign operations		13.07	13.31
Income tax on above item		-	-
Net other comprehensive income for the year (net of tax) (A + B)		13.07	13.31
Total comprehensive income for the year		159.20	214.68
Earning per equity share [Nominal value per share			
Basic (Rs.)		7.01	9.66
Diluted (Rs.)		1.58	2.18
Summary of material accounting policies	2		

The accompanying notes 1 to 24 form an integral part of the financial statements,

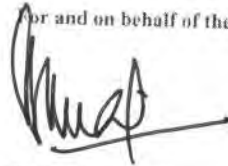
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W100166



Sai Venkata Ramana Damarla
PARTNER
Membership Number 107017
Place: Mumbai
Date: May 4, 2024

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

For and on behalf of the Board



Bimal R. Thakkar
Director
DIN: 00087404
Place: KUWAIT
Date: May 01, 2024



ADF Foods UK Limited
Statement of Cash Flows for the year ended March 31, 2024

Particulars	Rupees in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash Flow from Operating Activities		
Profit/(Loss) before Taxation		
Adjustment for:	176.17	250.51
Dividend income	(0.09)	(0.06)
Operating Profit before working capital changes	176.09	250.45
Adjustment for:		
(Increase)/Decrease in Trade receivables		
(Increase)/Decrease in Inventories	42.99	(235.55)
(Increase)/Decrease in Current non Financial Assets	2.18	(7.39)
Increase/(Decrease) in Trade Payable	(38.52)	(4.20)
Increase/(Decrease) Current Financial Liabilities	(371.25)	389.53
Increase/(Decrease) in non financial liabilities	79.71	7.17
Cash generated from operating activities	(17.14)	12.09
Taxes Paid (Net of refunds)	(125.97)	412.10
Net Cash Flow from / (used in) Operating Activities (A)	(156.00)	362.95
B. Cash Flow from Investing Activities		
Dividend Received from subsidiary	0.09	0.06
Net Cash Flow from/ (used in) Investing Activities (B)	0.09	0.06
C. Cash Flow from Financing Activities		
Dividend paid	(0.09)	-
Net cash flow from / (used in) financing activities (C)	(0.09)	-
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(156.00)	363.01
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING OF THE year		
Unrealised Foreign Exchange Restatement in Cash and cash Equivalents	426.19	53.04
Cash and Cash Equivalents - Closing Balance	14.20	10.14
Notes:	284.39	426.19
1. Cash and Cash Equivalents:		
(a) Cash on hand*	0.00	0.00
(b) Balance with banks	284.39	426.19
Cash and Cash Equivalents.	284.39	426.19

1. 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.

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

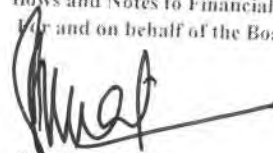
As per our report of even date

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



Sai Venkata Ramana Damarla
PARTNER
Membership Number 107017
Place: Mumbai
Date: May 4, 2024

Signatures to Condensed Statements of Cash
flows and Notes to Financial statements
for and on behalf of the Board



Bimal R. Thakkar
Director
DIN: 00087404
Place: KUWAIT
Date: May 01, 2024



ADF Foods UK Limited
Statement of Changes in Equity for the year ended March 31, 2024
(a) Share Capital

Particulars	March 31, 2024		March 31, 2023	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
Equity Share Capital				
Balance at beginning of the year				
Changes in equity share capital during the year	20,85,281.00	1,826.29	20,85,281	1,826.29
Balance at end of the year	20,85,281.00	1,826.29	20,85,281	1,826.29
Preference Share Capital				
Balance at beginning of the year				
Changes in equity share capital during the year	71,37,740.00	6,801.79	71,37,740	6,801.79
Balance at end of the year	71,37,740.00	6,801.79	71,37,740	6,801.79
Total Share Capital		8,628.08		8,628.08

(b) Other Equity

Particulars	Rs. in Lakhs	
	March 31, 2024	March 31, 2023
Foreign currency translation reserve:		
As per last balance sheet		
Other Comprehensive Income/Net	131.57	118.26
Add/ Less Adjustments	13.07	13.31
	-	-
Closing balance	144.63	131.57
Retained earning		
Opening balance		
Add/ Profit (Loss) for the year	389.39	188.09
Less/ Dividend paid	146.13	201.36
Less/ Adjustments	(0.09)	(0.06)
	-	-
Closing balance	146.04	201.30
Total Other Equity	535.43	389.39
	680.07	520.96

The accompanying notes 1 to 24 form an integral part of the financial statements.

As per our report of even date
For KALYANWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS

Firm Registration Number: 104607W/W100166

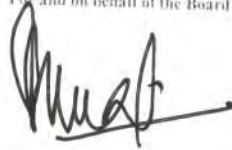


Sai Venkata Ramana Damarla
PARTNER
Membership Number 1075017
Place: Mumbai

Date: May 4, 2024

Signatures to Condensed Statement of changes in equity and Notes to Financial statements

For and on behalf of the Board



Bimal R. Thakkar
Director

DIN: 00087404

Place: KUWAIT

Date: May 01, 2024



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

I 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 4th Floor, Suit 2B, Congress House, Lyon 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.

This standalone financial statements have been prepared in Indian rupee which is the presentation currency of the Company. The functional currency of the Company is GBP.

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:



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

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

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, 2024

Recent Pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2024, MCA has not notified any new Standards or Amendment to the existing standards applicable to the Company.

2 Material 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.



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

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 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:



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

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 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.



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

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.



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

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 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, 2024

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.



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

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.

2.9.2 Deferred Taxes

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 financial statements for the year ended March 31, 2024

Particulars	Rupees in Lakhs	
	As at	As at
	March 31, 2024	March 31, 2023
Investments in equity instruments of subsidiaries		
Investment in Subsidiaries (Unquoted)		
(At amortised cost)		
ADF Holdings (USA) Limited - Equity Shares		
Face Value	\$ 125	\$ 125
Number of Shares	20,14,645	20,14,645
	1,760.03	1,760.03
Investments in preference shares:		
ADF Holdings (USA) Limited - Preference shares		
Face Value	£ 1	£ 1
Number of Shares	71,94,916	71,94,916
	6,969.07	6,969.08
Total	8,729.11	8,729.11
Aggregate amount of quoted investments and market value	-	-
Aggregate amount of unquoted investments	8,729.11	8,729.11
Aggregate amount of impairment in value of investments	-	-

Particulars	Rupees in Lakhs	
	As at	As at
	March 31, 2024	March 31, 2023
(Valued at lower of cost and net realizable value)		
Traded goods (includes Goods in Transit of Rs. 116.90 Lakhs for December 2023; Rs. 24.93 Lakhs for March 2023)	141.03	138.54
Total	141.03	138.54

Particulars	Rupees in Lakhs	
	As at	As at
	March 31, 2024	March 31, 2023
Unsecured - Considered good		
Others	398.37	426.71
Total	398.37	426.71

Trade Receivables Ageing Schedule

Particulars (As on 31st March 2024)	Rupees in Lakhs					
	Outstanding for					
	Less than 6 months	6 months -1 year	1-2years	2-3years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	398.37	-	-	-	-	398.37
(ii) Undisputed Trade Receivables which have significant increase in credit	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	398.37	-	-	-	-	398.37

Particulars (As on 31st March 2023)	Rupees in Lakhs					
	Outstanding for					
	Less than 6 months	6 months -1 year	1-2years	2-3years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	426.71	-	-	-	-	426.71
(ii) Undisputed Trade Receivables which have significant increase	-	-	-	-	-	-
(iii) Undisputed Trade Receivables credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	426.71	-	-	-	-	426.71

Particulars	Rupees in Lakhs	
	As at	As at
	March 31, 2024	March 31, 2023
Cash on hand*	0.00	0.00
Balances with banks in Current account	284.39	426.19
Total	284.39	426.19

* Figures indicates less than Rs. 1,000/-

Particulars	Rupees in Lakhs	
	As at	As at
	March 31, 2024	March 31, 2023
Unsecured, considered good		
Advance to suppliers for goods	34.73	-
Balances with Government authority	3.03	4.61
Prepaid Expenses	6.75	1.34
Prepayments	0.16	0.20
Total	44.67	6.15



ADF Foods UK Limited

Notes forming part of financial statements for the year ended March 31, 2024

8 Equity share capital

Particulars	Rupees in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Authorized Share Capital 20,85,281 (Previous year 2023: 20,85,281) equity shares of £1 each	1,826.29	1,826.29
Issued, subscribed and fully paid Shares Capital 20,85,281 (Previous year 2023: 20,85,281) equity shares of £1 each	1,826.29	1,826.29
Issued, subscribed and fully paid Preference Share Capital 71,37,740 (Previous year 2023: 71,37,740) preference shares of £1 each	6,801.79	6,801.79
Total	8,628.08	8,628.08

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

Particulars	No. of shares	Rs. Lakhs
As at April 1, 2022	20,85,281	1,826.29
Issued during the year	-	-
As at March 31, 2023	20,85,281	1,826.29
Issued during the year	-	-
As at March 31, 2024	20,85,281	1,826.29

(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, 2022	71,37,740	6,801.79
Issued during the year	-	-
As at March 31, 2023	71,37,740	6,801.79
Issued during the year	-	-
As at March 31, 2024	71,37,740	6,801.79

(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	As at	
	March 31, 2024	March 31, 2023
Equity shares held by:		
ADF Foods Limited	20,85,281.00	20,85,281
Total	20,85,281.00	20,85,281
Preference shares held by		
ADF Foods Limited	71,37,740.00	71,37,740
Total	71,37,740.00	71,37,740

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

Particulars	March 31, 2024		March 31, 2023	
	No. of Equity Shares	%	No. of Preference Shares	%
ADF Foods Limited	20,85,281.00	100%	71,37,740.00	100%
No. of Equity Shares	20,85,281.00	100%	71,37,740.00	100%
%				
No. of Preference Shares	71,37,740.00	100%	71,37,740.00	100%
%				



ADF Foods UK Limited

Notes forming part of financial statements for the year ended March 31, 2024

9 Other equity

Particulars	Rupees in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Retained earning		
As per Last Balance Sheet	389.39	188.09
Add: profit for the year	146.13	201.36
Less: Dividend paid	(0.09)	(0.06)
Movement during the year	146.04	201.30
Closing balance	535.43	389.39
Foreign currency translation reserve		
As per last balance sheet	131.57	118.26
For the year	13.07	13.31
Closing balance	144.64	131.57
Total	680.07	520.96

10 Current trade payables

Particulars	Rupees in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Others		
Related parties (Refer Note: 20)	137.23	369.28
Other than Related party	22.51	143.10
Total	159.74	512.38

Current Trade Payables Ageing

Particulars (As of 31st March 2024)	Outstanding for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	159.74	-	-	-	159.74
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	159.74	-	-	-	159.74

Particulars (As of 31st March 2023)	Outstanding for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	512.38	-	-	-	512.38
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	512.38	-	-	-	512.38

11 Other Current Financial Liabilities

Particulars	Rupees in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Other liabilities	95.70	15.94
Total	95.70	15.94

12 Income tax liabilities (net)

Particulars	Rupees in Lakhs	
	As at March 31, 2024	As at March 31, 2023
Other provisions		
Provision for taxation (net)	33.98	49.34
Total	33.98	49.34



ADF Foods UK Limited

Notes forming part of financial statements for the year ended March 31, 2024

13 Revenue from operations

Particulars	Rupees in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products	2,054.10	1,937.35
Other Operating revenue	102.35	55.30
Total	2,156.45	1,992.65

14 Other income

Particulars	Rupees in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Dividend income		
From subsidiary	0.09	0.06
Net gain on foreign currency transactions	-	0.13
Liabilities no longer required written back	0.15	0.03
Miscellaneous Income	8.45	0.77
Total	8.69	0.99

15 Purchase of stock-in-trade

Particulars	Rupees in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Purchases	1,573.67	1,450.34
Total	1,573.67	1,450.34

16 Changes in inventories of stock in trade

Particulars	Rupees in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories at the beginning of the year		
Stock in trade	113.61	107.28
	113.61	107.28
Less: Inventories at the end of the year		
Stock in trade	36.00	113.61
	36.00	113.61
Total	77.61	(6.33)

17 Other expenses

Particulars	Rupees in Lakhs	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Insurance	1.30	1.15
Rates and taxes	-	1.25
Communication expenses	1.20	0.81
Travelling and conveyance expenses	2.78	1.03
Freight and forwarding expenses	214.36	246.19
Sales Promotion/Commission/Claims and marketing expenses	70.78	20.08
Legal and professional fees	7.74	4.86
Foreign exchange Gain/loss	5.34	-
Warehouse Expenses	29.38	17.56
Miscellaneous expenses	4.80	6.19
Total	337.68	299.12



ADF Foods UK Limited
Notes forming part of financial statements for the year ended March 31, 2024

18 Financial Ratios

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023	% Variance	Reason for variance
Current Ratio	3.00	1.73	74%	Improve due to reduction in current assets and current liabilities
Return on Equity Ratio	1.57%	2.20%	-29%	Reduced due to increase in cost
Inventory turnover ratio	11.81	10.82	9%	
Trade Receivables turnover ratio	73.31	57.83	27%	Increase mainly due to increase in Sales towards year end
Trade payables turnover ratio	74.28	79.97	-7%	Increase mainly due to increase in Sales
Net capital turnover ratio	3.55	4.61	-23%	Increase mainly due to increase in Sales
Net profit ratio	7.11%	10.39%	-32%	Reduced due to increase in cost
Return on Capital employed	1.89%	2.74%	-31%	Reduced due to increase in cost

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
Working for financial ratios:			
Current Ratio	Current assets	868.46	997.59
	Current liabilities	289.42	577.71
	Current Ratio	3.00	1.73
Return on Equity Ratio	PAT	146.13	201.30
	Equity	9,308.15	9,148.99
	Return on Equity	0.02	0.02
Inventory turnover ratio	Avg Inventory	139.79	133.47
	COGS	1,651.28	1,444.01
	Inventory Turnover Ratio	11.81	10.82
Trade Receivables turnover ratio	Avg Debtors	412.54	306.94
	Sales turnover	2,054.10	1,937.35
	Trade Receivables turnover	73.31	57.83
Trade payables turnover ratio	Avg Creditors	336.06	316.33
	Cost of goods	1,651.28	1,444.01
	Trade payables turnover	74.28	79.97
Net capital turnover ratio	Net Annual sales	2,054.10	1,937.35
	Working capital	579.04	419.88
	Net Capital turnover ratio	3.55	4.61
	net annual sales is the sum of a company's gross sales minus its returns, allowances, and discounts over the course of a year		
	working capital is current assets less current liabilities		
Net profit ratio	Net Profit	146.13	201.30
	Net sales	2,054.10	1,937.35
	Net profit ratio	7.11%	10.39%
Return on Capital employed	EBIT	176.17	250.45
	Networth	9,308.15	9,148.99
	Return on Capital	1.89%	2.74%



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

19. Computation of earnings per share

Rs. Lakhs

Particulars	March 31, 2024	March 31, 2023
Net profit as per statement of profit and loss for basic earnings per share	146.15	201.36
Net profit for diluted earnings per share	146.15	201.36
Weighted average number of shares for basic earnings per share	20,85,281	20,85,281
Weighted average number of shares for diluted earnings per share	92,23,021	92,23,021
Basic earnings per share (Rs)	7.01	9.66
Diluted earnings per share (Rs.)	1.58	2.18
Nominal value per share (Rs)	10	10

20. Related party transactions

(A) Related parties and their relationship:

Sr. No	Category and related parties	Names
1	Holding company	ADF Foods Limited
2	Subsidiary	ADF Holdings (USA) Limited
3	Fellow Subsidiary	ADF Foods (India) Limited Telluric Foods (India) Limited Telluric Foods Limited
4	Step down subsidiary	ADF Foods (USA) Limited Vibrant Foods LLC
5	Key Managerial Personnel	Bimal R. Thakkar (Director) Viren A. Merchant (Director) Jay M. Mehta (Director) Mr. Chandir Gidwani (Director)

(B) Transactions with related parties:

Rs. Lakhs

Particulars	Financial Year	Direct Subsidiary company	Holding Company
Purchase of Goods	2023-24	-	1180.85
	2022-23	-	877.35
Expenses Charged to Other Company	2023-24	-	47.90
	2022-23	-	51.47
Dividend Paid	2023-24	-	0.09
	2022-23	-	0.06
Dividend received	2023-24	0.09	-
	2022-23	0.06	-
Preference shares Issued	2023-24	-	-
	2022-23	-	-
Investment in preference shares	2023-24	-	-
	2022-23	-	-



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

Balances outstanding at the end of the year:

Rs. Lakhs

Particulars	Financial Year	Holding Company	Direct Subsidiaries	Total
Trade Payable	2023-24	137.23	-	-
	2022-23	369.28	-	-

21. 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, 2024**

Primary Segment Disclosure- Business Segment for the year ended March 31, 2024

Rs. Lakhs

Particulars	Year ended	
	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
Segment Revenue (Sales and Other operating income)		
Agency distribution	583.17	845.72
Processed and preserved foods	1,573.28	1,146.93
Unallocated other operating revenue		
Total	2,156.45	1,992.65
Less: Intersegment Revenue	-	-
Total Segment Revenue	2,156.45	1,992.65
Segment Results		
Agency distribution	120.95	135.04
Processed and preserved foods	77.08	126.79
Total Segment Results	198.03	261.83
Less: Exceptional items	-	-
Less: Finance cost	-	-
Add/(Less): Finance income and other unallocable income (net) of unallocable expenditure	(21.86)	(11.32)
Total Profit Before Tax	176.17	250.51
Segment Assets		
Agency distribution	194.90	525.77
Processed and preserved foods	673.56	471.82
Unallocated Corporate Assets	8,729.11	8,729.11
Total Segment Assets	9,597.57	9,726.70
Segment Liabilities		
Agency distribution	17.96	142.37
Processed and preserved foods	141.79	370.01
Unallocated Corporate Liabilities	129.67	65.27
Total Segment Liabilities	289.42	577.65
Capital employed		
Agency distribution	176.94	383.40
Processed and preserved foods	531.77	101.81
Unallocated	8,599.44	8,663.84
Total Capital employed	9,308.15	9,149.05



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

22. 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

March 31, 2024	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								
Current								
Trade Receivables	-	-	398.37	398.37		-	-	-
Cash and cash equivalents	-	-	284.39	284.39		-	-	-
	-	-	682.76	682.76		-	-	-
Financial Liabilities								
Current								
Trade payables	-	-	159.75	159.75		-	-	-
Other Current Financial Liabilities	-	-	95.71	95.71		-	-	-
	-	-	255.46	255.46		-	-	-



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

Rs. Lakhs

March 31, 2023	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								
Current								
Trade Receivables	-	-	426.71	426.71		-	-	-
Cash and cash equivalents	-	-	426.19	426.19		-	-	-
	-	-	852.90	852.90		-	-	-
Financial Liabilities								
Current								
Trade payables	-	-	512.38	512.38		-	-	-
Other Current Financial Liabilities	-	-	15.94	15.94		-	-	-
	-	-	528.32	528.32		-	-	-

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, 2024

23. 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. 398.07 lakhs (March 31, 2023 – Rs. 426.71 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 5 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, 2024	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	159.75	159.75	159.75	-	-	-
Other Financial Liabilities	95.71	95.71	95.71	-	-	-
	255.46	255.46	255.46	-	-	-

KEM



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

Rs. Lakhs

March 31, 2023	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	512.38	512.38	512.38	-	-	-
Other Financial Liabilities	15.94	15.94	15.94	-	-	-
	528.32	528.32	528.32	-	-	-

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.



ADF Foods UK Limited

Notes forming part of the financial statements for the year ended March 31, 2024

24. The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other source of funds) to other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or like on or behalf of the Ultimate Beneficiaries.

The Company has not received any fund from any person(s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall either directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

For and on behalf of the Board



Bimal R. Thakkar
Director

Place: KUWAIT

Date: May 01, 2024

