

GRM FINE FOOD INC

Note No. 1

Significant Accounting Policies and Notes to Accounts

CORPORATE INFORMATION

GRM FINE FOOD INC (the 'Company') was incorporated in the state of New Jersey as a vide certificate of incorporation no. 0101049673 dt. 03 October, 2018. The Company is engaged primarily in the business of wholesale of foods.

Note No. 2

SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules as amended from time to time.

(b) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets & liabilities which have been measured at fair value amount. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is 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. All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle which has been taken as 12 months. Company's financial statements are presented in Indian Rupees, which is its presentation currency.

(c) Property, plant and equipment

There is no Property, Plant and equipment as on 31.03.2020.

(d) Intangible assets

There is no intangible assets as on 31.03.2020.

(e) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usages.

(f) Finance Cost

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

(g) Inventories

There is no Inventory as on 31.03.2020.

(h) Contingencies /Provisions

Provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best

estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount can not be made.

(i) Tax Expenses

No tax expense is recognized for the period due to loss.

(j) Foreign Exchange Transaction and translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in US Dollar (\$), which is Company's functional currency and later converted in presentation currency in Indian Rupees (INR). Foreign currency transactions are translated into the presentation currency using the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the presentation currency closing rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(k) Revenue recognition

Revenue is recognised when control of the products being sold has transferred to the customer and when there are no longer any unfulfilled obligations to the customer. This is generally on delivery to the customer but depending on individual customer terms, this can be at the time of dispatch, delivery or upon formal customer acceptance. This is considered the appropriate point where the performance obligations in our contracts are satisfied as Company no longer have control over the inventory. Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Indirect Taxes. No element of financing is present in the pricing arrangement. Settlement terms range from cash-on-delivery to credit terms ranging upto 180 days.

(l) Financial Instruments

Financial Assets

-Measurement - At initial recognition, the Company measures a financial assets at its fair value plus, in the case of a financial assets not at fair value through profit or loss, transaction cost that are directly attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed off in the statement of profit or loss. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debts investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognised in profit or loss when the assets is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Financial liabilities

- Initial recognition and measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

- Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short

Derecognition of financial instruments -The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(m) Earning per Share

Basic Earning per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year. The Company did not have any potentially dilutive securities in any of the years presented.

(n) Costs and expenses are recognised when incurred and have been classified according to their nature.

(o) Use of estimates and judgements

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the balances of assets and liabilities, disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses for the periods presented. The Company has a policy to review these estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

C - RECENT INDIAN ACCOUNTING STANDARDS (IND AS)

Ministry of Corporate Affairs ("MCA") notifies amendments in Ind AS 103, 107, 109, 116, 1, 8, 10, 34 and 37, The Company does not expect these amendment to have any significant impact on its financial statements.

M/s GRM FINE FOODS INC

Standalone Balance Sheet as at 31st March, 2020

| Particulars | Note | As at 31st Mar, 2020 (In \$) | As at 31st Mar, 2020 (In Rs.) |
|--------------------------------------|------|------------------------------------|-------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | | - | - |
| Total non-current assets | | - | - |
| Current assets | | | |
| (a) Financial assets | | | |
| (i) Trade receivables | 1 | 95,424 | 7,194,015 |
| (ii) Cash and bank balances | 2 | 3,768 | 284,042 |
| (b) Other current assets | 3 | 500 | 37,695 |
| Total current assets | | 99,692 | 7,515,753 |
| TOTAL ASSETS | | 99,692 | 7,515,753 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| (a) Equity share capital | | 6,392 | 596,770 |
| (b) Other equity | 4 | (7,125) | (651,983) |
| Total equity | | (732) | (55,213) |
| Non-current liabilities | | | |
| Total non current liabilities | | - | - |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Trade payable | 5 | 100,424 | 7,570,965 |
| Total current liabilities | | 100,424 | 7,570,965 |
| TOTAL EQUITY AND LIABILITIES | | 99,692 | 7,515,753 |

For and on behalf of the board

Atul Garg
Managing Director

M/s GRM FINE FOODS INC

Standalone Profit and loss statement for the year ended 31st March, 2020

| Particular | Notes | Year ended 31st March 2020 (In \$) | Year ended 31st March 2020 (In Rs.) |
|----------------------------------------------------------------------------------------------|-------|------------------------------------------|-------------------------------------------|
| Income | | | |
| Revenue from operation | 6 | 100,424 | 7,118,053 |
| TOTAL INCOME | | 100,424 | 7,118,053 |
| Expenses | | | |
| Purchases traded goods | 7 | 100,424 | 7,118,053 |
| Finance cost | 8 | 370 | 26,190 |
| Other expenses | 9 | 6,755 | 478,794 |
| TOTAL EXPENSES | | 107,549 | 7,623,038 |
| PROFIT BEFORE TAX | | (7,125) | (504,985) |
| Tax expense: | | | |
| -Current tax | | - | - |
| -Deferred tax charge/(credit) | | - | - |
| TOTAL TAX EXPENSE | | - | - |
| PROFIT FOR THE YEAR | | (7,125) | (504,985) |
| OTHER COMPREHENSIVE INCOME (OCI) | | | |
| (A) (i) Items that will not be reclassified subsequently to profit or loss | | | |
| (a) FCTR | | - | (146,998) |
| (ii) Income tax on items that will not be reclassified subsequently to profit or loss | | - | - |
| TOTAL OTHER COMPREHENSIVE INCOME/ (LOSSES) | | - | (146,998) |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | (7,125) | (651,983) |
| Earning per equity share of face value of ₹ 10 each | | | |
| Basic & Diluted (₹) | | | |

For and on behalf of the board

Atul Garg
Managing Director

M/s GRM FINE FOODS INC

Notes to standalone financial statements for the year ended 31st March, 2020

| 1 | Trade receivables* | Year ended 31st March, 2020 (\$) | Year ended 31st March, 2020 (INR) |
|---|--------------------|-------------------------------------|--------------------------------------|
| | Trade debtors | 95,424.00 | 7,194,015.36 |
| | Total | 95,424.00 | 7,194,015.36 |

| 2 | Cash, cash equivalents and other bank balances | Year ended 31st March, 2020 (\$) | Year ended 31st March, 2020 (INR) |
|---|-----------------------------------------------------------------|-------------------------------------|--------------------------------------|
| | Cash and cash equivalents Cash in bank & cash in hand | 3,767.64 | 284,042.38 |
| | Total | 3,767.64 | 284,042.38 |

| 3 | Other current asset | Year ended 31st March, 2020 (\$) | Year ended 31st March, 2020 (INR) |
|---|---------------------|-------------------------------------|--------------------------------------|
| | Security Deposit | 500.00 | 37,695.00 |
| | Total | 500.00 | 37,695.00 |

| 4 | Other Equity | Year ended 31st March, 2020 (\$) | Year ended 31st March, 2020 (INR) |
|---|-------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------|
| | Surplus in Statement of Profit and Loss Balance as at the beginning of the year | - | - |
| | Profit for the year | (7,124.50) | (504,984.56) |
| | Other comprehensive income / (losses) | | (146,998.06) |
| | Total comprehensive income | | |
| | Less : Appropriations: | - | - |
| | Total | (7,124.50) | (651,982.62) |

| 5 | Trade payables | Year ended 31st March, 2020 (\$) | Year ended 31st March, 2020 (INR) |
|---|-------------------|-------------------------------------|--------------------------------------|
| | Dues of creditors | 100,424.00 | 7,570,965.36 |
| | Total | 100,424.00 | 7,570,965.36 |

| 6 | Revenue from operations | Year ended 31st March, 2020 (\$) | Year ended 31st March, 2020 (INR) |
|---|------------------------------|-------------------------------------|--------------------------------------|
| | Sale of Goods Rice | 100,424.00 | 7,118,053.12 |
| | Total | 100,424.00 | 7,118,053.12 |

| 7 | Purchases of traded goods | Year ended 31st March, 2020 (\$) | Year ended 31st March, 2020 (INR) |
|---|---------------------------|-------------------------------------|--------------------------------------|
| | Rice | 100,424.00 | 7,118,053.12 |
| | Total | 100,424.00 | 7,118,053.12 |

| 8 | Finance costs | Year ended 31st March, 2020 (\$) | Year ended 31st March, 2020 (INR) |
|---|---------------|-------------------------------------|--------------------------------------|
| | Bank Charges | 369.50 | 26,190.16 |
| | Total | 369.50 | 26,190.16 |

| 9 | Other expenses | Year ended 31st March, 2020 (\$) | Year ended 31st March, 2020 (INR) |
|---|----------------|-------------------------------------|--------------------------------------|
| | Rent | 6,755.00 | 478,794.40 |
| | Total | 6,755.00 | 478,794.40 |