

KALYANIWALLA & MISTRY (Regd.)

C H A R T E R E D A C C O U N T A N T S

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADF FOODS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ADF FOODS (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

**KALYANIWALLA
& MISTRY**

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

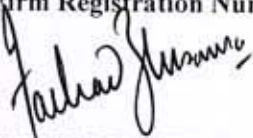
1. As required by the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

**KALYANIWALLA
& MISTRY**

f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

**For KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W**



**FARHAD M. BHESANIA
PARTNER**

Membership Number 127355

Place: Mumbai

Dated: May 16, 2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements of the Company for the year ended March 31, 2015:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- 2) (a) The Company does not hold any inventory and hence the question of commenting on the physical verification of inventory being conducted at reasonable intervals by the Management and the reasonableness and adequacy of the procedures of physical verification in relation to the size of the Company and the nature of its business does not arise as at year end.

(b) The Company is maintaining proper records of inventory. As the Company does not hold any inventory at any time during the year, question of commenting on adjustment of discrepancies noticed on physical verification of inventory does not arise.
- 3) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3(iii) of the Order are not applicable to the Company for the current year.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The activities of the Company do not involve sale of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- 5) The Company has not accepted any deposits from the public.
- 6) According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 148 (1) of the Act, for any of the activities of the Company.
- 7) (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added tax, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, there are no undisputed

**KALYANIWALLA
& MISTRY**

dues, payable in respect of above as at 31st March, 2015 for a period of more than six months from the date on which they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Wealth Tax, Service tax, Duty of Customs, Duty of Excise, Value added tax or cess outstanding on account of any dispute.
- (c) According to the information and explanations given to us, there are no amounts required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder.
- 8) *The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth.* The Company has not incurred any cash losses in the current and immediately preceding financial year.
- 9) According to the information and explanations given to us and based on the documents and records produced to us, the Company does not have any dues to banks, financial institutions or debenture holders.
- 10) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and other financial institutions.
- 11) According to the information and explanations given to us and based on the documents and records examined by us, on an overall basis, the Company has not taken any term loan during the year.
- 12) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS**

Firm Registration Number 104607W



**FARHAD M. BHESANIA
PARTNER**

Membership Number 127355

Place: Mumbai

Dated: May 16, 2015

ADF FOODS (INDIA) LIMITED

Balance sheet as at 31st March 2015

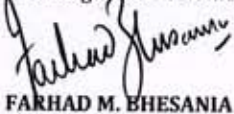
PARTICULARS	Note No.	As at	As at
		31-Mar-15	31-Mar-14
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	3	500,000	500,000
(b) Reserves and surplus	4	(2,402,988)	(7,052,946)
		(1,902,988)	(6,552,946)
Non- current liabilities			
(a) Long-term provisions	5	23,587	-
		23,587	-
Current Liabilities			
(a) Trade payables	6	4,736,889	9,819,447
(b) Other current liabilities	7	474,774	656,383
(c) Short-term provisions	8	3,815	272,131
		5,215,478	10,747,961
TOTAL		3,336,077	4,195,015
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	528,938	636,425
(b) Non-current investments	10	15,000	15,000
(c) Deferred tax assets (net)	11	275,766	-
(d) Long term loans and advances	12	1,461,149	1,201,783
		2,280,853	1,853,208
Current assets			
(a) Trade receivables	13	399,018	1,888,368
(b) Cash & cash equivalents	14	559,038	337,271
(c) Short-term loans and advances	15	97,168	116,168
		1,055,224	2,341,807
TOTAL		3,336,077	4,195,015
Significant accounting policies	2		

The accompanying notes 1 to 31 form an integral part of the financial statements

Signatures to the Balance Sheet and Notes to the financial statements

As per our report of even date


For KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
 Firm Registration Number 104607W


FARHAD M. BHESANIA

PARTNER
 Membership Number 127355

Place: Mumbai
 Date: 16th May 2015

For and on behalf of the Board



Ashok H. Thakkar
Director
 DIN: 00087465



Bimal R. Thakkar
Director
 DIN: 00087404

ADF FOODS (INDIA) LIMITED

Statement of profit and loss for the year ended 31st March 2015

Particulars	Note No.	31-Mar-15 Rs.	31-Mar-14 Rs.
Revenue from operations (net)	16	30,597,506	36,362,265
Other Income	17	191,131	64,869
Total Revenue		30,788,637	36,427,134
Expenses			
(a) Purchase of traded goods	18	23,153,231	27,598,113
(b) Employee benefits expenses	19	166,668	198,519
(c) Finance cost	20	6,456	5,015
(d) Depreciation expenses	21	107,487	78,969
(e) Other expenses	22	3,740,319	4,785,569
Total expenses		27,174,161	32,666,185
Profit before tax		3,614,476	3,760,949
Tax expenses:			
(a) Current tax expenses		689,000	750,000
(b) MAT credit		(689,000)	-
(c) Deferred tax		(275,766)	-
(d) Prior Year's Tax Adjustment		(759,716)	-
		(1,035,482)	750,000
Profit for the period		4,649,958	3,010,949

Earning per share (of Rs. 10/- each):

27

(a) Basic

(i) Continuing operations

93.00

60.22

(b) Diluted

(i) Continuing operations

93.00

60.22

The accompanying notes 1 to 31 form an integral part of the financial statements

Signatures to the Statement of Profit & Loss and Notes to the financial statements

As per our report of even date

For KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

For and on behalf of the Board

Ashok H. Thakkar
Director
DIN: 00087465

Bimal R. Thakkar
Director
DIN: 00087404

Place: Mumbai
Date: 16th May 2015

ADF FOODS (INDIA) LIMITED

Notes forming part of the financial statements

	As at 31-Mar-15		As at 31-Mar-14	
	Rs.		Rs.	
Note 3				
SHARE CAPITAL				
Authorised				
1,00,00,000 (Previous year 1,00,00,000) Equity shares of Rs. 10/- each	100,00,000		100,00,000	
Issued and Subscribed and Paid up Share Capital				
50,000 (Previous year 50,000) Equity shares of Rs. 10/- each	50,000		50,000	
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Particulars	31-Mar-15		31-Mar-14	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the period	50,000	500,000	50,000	500,000
Add: Shares issued during the period	-	-	-	-
Outstanding at the end of the period	50,000	500,000	50,000	500,000
b. Terms/rights attached to equity shares				
The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.				
The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
c. Details of shares held by holding company, the ultimate holding company, their subsidiaries and associates				
Class of shares / name of shareholder	31-Mar-15		31-Mar-14	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
ADF Foods Limited	50,000	100%	50,000	100%
d. Details of shareholders holding more than 5% shares of the Company				
Class of shares / name of shareholder	31-Mar-15		31-Mar-14	
	No. of shares held	% holding	No. of shares held	% holding
ADF Foods Limited (Holding Company) & it's nominees	50,000	100%	50,000	100%
Total	50,000	100%	50,000	100%
			31-Mar-15	31-Mar-14
Note 4				
Reserves & Surplus				
(Deficit) in the Statement of Profit & Loss				
As per last Balance Sheet			(7,052,946)	(10,063,895)
Profit for the year			4,649,958	3,010,949
Closing balance			(2,402,988)	(7,052,946)



ADF FOODS (INDIA) LIMITED
Notes forming part of the financial statements

	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.
Note 5		
Long Term Provisions		
(a) Provision for employees' benefits (Refer note no: 26)		
(i) Provision for compensated absences	2,977	-
(ii) Provision for gratuity	20,610	-
Total	23,587	-
Note 6		
Trade Payables		
(i) Due to Micro and Small Enterprises (Refer Note no: 25)	-	-
(ii) Others		
(a) to related parties		
ADF Foods Limited for goods	4,559,051	9,613,942
(b) others	177,838	205,505
Total	4,736,889	9,819,447
	31-Mar-15	31-Mar-14
Note 7		
Other Current Liabilities		
(a) Other payables		
(i) Statutory dues	122,106	29,090
(ii) Others	352,668	627,293
Total	474,774	656,383
Note 7.1		
There is no amount due and outstanding to be credited to Investor Education and Protection Fund.		
	31-Mar-15	31-Mar-14
Note 8		
Short Term Provisions		
a) Provision for employees' benefits (Refer note no: 26)		
(i) Provision for compensated absences	1,525	6,125
(ii) Provision for gratuity	2,290	16,006
(b) Others		
Provision for tax (Net of advance tax Rs. Nil, Previous year Rs. 5,00,000/-)	-	250,000
	3,815	272,131



Notes forming part of the financial statements

FIXED ASSETS

Note 9 (a)

Consequent to Schedule II to the Companies Act, 2013 becoming applicable w.e.f. April 01, 2014, depreciation for the year has been provided on the basis of the useful lives as prescribed in Schedule II. This has resulted in the depreciation expenses for year being higher by Rs. 28,518/-.



ADF FOODS (INDIA) LIMITED
Notes forming part of the financial statements

	As at 31-Mar-15 Rs.	As at 31-Mar-14 Rs.
Note 10		
Non Current Investments		
Investments (At cost)		
Other Investments (Given as security to the Sales tax Department, Nadiad)	15,000	15,000
Total	15,000	15,000
	31-Mar-15	31-Mar-14
Note 11		
Deferred tax Asset (Net)		
Liabilities:		
On Fixed Assets	(19,281)	-
Assets		
On Others	295,047	-
	275,766	-
	31-Mar-15	31-Mar-14
Note 12		
Long term loans and advances		
(a) Other deposits		
Unsecured, considered good	25,000	25,000
(b) Others (Considered good)		
(i) Advance Income Tax (Net of provision for tax Rs. 14,39,000/-, Previous year Rs. 8,50,000/-)	30,500	1,176,783
(ii) MAT credit receivable	1,405,649	-
	1,461,149	1,201,783
	31-Mar-15	31-Mar-14
Note 13		
Trade receivable		
Unsecured, considered good		
Receivables outstanding for a period exceeding six months from the date they were due for payment	-	-
Others	399,018	1,888,368
	399,018	1,888,368
	31-Mar-15	31-Mar-14
Note 14		
Cash and cash equivalents		
(a) Cash on Hand	36,401	50,215
(b) Balance with banks		
(i) In Current accounts	522,637	287,056
	559,038	337,271
	31-Mar-15	31-Mar-14
Note 15		
Short Term Loans and Advances		
Unsecured:		
(a) Loans and advances to employees		
Unsecured, considered good	-	19,000
(b) Others		
(i) VAT credit receivable	97,168	97,168
Total	97,168	116,168



ADF FOODS (INDIA) LIMITED
Notes forming part of the financial statements

	For the year ended	For the year ended
	31-Mar-15	31-Mar-14
	Rs.	Rs.
Note 16		
Revenue from operations		
Sale of products	30,597,506	36,362,265
	30,597,506	36,362,265
Traded goods		
Meal accompaniments	30,597,506	36,362,265
Total - Sale of traded goods	30,597,506	36,362,265
Total - Sale of products	30,597,506	36,362,265
Note 17		
Other income		
Interest income (Refer Note (i) below)	104,679	1,729
Other non-operating income (Refer Note (ii) below)	86,452	63,140
Total	191,131	64,869
Interest income comprises: (Note [i])		
Interest on income tax refund	103,680	-
Other interest	999	1,729
Total - Interest income	104,679	1,729
Other non-operating income comprises: (Note [ii])		
Liabilities no longer required written back	86,452	63,140
Total - Other non-operating income	86,452	63,140
Note 18		
Purchase of traded goods		
Purchases	23,153,231	27,598,113
Total	23,153,231	27,598,113
Traded goods comprises:		
Meal accompaniments	23,153,231	27,598,113
Total	23,153,231	27,598,113



ADF FOODS (INDIA) LIMITED

Notes forming part of the financial statements

	For the year ended 31-Mar-15 Rs.	For the year ended 31-Mar-14 Rs.
Note 19		
Employees' benefit expenses		
Salaries and wages	151,951	158,122
Contribution to other funds		
Contribution to Gratuity - Unfunded	6,894	7,682
Contribution to E.S.I.C.	-	16,862
Compensated absences	7,453	9,551
Staff welfare	370	6,302
Total	166,668	198,519
Note 20		
Finance costs		
Other borrowing cost	6,456	5,015
Total	6,456	5,015
Note 21		
Depreciation - tangible assets	107,487	78,969
Total	107,487	78,969
Note 22		
Other Expenses		
Insurance	28,559	4,495
Rates & Taxes	19,660	17,084
Traveling & Conveyance Expenses	1,976	8,941
Motor Car Expenses	9,142	-
Printing and Stationery	2,160	1,710
Freight and forwarding	930,641	1,025,297
Sales commission	1,534,180	1,810,322
Sales and marketing exp - Domestic	642,568	986,472
Legal and professional Fees	62,442	25,545
As Auditors - Statutory audit	449,440	864,463
- Audit under other statutes	59,551	26,236
Total	508,991	890,699
Miscellaneous Expenses (net)	-	15,004
Total	3,740,319	4,785,569



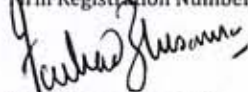
ADF Foods (India) Limited

Cash Flow Statement for the year ended 31st March, 2015

Particulars	31-Mar-15	31-Mar-14
	Rs.	Rs.
A. Cash flow from Operating activities		
Profit before taxation	3,614,476	3,760,949
Adjustment for:		
Depreciation	107,487	78,969
Finance costs	6,456	5,015
Liabilities no longer payable written back	(86,452)	(63,140)
Interest income	(999)	(1,729)
Operating profit before working capital changes	3,640,968	3,780,064
Adjustments for:		
Decrease in Current Assets	1,508,350	5,157,299
Increase / (Decrease) in Current Liabilities	(5,196,031)	783,092
Increase in Non-Current Liabilities	23,587	-
	(23,126)	9,720,455
Taxes paid(Net)	250,350	(500,000)
Net cash flow from Operating activities (A)	227,224	9,220,455
B. Cash flow from Investing activities		
Interest income	999	1,729
Net cash flow from Investing activities (B)	999	1,729
C. Cash flow from Financing activities:		
Repayment of short term borrowings	-	(9,552,406)
Finance cost	(6,456)	(5,015)
Net cash flow (used in) Financing Activities (C)	(6,456)	(9,557,421)
Net increase / (Decrease) in cash and cash equivalents (A + B + C)	221,767	(335,237)
Cash and cash equivalent -Opening balance	337,271	672,508
Cash and cash equivalent -Closing balance	559,038	337,271
Notes:		
1. Cash and Cash Equivalents:		
(a) Cash on Hand	36,401	50,215
(b) Balance with banks		
(i) in Current accounts	522,637	287,056
Cash and Cash Equivalents	559,038	337,271
2. The cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.		
3. Figures for the previous year have been regrouped/ restated wherever necessary to conform to current year's classification.		

As per our report of even date

For KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W


FARHAD M. BHOSANIA
PARTNER
Membership Number 127355

Place: Mumbai
Date: 16th May 2015

For and on behalf of the Board

 
Ashok H. Thakkar Bimal R. Thakkar
Director Director
DIN: 00087465 DIN: 00087404

ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2015

1. Background

ADF Foods (India) Limited ('the Company') was incorporated on 7 December 2009. The Company is a wholly owned subsidiary of ADF Foods Limited ('the holding company').

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

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

2. Significant accounting policies

2.1. Basis of preparation of financial statements

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and on going concern basis in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of The Companies Act, 2013 ('the Act') / The Companies Act, 1956, as applicable.

Current / 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.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realized within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2015

(Currency: Indian Rupees)

2. Significant accounting policies (Continued)

2.1. Basis of preparation of financial statements (Continued)

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

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 above which are in accordance with the Schedule III to the Act.

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non-current classification of assets and liabilities.

2.2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and such differences are recognized in the period in which such results are known / materialize. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3. Fixed Assets

Tangible fixed assets are carried at cost less accumulated depreciation and impairment, if any. Cost comprises the purchase price or construction cost including any attributable costs of bringing the asset to its working condition for its intended use.

2.4. Depreciation:

Depreciation has been provided under the straight-line method on all Fixed Assets at the rates specified as per Schedule II to the Companies Act, 2013. Depreciation on additions to assets or where any asset has been sold or discarded, is calculated on a pro-rata basis from the date of such addition or up to the date of such sale or discard as the case may be.

2.5. Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the basis of weighted average method and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. There is no closing inventory as on 31 March 2015 and 31 March 2014.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2015

(Currency: Indian Rupees)

2. Significant accounting policies (Continued)

2.6. Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership are transferred to the buyer based on contractual arrangements. Revenue from sales is net of returns and excludes sales tax and applicable trade discounts and allowances.

Interest and other income are recognized on accrual basis.

2.7. Employee Benefits

i) Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

ii) Post-employment benefits

(a) Defined contribution plans

Defined contribution plans are Employee Provident Fund scheme and Employee State Insurance scheme for eligible employees. The Company's contribution to defined contribution plans is recognised in the statement of profit and loss in the financial year to which they relate.

(b) Defined benefit plans

(i) Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2015

(Currency: Indian Rupees)

2. Significant accounting policies (Continued)

2.7. Employee Benefits (Continued)

ii) Post-employment benefits (Continued)

(b) Defined benefit plans (Continued)

(ii) Gratuity scheme

The Company operates defined benefit plan for its employees, viz., gratuity. The costs of providing benefit under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for both defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

2.8. Taxation

Income-tax expense comprises current tax expense computed in accordance with the relevant provisions of the Income tax Act, 1961 and deferred tax charge or credit.

Current tax

Provision for current income-tax is recognized in accordance with the provisions of Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

The Company has calculated its tax liability after considering Minimum Alternate Tax (MAT).

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

In the case of unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2015

(Currency: Indian Rupees)

2. Significant accounting policies (*Continued*)

2.9. Operating lease

Lease rentals in respect of assets acquired on operating leases are recognized in the statement of profit and loss on straight line basis over the lease term.

2.10. Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

2.11. Provisions and contingencies

A provision is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure by way of a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized / disclosed in financial statements.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2015

(Currency: Indian Rupees)

23. Micro, Small and Medium enterprises

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

Rs. In lacs		
	2014-15	2013-14
Dues remaining unpaid		
Principal	Nil	Nil
Interest	Nil	Nil
Interest paid in terms of Section 16 of MSMED Act	Nil	Nil
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year but without adding the interest specified under the MSMED Act	Nil	Nil
Amount of interest accrued and remaining unpaid	Nil	Nil
Amount of further interest remaining due and payable in preceding years for the purpose of disallowances under section 23 of the Act	Nil	Nil

24. Deferred tax assets (Net)

Particulars	2014-15	2013-14
Liabilities		
On Fixed assets	(19,281)	(27,482)
Assets		
On others	2,95,047	18,32,220
	2,75,766	Nil *

* In view of the business loss and in the absence of virtual certainty of future taxable profits, no deferred tax assets have been recognized during the previous year.

25. Related party transactions

(A) Related parties and their relationship:

Sr. No	Category and related parties	Names
1	Holding company	ADF Foods Limited
2	Fellow Subsidiaries	ADF Foods (UK) limited
3	Fellow Subsidiaries	ADF Holdings (USA) Limited
4	Fellow Subsidiaries	ADF Foods (USA) Limited



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2015

(Currency: Indian Rupees)

(B) Transactions with related parties:

(Amount in Rs.)

Particulars	Financial Year	Holding company
Purchase of goods	2014-15	187,23,186
	2013-14	2,75,98,113
Balance payable at the year end	2014-15	45,59,051
	2013-14	96,13,942

26. Disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" are given below:

a) Defined contribution plans

Amount of Rs. Nil (Previous year Rs. Nil) representing contribution to provident fund is recognized as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

Amount of Rs. Nil (Previous year Rs. 16,862) representing contribution to Employee State Insurance scheme is recognized as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

b) Defined benefit plan

Compensated absence

Provision for compensated absence is made at basic salary cost for outstanding leave balance at the year end which can be utilized in future and are en-cashable. Amount of Rs. 4,502 (Previous year: Rs. 6,125) has been recognized in balance sheet of which Rs. 2,977 (Previous year: Rs. Nil) shown under long term provision and balance Rs. 1,525 (Previous year Rs. 6,125) is shown under short term provision as given in the Actuarial report as on 31 March, 2015.

Expenses of Rs. 7,453 (Previous year: Rs. 9,551) are recognized in the Statement of Profit and Loss.

Gratuity

Unfunded

Amount of Rs. 22,900 (Previous year: Rs. 16,006) has been recognized in balance sheet of which Rs. 20,610 (Previous year: Rs. Nil) shown under long term provision and balance Rs. 2,290 (Previous year Rs. 16,006) is shown



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2015

(Currency: Indian Rupees)

26. Disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" are given below: (Continued)

under short term provision as given in the Actuarial report as on 31 March 2015.

The present value of the defined benefit obligation and the related current service cost is measured using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

		Gratuity (Unfunded)	
		2014-15	2013-14
I	Change in benefit obligation		
	Liability at the beginning of the year	16,006	8,324
	Interest cost	1,280	759
	Current service cost	4,580	4,001
	Benefit paid	NIL	NIL
	Actuarial (gain) / loss on obligations	1,034	2,922
	Liability at the end of the year	22,900	16,006
II	Amount recognised in the balance sheet		
	Liability at the end of the year	22,900	16,006
	Fair value of plan assets at the end of the year	Nil	Nil
	Present value of unfunded obligations	*22,900	*16,006
III	Expenses recognised in the statement of profit and loss		
	Current service cost	1,280	759
	Interest cost	4,580	4,001
	Actual return on plan assets	Nil	Nil
	Net actuarial (gain) / loss to be recognized	1,034	2,922
	Expense recognised in statement of profit and loss	6,894	7,682
IV	Actuarial assumptions :		
	Discount rate	8.00%	9.12%
	Rate of return on plan assets	-	-
	Salary escalation	7.00%	8.00%
	Mortality table	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2015

(Currency: Indian Rupees)

26. Disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" are given below: (Continued)

* Under long-term provisions Rs. 20,610 (Previous year Rs. Nil) and under short-term provisions Rs. 2,290 (Previous year Rs. 16,006) (refer note no: 6 & 9 respectively).

Experience Adjustments

Experience	2014-15	2013-14	2012-13	2011-12	2010-11
Defined Benefit Obligation	22,900	16,006	8,324	46,733	-
Plan Assets	-	-	-	-	-
Status [Surplus / (Deficit)]	(22,900)	(16,006)	(8,324)	(46,733)	-
Experience Adjustments of Obligation [(Gain)/Loss]	1,034	2,922	(44,923)	(2,01,283)	-
Experience on Plan Assets [Gain/(Loss)]	-	-	-	-	-

27. Earnings per share

	2014-15	2013-14
Net profit after tax attributable to equity shareholders	46,49,958	3,010,949
Weighted average number of equity shares outstanding during the period	50,000	50,000
Basic and diluted earnings per share (Rs)	93.00	60.22
Face value per share (Rs)	10	10

28. Contingent liability and capital commitments

	2014-15	2013-14
Claims against the Company not acknowledged as debt	Nil	Nil
Capital commitments	Nil	Nil

29. Segment reporting

The Company is operating in the business of trading of food specialty products and has mainly domestic sales. The Company has only one reportable business and geographical segment which is governed by similar set of risk and returns. Hence, the financial statements are reflective of the information required by Accounting Standard 17 as prescribed in Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2015

(Currency: Indian Rupees)

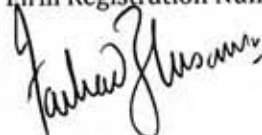
30. Domestic Transfer Pricing

The Company's management is of the opinion that its domestic transactions are at arm's length so the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

31. The Corresponding figures and details pertaining to the previous year have been traced from the Financial statements for the year ended March 31, 2014 audited by a firm of chartered accountants other than Kalyaniwalla & Mistry vide their report dated May 26, 2014.

In terms of our report of even date.

For Kalyaniwalla & Mistry
Chartered Accountants
Firm Registration Number 104607W



Farhad M. Bhesania
Partner
Membership Number 127355

For and on behalf of the Board



Ashok H. Thakkar
12 Director
DIN: 00087465



Bimal R. Thakkar
Director
DIN: 00087404

Place: Mumbai
Date: 16th May 2015