

ADF
FOODS LTD.
Feeding the world.

29th Annual Report 2018-19

Serving the Evolving Consumer

7

Flagship Brands

50+

Countries

180+

Distributors

2

State-of-the-art
Manufacturing Facilities

26,000

Total Installed Capacity (TPA)

95%

Revenue Share
from Export

At a Glance

ADF Foods Ltd. is one of the leading brands of prepared ethnic food with product offerings across ready-to-eat food, frozen snacks, frozen vegetables, and meal accomplishments like pickles, sauces and pastes.



Brand Portfolio



The flagship brand, Ashoka, is primarily aimed at the worldwide Indian diaspora, with over 300 products in different categories under the shelf-stable and frozen range. Through its richly diverse culinary delicacies, it offers authentic Indian food.



Camel is about 100-year old brand acquired by ADF in late 1960's . It is a premium brand in the Middle East market with a range of pickles, curry powders and cooking pastes targeted primarily at Arabic diaspora. The Mango Slice Pickle under this brand has gained significant acceptance across Middle East market.



Aeroflane is a leader in the economy category offering a range of pickles which are marketed globally primarily in the Middle East. Apart from its flagship offering of pickles, the company offers a variety of curry powders and pastes under this brand.



Launched in 2012, Truly Indian is primarily targeted to the mainstream Non – Indians. Ready-to-eat curries, condiment pastes , cooking sauces and poppadum (papad) are sold under this brand. In the year 2017, a range of organic food was launched in the US market.



Soul is an urban-centric brand, cooked with nutritive olive oil and less salt, offering a healthier option to consumers along with perfect taste. Every product of soul is made with a touch of goodness that allows you to eat more.



Made with a USDA certified organic ingredients, PJ's Organics offers a wide range of hand-rolled organic burritos. It is well known for its authentic Mexican flavours.



Nate's USP is non-genetically modified and vegetarian food. It offers all natural vegan and vegetarian protein rich food options like meatless meatballs, Chaats and Roti Wraps and Mediterranean bites falafels.

New Product launches

Flavoured Milk

BADAMazaa™



Use of Natural Flavours, No Artificial Colors and Essence

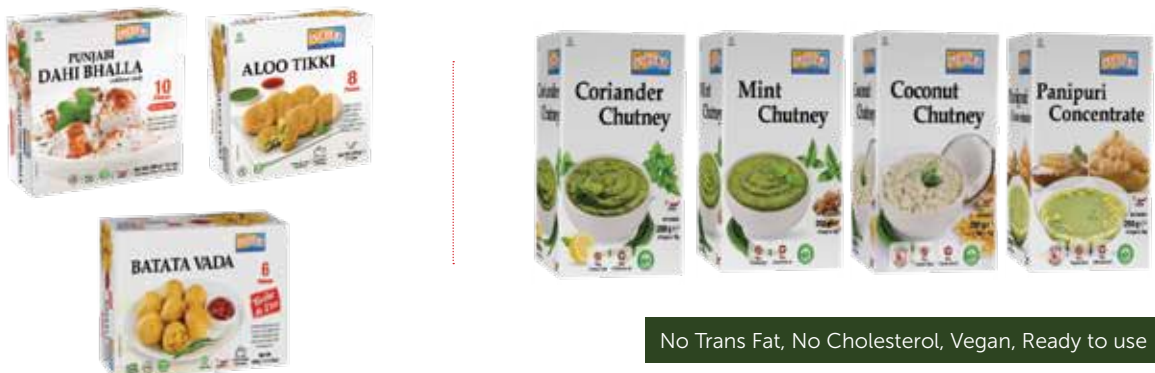
Ashoka presents 'Badamazaa' – a range of healthy and delicious Flavoured milk beverages packed with 'real pieces of Almond'. Currently available in 3 variants

Baked Snacks



100% Vegetarian, Just Heat and Eat, Microwavable in 90 seconds

Frozen Snacks and Chutneys



No Trans Fat, No Cholesterol, Vegan, Ready to use



Chairman's Message

Dear Shareholders,

It gives me immense pleasure to present the Annual Report of ADF Foods Limited for the fiscal year 2019. At ADF, we are committed to serving the ever-evolving tastes and preferences of our consumers through a blend of convenient and healthy food and product innovation.

We look back at the company's performance in 2018-19 with a sense of satisfaction and achievement, having reported robust growth both in revenue and profitability.

On a standalone basis, for the year, total income for the Company grew by 10.5% over the last year to Rs. 202 crores. During the year under review, Operating profit grew by 36% over the previous year to Rs. 49 crores. Further, the Company reported Profit after tax (PAT) of Rs. 31 crores, up by 37% over the fiscal year 2018.

On a consolidated basis, for the financial year 2018-19, total income grew by 12% over the previous year to reach Rs. 246 crores. During the year under review, operating profit grew by 32% to Rs. 53 crores and PAT stood at Rs. 25 crores, reporting an increase of 40% over the previous year. Our consolidated PAT would be higher but for the one-time charge to the tune of Rs. 10 crore on account of impairment of certain brands in our US subsidiary. However, I am glad to share that our US operations have stabilized, and we are poised to achieve robust growth.

Our growth this year was driven by multiple factors. We continued to strengthen our brands and product portfolio across categories and geographies. The food landscape is inherently dynamic with tastes and preferences globally constantly changing and with a visible shift towards healthy products. We already have an array of gluten free and vegan products under our various brands and are further investing in building capacities for such products. This year, your company has launched various new products like baked snacks, a range of flavoured milk drinks called "Badamazaa" and a range of pastes under our Ashoka and Camel brands.

ADF stands committed to investing in Human Capital. This year, we strengthened the senior management team with appointment of Mr. Anish Jhaveri as Chief Financial Officer. Anish has over 30 years of experience in corporate finance function for various companies. We have also appointed a General Manager-Works (Nasik), Mr. Narayan Kadam who has over 15 years of industry experience. In addition we have appointed additional Country Managers Mr. Apurva Patel for the US and Mr. Bharat Sareen for the UK as a continuous effort to strengthen our international sales team. I welcome all of them to the ADF family and look forward to scaling new heights through our combined efforts.

In line with our strategy to focus on premium products, this year we have initiated capex of Rs. 20 crore for expansion of product capacities both at the Nadiad and Nasik facilities. Your company

stands committed to the environment and is in the process of commissioning an Effluent Treatment Plant with zero-liquid discharge at our Nasik facility and solar panels at both the plants. The above expansions are expected to be on stream by the end of the current fiscal year.

We believe in creating value for our shareholders and during the year under review, we successfully completed a buyback of 11,78,742 equity shares through the open market route at an average price of Rs. 254.43 per equity share utilizing a total of Rs. 29.99 crore (excluding transaction cost) representing 99.97% of maximum buyback size.

Your Company is committed towards its Social Responsibility through its ongoing CSR activities in the areas of women empowerment , sponsoring education of urban and rural underprivileged students, financial aid for medical treatment of poor people, residential care expenses of physically challenged youth, environment protection etc.

A new generation of millennials and changing consumer preferences are framing industry mega trends globally and I believe we are well poised to adapt to such an environment.

I would like to thank all our stakeholders for their consistent support and trust in our company.

With best wishes

Bimal Thakkar

Chairman & Managing Director



BOARD OF DIRECTORS

BOARD OF DIRECTORS	Mr. Bimal R. Thakkar Mr. Jay M. Mehta Mr. Viren A. Merchant Mr. Ravinder Kumar Jain Ms. Anjali K. Seth Mr. Naresh L. Kothari	Chairman, Managing Director & CEO Director Director Director Director Director
SENIOR MANAGEMENT	Mr. Anish Jhaveri Mr. Raj Roop Singh Mr. Narayan Kadam Mr. Maneek Katpitia	CFO Vice President - Manufacturing General Manager - Works (Nashik) Vice President - International Operations & Supply Chain
COMPANY SECRETARY & COMPLIANCE OFFICER	Ms. Shalaka Ovalekar	
COUNTRY MANAGERS	Mr. Upinder Thakur Mr. Bharat Sareen Mr. Vimal Bhalla Mr. Apurva Patel Mr. Masud Sethi Mr. Savio Almeida	UK UK USA USA - East Coast & Mid-West Canada GCC, Levant Countries, Asia Pacific & Africa
STATUTORY AUDITORS	M/s. Kalyaniwalla & Mistry LLP Chartered Accountants	
INTERNAL AUDITORS	M/s. RMJ & Associates LLP, Mumbai	
SOLICITORS	M/s. D S K Legal	
BANKERS	State Bank of India Bank of Baroda HDFC Bank Ltd. Citi Bank N.A.	
REGISTERED OFFICE	83/86, G.I.D.C Industrial Estate, Nadiad - 387 001, Gujarat, India Tel.: 0268-2551381 / 2 Fax: 0268-2565068 E-mail: nadiadfactory@adf-foods.com	
CORPORATE IDENTITY NUMBER [CIN]	L15400GJ1990PLC014265	
CORPORATE OFFICE	Marathon Innova B2 - G01, Ground Floor, G. K. Road, Lower Parel, Mumbai - 400 013. Tel.: 022-6141 5555 Fax: 022-6141 5577 E-mail: info@adf-foods.com Website: www.adf-foods.com	
REGISTRAR AND SHARE TRANSFER AGENTS	LINK INTIME (INDIA) PRIVATE LIMITED (Formerly known as Intime Spectrum Registry Limited) C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400 083, India Tel: 022-49186270, Fax: 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in	

CONTENTS	
Board of Directors	1
Notice	2
Directors' Report	20
Management Discussion and Analysis Report	58
Report on Corporate Governance & Auditor's Certificate thereon	62
Independent Auditors' Report on Standalone Financial Statements	90
Standalone Balance Sheet	96
Standalone Profit & Loss Account	97
Standalone Cash Flow Statement	98
Standalone Statement of Changes in Equity	100
Notes on Standalone Financial Statements including Notes on Significant Accounting Policies	101
Independent Auditor's Report on the Consolidated Financial Statements	134
Consolidated Balance Sheet	140
Consolidated Profit & Loss Account	141
Consolidated Cash Flow Statement	142
Consolidated Statement of Changes in Equity	144
Notes on Consolidated Financial Statements including Notes on Significant Accounting Policies	145
Form AOC - I	177
Proxy Form	

29th Annual General Meeting

Wednesday, 25th September, 2019 at 12.00 noon

At Nadiad Nagar Palika Ipcowala Town Hall, Near City Point, Paras Circle, Santram Road, Nadiad - 387 001.

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting.

Shareholders are requested to kindly bring copies to the Meeting.

NOTICE OF THE 29TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Ninth Annual General Meeting** of the Members of **ADF FOODS LIMITED** will be held at Nadiad Nagar Palika Ipcowala Town Hall, Near City Point, Paras Circle, Santram Road, Nadiad - 387 001 on Wednesday, 25th September, 2019 at 12.00 noon to transact the following business:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Financial Statements of the Company, namely:
 - a) The Audited Standalone and Consolidated Balance Sheet as at 31st March, 2019;
 - b) The Audited Standalone and Consolidated Statement of Profit and Loss for the financial year ended 31st March, 2019;
 - c) The Audited Standalone and Consolidated Cash Flow Statement for the financial year ended 31st March, 2019;
 - d) Notes annexed to, or forming part of, the documents referred to in (a) to (c) above and the Reports of the Board of Directors and Auditors thereon.
- (2) To appoint a Director in place of Mr. Bimal R. Thakkar (DIN: 00087404) who retires by rotation and being eligible offers himself for re-appointment.
- (3) To re-appoint Auditors and to authorize the Board of Directors to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Registration No. 104607W/W100166) be and are hereby re-appointed as Statutory Auditors of the Company, for the second consecutive term of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held for the Financial year 2023-24 of the Company.

RESOLVED FURTHER THAT remuneration of Rs.16,25,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred be paid to M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants for the Financial Year 2019-20 and for the subsequent financial years remuneration shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

- (4) To consider and if thought fit to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT in partial modification of Special Resolution passed at the Annual General Meeting held on September 15, 2018 in respect of appointment of Mr. Bimal R. Thakkar (DIN: 00087404) as Chairman, Managing Director and CEO and pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, including any statutory amendment(s) or modification(s) thereto or re-enactment(s) or substitution(s) made thereof for the time being in force or any amendments and/ or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time, the consent of the Members be and is hereby accorded to revise the remuneration structure of Mr. Bimal R. Thakkar (DIN: 00087404) with effect from May 01, 2019 till the remaining term of the appointment i.e. upto September 30, 2023 as under:

 - I. Commission based on percentage of Profit Before Tax of ADF Foods Ltd. and/or commission based on percentage of Net sales of the overseas subsidiary/subsidiaries i.e. ADF Foods (USA) Ltd. or ADF Foods UK Ltd. shall be paid to Mr. Bimal Thakkar in compliance with the applicable laws;

The commission will be calculated based on the audited financial statements of the relevant Financial Year;

Provided that the annual gross remuneration payable should not exceed overall ceiling of Managerial remuneration as set under Section(s) 197, 198 and as per monetary ceiling prescribed in Schedule V of the Companies Act, 2013.

2. An on account payment equivalent to Rs.10,00,000/- (Rupees Ten Lakhs only) will be made on monthly basis. The same shall be adjusted against the commission payable as stated in Point number 1.
3. Reimbursement of expenses: Reimbursement of the expenses including but not limited to the following expenses actually and properly incurred by him for the business of the Company and will not be considered as perquisite:
 - i) Actual expenses incurred for the Company's business by self including travel, hotel and other related expenses for himself incurred in India and abroad;
 - ii) Provision of two cars with drivers for use on Company's business;
 - iii) Telephone at residence for official purpose;
 - iv) Expenses incurred in respect of books and periodicals at actual against submission of supporting/s;
 - v) Subscription or reimbursement of club fees on actual basis.

RESOLVED FURTHER THAT in the financial year during the currency of the tenure of Mr. Bimal Thakkar (DIN: 00087404) as the Chairman, Managing Director & CEO, if the Company has no profits or its profits are inadequate, the remuneration to be paid to Mr. Bimal Thakkar (DIN: 00087404), shall be as per monetary ceiling prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 or as may be modified from time to time or such monetary limits as may be prescribed by the Central Government from time to time.”

- (5) To consider and if thought fit to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Viren A. Merchant (DIN: 00033464), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Regulation 16 and 25 and who is eligible for appointment be and is hereby re-appointed as an Independent Director of the Company for the second consecutive term of five years with effect from September 24, 2019 upto September 23, 2024.”

- (6) To consider and if thought fit to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ravinder Kumar Jain (DIN: 00652148), Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act read with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Regulation 16 and 25 and who is eligible for appointment be and is hereby re-appointed as an Independent Director of the Company for the second consecutive term of five years with effect from September 24, 2019 upto September 23, 2024.”

- (7) To consider and, if thought fit, to pass with or without modification/s, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 161 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions, including any statutory amendment(s) or modification(s) thereto or enactment or re-enactment thereof for the time being in force and Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the

ADF FOODS LTD.

recommendation of the Nomination and Remuneration Committee and Board of Directors, Mr. Jay M. Mehta (DIN: 00152072), who was appointed as an Additional Director in the category of 'Non-Executive Non-Independent Director' with effect from February 12, 2019 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Non-Executive Non-Independent Director of the Company liable to retire by rotation."

- (8) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 188(1)(a) to (d) and all other applicable provisions of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called 'the Board' which term shall be deemed to include any committee which the Board may constitute for this purpose) for renewal of contracts with the Related parties as set out below and in which Mr. Bimal Thakkar, Chairman, Managing Director & CEO is deemed to be interested, to sell, purchase and/or supply of any of goods or materials, to lease property and to avail or render any service of any nature, as the Board in its discretion deem proper, as per the terms and conditions set out and in the explanatory Statement annexed to Notice convening this meeting;

Name of Related Party	Nature of relationship	Particulars of the contract or arrangement	Nature, material terms, monetary value (Rs. in crore) (per annum)	Any other information relevant or important for the members to make a decision on the proposed transaction
ADF Foods (India) Ltd.	Wholly owned subsidiary	Sale, purchase or supply of any goods or materials and/ or availing/ rendering of any services and/ or leasing of property	50.00	Duration of Contract is from 1 st April, 2020 to 31 st March, 2023.
ADF Foods UK Ltd.	Wholly owned subsidiary	Sale, purchase or supply of any goods or materials and/ or availing/ rendering of any services	50.00	Duration of Contract is from 1 st April, 2020 to 31 st March, 2023.
ADF Holdings USA Ltd.	Step down Subsidiary	Sale, purchase or supply of any goods or materials and/ or availing of any services	50.00	Duration of Contract is from 1 st April, 2020 to 31 st March, 2023.
ADF Foods USA Ltd.	Step down Subsidiary	Sale, purchase or supply of any goods or materials and/ or availing/ rendering of any services	50.00	Duration of Contract is from 1 st April, 2020 to 31 st March, 2023.
M H Foods Pvt. Ltd	Director's relatives holding position of Director in M H Foods Pvt. Ltd.	Sale, purchase or supply of any goods or materials and/ or availing/ rendering of any services	0.10	Duration of Contract is from 1 st April, 2020 to 31 st March, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this resolution and for matter connected therewith or incidental thereto in the best interest of the Company."

- (9) To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in compliance with Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory amendments or modifications thereto or any re-enactments or substitutions made thereof for the time being in force and other applicable provisions, and subject to necessary approvals from the SEBI Board, Stock Exchanges and other appropriate statutory authorities, as may be necessary, the consent of the Members of the Company be and is hereby accorded to re-classify Mr. Ashok H. Thakkar and Mr. Mishal A. Thakkar (hereinafter individually & jointly referred to as the ‘applicants’) in view of their application dated May 31, 2019 from ‘Promoter/ Promoter Group’ category to ‘Public’ category in respect of 11,354 equity shares (representing 0.06% of paid-up share capital) held by Mr. Ashok H. Thakkar and 28,966 equity shares (representing 0.14% of paid-up share capital) held by Mr. Mishal A. Thakkar;

RESOLVED FURTHER THAT, on approval of the SEBI Board/ Stock Exchange(s) upon application for reclassification of the aforementioned applicants, the Company shall effect such reclassification in the Statement of Shareholding pattern from immediate succeeding quarter under Regulation 31A of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and in compliance to Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and other applicable provisions;

RESOLVED FURTHER THAT Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO (DIN: 00087404) and/or Ms. Shalaka Ovalekar, Company Secretary or such other person as authorized by the Board, be and are hereby severally authorized to make application for re-classification to the SEBI Board, Stock Exchanges, wherein the securities of the Company are listed or any other regulatory body, as may be required, and to take such steps expedient or desirable to give effect to this resolution;

RESOLVED FURTHER THAT Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO (DIN: 00087404) and Ms. Shalaka Ovalekar, Company Secretary be and are hereby severally authorized to sign applications, deeds, documents, papers etc. and take necessary actions in the matter from time to time.”

NOTES

1. **A member entitled to attend and vote at the Annual General Meeting (“AGM”) is entitled to appoint one or more proxies to attend and vote instead of himself/ herself and such proxies need not be members of the Company. In order to be valid, proxy forms duly complete in all respects, should be lodged with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.**

A person can act as a proxy on behalf of members not exceeding Fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

The Proxy Holder shall provide his/ her identity at the time of attending the meeting.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 days of notice in writing is given to the Company.

Corporate members intending to send their authorized representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send a duly certified copy of the Board Resolution together with their specimen signatures authorizing their representative(s) to attend and vote at the Annual General Meeting.

2. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 relating to ordinary / special business to be transacted at the meeting is annexed hereto.

ADF FOODS LTD.

- The relevant details of Directors seeking appointment / reappointment under Item No. 5, 6 and 7 of the Notice, as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereafter referred as the SEBI LODR Regulations, 2015) and Secretarial Standards 2 are also annexed.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 19th September, 2019 to Wednesday, 25th September, 2019 (both days inclusive).
- All the documents, papers, agreements, etc. referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during the business hours on all working days except Saturdays, Sundays & Public Holidays between 11.00 a.m. to 1.00 p.m. upto the date of Annual General Meeting. Further, the copies thereof are also available for inspection at the Corporate office of the Company situated at Marathon Innova, B2, G01, Ground Floor, G. K. Road, Lower Parel, Mumbai - 400 013 upto the date of Annual General Meeting. The same are also available for inspection by members at the Annual General Meeting.
- The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the Electronic Clearing Services (ECS) mandate facility wherever possible for payment of dividend to the Members. In view of this stipulation, the Company has implemented the ECS facility. Members holding shares in physical form are requested to provide the Company with ECS details for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to co-ordinate with the bankers only on receipt of necessary information. The Members holding shares in electronic form may instruct their Depository Participants (DPs) accordingly.
- Members are hereby informed that dividends for the Financial Years 2011-12, 2012-13, 2013-14, 2014-15 and 2016-17 remaining unpaid or unclaimed over a period of seven years from the date of transfer of such dividends to the respective Unpaid Dividend Account(s) of the Company have to be transferred by the Company to the Investor Education and Protection Fund (IEPF). During the year under review, dividends pertaining to the financial year 2010-11 (Final) amounting to Rs. 9,10,280/- which remained unpaid or unclaimed for a period of 7 consecutive years were transferred by the Company to the Investor Education and Protection Fund.

The following are the details of dividends declared by the Company and their respective due dates of transfer to IEPF, which remain unencashed /unclaimed.

Year	Type of Dividend	Dividend per share	Date of Declaration	Due date for transfer to IEPF
2011-12	Final	Rs. 1.50	8 th August 2012	8 th September, 2019
2012-13	Final	Rs. 1.50	31 st July, 2013	31 st August, 2020
2013-14	Final	Rs. 1.50	24 th September, 2014	24 th October, 2021
2014-15	Final	Rs. 1.50	30 th September, 2015	30 th October, 2022
2016-17	Final	Rs. 2.50	23 rd August, 2017	23 rd August, 2024

The Members are requested to encash their Dividend Warrants for these years, if not already done.

In accordance with the IEPF Rules, the Company has sent letter dated 25th June, 2019 to the Members whose dividend amounts from the year 2011-12 were outstanding as per the Company's records and are requested to claim the same before being transferred to the IEPF Authority. The Company has also uploaded the details of such Members and shares due for transfer to the IEPF Authority on its website www.adf-foods.com under the heading "IEPF Transfer List" to enable such Members to verify the details of unencashed dividends and the shares liable to be transferred to the IEPF Authority.

Members are requested to note that no claim shall lie against the Company in respect of any shares/ dividend so transferred to the IEPF Authority.

As per Section 124(5) of the Companies Act, 2013, the Company has transferred the shares of those shareholders whose dividend remained to be encashed /claimed for seven consecutive years or more. The details of such shareholders have been uploaded on the Company's website under the heading "IEPF Transfer List".

8. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant share certificates to the Company's Registrar & Transfer Agents.
9. Members holding shares in physical form are requested to notify/ send the following to the Company's Registrar and Share Transfer Agents to facilitate better service:
 - any change in their address/ mandate/ bank details
 - particulars of their bank account in case the same have not been sent earlier, and
 - share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents.
11. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
12. Members who would like to ask any questions on the Financial Statements are requested to send their questions to the Registered Office of the Company at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
13. The Members or proxies are requested to bring the attendance slip duly filled in and signed for attending the meeting. They are also requested to bring their copies of Annual Report to the Annual General Meeting.
14. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.
The Register of Contracts and Arrangements in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.
15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the Depository Participants ('DP') for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
16. Pursuant to the provisions of Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 36 of the SEBI LODR Regulations, 2015, as amended, electronic copy of the Annual Report 2018-19 is being sent to the members whose e-mail IDs are registered with the Company/ Depository Participant(s) (in case of shares held in demat form) or with Link Intime India Private Limited (in case of shares held in physical form), for communication purpose unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report 2018-19 is being sent in the permitted mode.
Members may also note that the Notice of the 29th Annual General Meeting and the Annual Report 2018-19 will be available on the Company's website www.adf-foods.com.
17. Nomination facility for shares is available for members. For members holding shares in physical form, the prescribed form can be obtained from the Company's Registrar and Share Transfer Agents, M/s. Link Intime (India) Private Limited having address at C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400 083. For Members holding shares in electronic form, you are requested to approach your Depository Participant (DP) for the same.

18. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register their email ids with M/s. Link Intime (India) Private Limited for receiving the Annual Report and other communications through electronic mode pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended.
19. The Route map of the Venue of the AGM is annexed to this Notice.
20. Voting through electronic means:

In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Link Intime India Private Limited (LI IPL), on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and Regulation 44 of Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members the facility to exercise their right to vote at the 29th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Link Intime India Private Limited (LI IPL).

The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

- II. The Member(s) who have cast their vote by remote e-voting prior to the Annual General Meeting, can attend and participate in the Annual General Meeting but shall not be entitled to vote again.
- III. The remote e-voting period commences on Saturday, 21st September, 2019 and ends on Tuesday, 24th September, 2019. During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 18th September, 2019, may cast their vote by remote e-voting. Remote e-voting shall not be allowed beyond the said date and time. The remote e-voting module shall be disabled by LI IPL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

A person who is a Member as on the cut-off date shall only be entitled for availing the Remote e-voting facility or voting by ballot paper, as the case may be, in the General Meeting.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

- IV. The process and manner for remote e-voting is as under:
 1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
 2. Click on "Login" tab, available under 'Shareholders' section.
 3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
 4. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID.
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID.
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form/ Attendance Slip indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Or	
Dividend Bank Details	Enter the Dividend Bank Details (Last 4 Digit) as recorded in your demat account or in the company records for the said demat account or folio number. Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/ or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid e-mail address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/ her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details, etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
- On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

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8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian/ Mutual Fund/ Corporate Body'.

They are also required to upload a scanned certified true copy of the Board Resolution/ authority letter/ power of attorney, etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the 'Custodian/ Mutual Fund/ Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/ demat account shall choose the voting process separately for each of the folios/ demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us: Tel : 022 - 4918 6000.

A copy of this Notice has been placed on the website of the Company and the website of Link Intime India Pvt. Ltd.

The voting period begins on Saturday, 21st September, 2019 and ends on Tuesday, 24th September, 2019. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e Wednesday , 18th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Pvt. Ltd. for voting thereafter.

The Scrutinizer shall, after the time for voting is over, unblock the votes cast through e-voting in presence of atleast 2 witnesses not in employment of the Company and, not later than Friday, 27th September, 2019 submit a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing and shall declare the result of the voting forthwith not later than Friday, 27th September, 2019, in the format prescribed under Regulation 44(3) of the SEBI (LODR) Regulations, 2015.

- V. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company and Link Intime India Pvt. Ltd. immediately after declaration of results by the Chairman or person authorized by him in writing. The results would be communicated to BSE Limited/ National Stock Exchange of India Limited and will be placed on their website thereafter. The result will also be displayed on the Notice Board of the Company at its Registered Office and the Corporate Office.

Mumbai, 10th August, 2019

Regd. Office :

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

Tel.: 0268-2551381/2, Fax. : 0268-2565068;

E-mail: info@adf-foods.com;

website: www.adf-foods.com

CIN: L15400GJ1990PLC014265

By order of the Board

For ADF FOODS LIMITED

Shalaka Ovalekar
Company Secretary
ACS 15274

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Item Nos. 3 to 9 of the Notice.

Item No. 3:

Re-appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants as the Statutory Auditors of the Company:

The Members of the Company, at the Twenty Forth Annual General Meeting (AGM) held on September 24, 2014 had approved the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Registration No. 104607W/W100166) as the Statutory Auditors of the Company to hold office from the conclusion of the Twenty Forth AGM till the conclusion of the Twenty Ninth AGM, at a remuneration as may be recommended by the Audit Committee and fixed by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit. The aforesaid term of appointment will expire at the conclusion of the Twenty Ninth AGM and as per the provisions of Section 139 of the Companies Act, 2013 ('the Act') (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), audit firm can be re-appointed for the second consecutive term of five years, i.e. from the conclusion of the Twenty Ninth AGM till the conclusion of the AGM to be held for the F.Y. 2023-24.

1. M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants have provided their consent for re-appointment as the Statutory Auditors of the Company along with the eligibility certificate, inter alia stating that they are not disqualified for appointment as the Statutory Auditors of the Company under the Companies Act, 2013, The Chartered Accounts Act, 1949 and the Rules and Regulations made thereunder.
2. Basis of recommendation for re-appointment including the details in relation to and credentials of the statutory auditors: M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants audit various companies listed on stock exchanges in India. Their methodology, working environment, training programs and technical resources have added a lot of value to the company in the past five years. The firm is a member firm of Mazars SCRL and has access to their licensed global audit methodology and software. They have broad and deep exposure and understanding of our business and coupled with their understanding of the dynamics and complexities of this sector, enables them to leverage their collective knowledge and experience gained across the sector along with the synergies of experience with other clients in this sector.
3. Based on the recommendation of the Audit Committee and pursuant to the provisions of Sections 139, 142 and all other applicable provisions of the Act, read with the Companies (Audit and Auditors) Rules, 2014 and all other applicable rules made under the Act, the Board of Directors has considered and recommended the proposed re-appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, as the Statutory Auditors of the Company for the second consecutive term of five years commencing from the conclusion of the Twenty Ninth AGM till the conclusion of the AGM to be held for the F.Y. 2023-24.
4. It is proposed to re-appoint M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants as the Statutory Auditors at a remuneration of Rs. 16,25,000/- plus applicable taxes and reimbursement of out of pocket expenses incurred be paid to M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants for the Financial Year 2019-20 and for the subsequent financial years remuneration shall be fixed by the Board of Directors of the Company.
5. Relevant documents are available for inspection by the members and such documents shall be so made available for inspection in physical or in electronic form during the business hours on working day at the Registered Office of the Company and copies thereof shall also be made available for inspection in physical or electronic form at the Corporate Office of the Company and also at the AGM without payment of fee.
6. Consent of the Members is sought for passing the ordinary resolution as set out at Item No. 3 of the notice for the re-appointment of the auditors of the Company. None of the Directors, Key Managerial Personnel of the Company or their respective relatives are, in way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the notice. The Board of Directors recommends the Ordinary Resolution set out at Item No. 3 of the notice for approval of the Members.

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Item No. 4:

Approval for making structural changes in remuneration of Mr. Bimal Thakkar, Chairman, Managing Director & CEO:

The current appointment term of Mr. Bimal Thakkar, Chairman, Managing Director & CEO is for a period of 5 years w.e.f October 01, 2018.

It is proposed to make structural changes in the remuneration of Mr. Bimal Thakkar w.e.f. May 1, 2019 till the remaining tenure of his appointment term i.e. till September 30, 2023, subject to the approval of the Members in the ensuing Annual General Meeting. It is proposed to revise the remuneration structure of Mr. Bimal Thakkar by making the same commission based instead of the current structure based on fixed salary and variable pay.

The current remuneration structure entitles Mr. Bimal Thakkar to draw remuneration within the limits prescribed Section(s) 197, 198 and Schedule V of the Companies Act, 2013. The said criteria will be applicable to the revised remuneration structure as well.

The existing remuneration structure of Mr. Bimal Thakkar as approved by the Shareholders in their meeting held on 15th September, 2018 is as under:

- I. Fixed pay : Fixed pay comprises of the following components :
 - a) Monthly basic salary;
 - b) House rent allowance;
 - c) Reimbursement of medical expenses incurred by him and his family subject to a ceiling of half month's basic salary in a year;
 - d) Leave Travel allowance for himself and his family once in a year subject to a ceiling of half month's basic salary in a year;
 - e) Leave encashment as per the Company's policy. In case leave is not availed of, encashment of the same will be done at the end of his tenure under the Agreement ;
 - f) Personal Accident Insurance and mediclaim insurance for self and family not exceeding Rs. 30,000;
 - g) Contribution to the Company's Provident Fund, Superannuation Fund and Annuity Fund, as may be applicable, in accordance with the rules of the Funds ;
 - h) Gratuity payable in accordance with the Company's scheme.

The initial fixed pay will be Rs. 10 Lakhs per month from 01st October, 2018 till 31st March, 2019. For the subsequent financial years, the annual increment in the fixed pay will be decided by the Board of Directors subject to maximum ceiling of 5% .
- II. Variable pay : Variable pay comprises of Performance based incentives linked with the performance parameters as may be fixed by the Board of Directors from time to time . The quantum of annual variable pay will be decided by the Board of Directors after review of the audited financial results for the financial year for which the performance review has been done.
- III. Reimbursement of expenses: Reimbursement of the expenses including but not limited to the following expenses actually and properly incurred by him for the business of the Company and will not be considered as perquisite :
 - 1) Actual expenses incurred for the Company's business by self and the spouse including travel, hotel and other related expenses for himself and spouse incurred in India and abroad ;
 - 2) Provision of two cars with drivers for use on Company's business ;
 - 3) Telephone at residence for official purpose ;
 - 4) Expenses incurred in respect of books and periodicals at actual against submission of supporting/s ;
 - 5) Subscription or reimbursement of club fees on actual basis.

The rationale for the proposed revision in the remuneration structure of Mr. Bimal Thakkar is as under:

Mr. Bimal Thakkar has contributed immensely towards the sustained growth of the Company since his appointment as director in the year 2003. Considering the active and vital role played by Mr. Bimal Thakkar in setting up and growing the business of subsidiaries as well, it is proposed to pay him remuneration by way of commission based on percentage of Profit Before Tax of ADF Foods Ltd in compliance with the applicable laws and/or commission based on percentage of Net sales of the overseas subsidiary/subsidiaries i.e. ADF Foods (USA) Ltd. or ADF Foods UK Ltd. The proposed commission will be calculated based on the audited financial statements of the relevant Financial Year of the concerned entity. The annual gross remuneration payable during the financial year will be within the overall limits prescribed under Section(s) 197, 198 and Schedule V of the Companies Act, 2013.

In the financial year during the currency of the tenure of Mr. Bimal Thakkar as the Chairman, Managing Director & CEO, if the Company has no profits or its profits are inadequate, the remuneration to be paid to Mr. Bimal Thakkar, shall be as per monetary ceiling prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 or as may be modified from time to time or such monetary limits as may be prescribed by the Central Government from time to time.

The other prevailing appointment terms of Mr. Bimal Thakkar would remain unchanged.

The Nomination and Remuneration Committee and the Board of Directors at their Meetings held on March 13, 2019 respectively approved and recommended to the Members the aforesaid variation in terms of remuneration of Mr. Bimal Thakkar, Chairman, Managing Director & CEO w.e.f. May 1, 2019.

Mr. Bimal R. Thakkar is interested in the Resolution set out at Item No. 4 of the Notice, which pertains to variation in terms of his remuneration.

The relatives of Mr. Bimal R. Thakkar may be deemed to be interested in the aforesaid resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors /Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 4 of the accompanying Notice.

The Board recommends the Resolution as set out at Item No. 4 of the notice for the Member's approval as Special Resolution.

Item Nos. 5 and 6:

Re-appointment of Mr. Viren A. Merchant (DIN: 00033464) and Mr. Ravinder Kumar Jain (DIN: 00652148) as Independent Directors of the Company:

The Company had, pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Act, which came into force effective from April 01, 2014 and Rules framed thereunder and the erstwhile Clause 49 of the Listing Agreement executed with the stock exchanges, at the 24th Annual General Meeting of the Company held on September 24, 2014, appointed Mr. Viren Merchant and Mr. Ravinder Jain, as Independent Directors, for a period of five consecutive years from September 24, 2014. Their initial term of appointment expires on September 23, 2019 and they are eligible for re-appointment for another consecutive term upto 5 years.

Considering their expertise and experience in various functional areas, contributions in strategic initiatives, upholding governance practices and basis the performance evaluation, the Members of Nomination and Remuneration Committee, in their meeting held on May 22, 2019, recommended re-appointment of Mr. Viren Merchant and Mr. Ravinder Kumar Jain as Independent Directors for another consecutive term of five years effective from September 24, 2019. The Board in its meeting held on May 22, 2019, considered the proposal and recommended the same for the approval of the Members of the Company, in accordance with the provisions of Section 149 read with Schedule IV to the Act. The office of both the Independent Directors shall not be liable to retire by rotation as provided under Section 152(6) of the Act.

The Company has received declaration from Mr. Viren Merchant and Mr. Ravinder Kumar Jain confirming the criteria of Independence as prescribed under Regulation 16 and Regulation 25(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Sub-section (7) of Section 149 of the Act. Further, both the Directors are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

Disclosure under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Statement setting out material facts.

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Except Mr. Viren A. Merchant, Mr. Ravinder Kumar Jain and their respective relatives, none of the other Director and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the Resolutions set out at Item Nos. 5 and 6 of the Notice of the Annual General Meeting. This Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board recommends passing of the Resolutions as set out at Item Nos. 5 and 6 of the Notice of the AGM as Special Resolution.

Item No. 7:

Appointment of Mr. Jay Mehta as a Non-Executive Non-Independent Director:

The Board of Directors in their meeting held on February 12, 2019 appointed Mr. Jay Mehta as an Additional Director in the category of Non-Executive Non-Independent Director of the Company with effect from February 12, 2019, pursuant to the provisions of Section 161 of the Companies Act, 2013, to hold office upto the date of the Twenty-Ninth Annual General Meeting.

The Company has received from Mr. Jay Mehta: (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and (ii) intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013.

The Board of Directors at its meeting held on February 12, 2019, based on the recommendation of the Nomination and Remuneration Committee, approved the appointment of Mr. Jay Mehta (DIN: 00152072) as Non-Executive Non-Independent Director of the Company with effect from the date of the Twenty-Ninth Annual General Meeting, subject to the approval of the Members of the Company and other regulatory approvals, if any.

In the opinion of the Board of Directors, Mr. Jay Mehta (DIN: 00152072) fulfills the conditions specified in the Act and the rules made thereunder for his appointment as Non-Executive Non-Independent Director of the Company.

In view of the above, it is proposed to appoint Mr. Jay Mehta (DIN: 00152072) as the Non-Executive Non-Independent Director of the Company with effect from the date of the Twenty-Ninth Annual General Meeting, subject to the approval of the Members of the Company and other regulatory approvals, if any.

As per the requirements of Regulation 36(3) of and Secretarial Standard 2, issued by the Institute of Company Secretaries of India, the required details of Mr. Jay Mehta (DIN: 00152072) is appended in the Annexure forming part of the Notice.

Except Mr. Jay Mehta (DIN: 00152072) and his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the passing of resolution set out at Item No. 7 of the accompanying Notice.

The Board recommends passing of the Resolution as set out at Item No. 7 of the Notice of the AGM as an Ordinary Resolution.

Item No. 8:

Approval for renewal of Related Party contracts:

Pursuant to provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had sought the Member's approval vide Special Resolution in the Annual General Meeting held on September 28, 2016 for the following Related Party Contracts for a period of three years w.e.f. April 01, 2017 till March 31, 2020.

Accordingly, as required under Companies Act, 2013 and subject to Member's approval, the Audit Committee in its meeting held on 8th August, 2019 and Board of Directors of your Company in their meeting held on 10th August, 2019 have approved the renewal of these Related Party Contracts along with the limits stated below for a further period of three years from 1st April, 2020 to 31st March, 2023.

The Particulars of the Related Party contracts pursuant to para 3 of Explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of Related Party	Nature of relationship	Particulars of the contract or arrangement	Nature, material terms, monetary value (Rs. in crore) (per annum)	Any other information relevant or important for the members to make a decision on the proposed contract
ADF Foods (India) Ltd.	Wholly owned subsidiary	Sale, purchase or supply of any goods or materials and/ or availing/ rendering of any services and/ or leasing of property	50.00	Duration of Contract is from 1 st April, 2020 to 31 st March, 2023. Notice period – three months
ADF Foods UK Ltd.	Wholly owned subsidiary	Sale, purchase or supply of any goods or materials and/ or availing/ rendering of any services	50.00	Duration of Contract is from 1 st April, 2020 to 31 st March, 2023. Notice period – three months
ADF Holdings USA Ltd.	Step down Subsidiary	Sale, purchase or supply of any goods or materials and/ or availing of any services	50.00	Duration of Contract is from 1 st April, 2020 to 31 st March, 2023. Notice period – three months
ADF Foods USA Ltd.	Step down Subsidiary	Sale, purchase or supply of any goods or materials and/ or availing/ rendering of any services	50.00	Duration of Contract is from 1 st April, 2020 to 31 st March, 2023. Notice period – three months
M H Foods Pvt. Ltd	Director's relatives holding position of Director in M H Foods Pvt. Ltd.	Sale, purchase or supply of any goods or materials and/ or availing/ rendering of any services	0.10	Duration of Contract is from 1 st April, 2020 to 31 st March, 2023.

Further, pursuant to second proviso of Section 188(1) of the Act, no Member shall vote on such resolution, to approve any contract or arrangement which may be entered by the Company, if such member is a related party. Also pursuant to Regulation 23(4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, no related party shall vote to approve such resolution, whether the entity is a related party to the said contract or not.

The Audit Committee and Board of Directors have approved this item in the meeting held on August 10, 2019 respectively and recommend the resolution as set out in the accompanying Notice for the approval of Members of the Company as an Ordinary Resolution.

The draft copy of respective Agreement(s) setting broad terms and conditions and other relevant documents, register etc. are open for inspection during the business hours between 11.00 a.m. to 1.00 p.m. on all working days except Saturday, Sunday and public holidays at the Registered Office of the Company upto the date of Annual General Meeting.

Mr. Bimal R. Thakkar is deemed to be interested in the resolution set out at Item No. 8 of the Notice.

The relatives of Mr. Bimal R. Thakkar may be deemed to be interested in the aforesaid resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

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The Board recommends passing of the Resolution as set out at Item No. 8 of the Notice of the AGM as an Ordinary Resolution.

Item No. 9:

Reclassification of shareholding of Mr. Ashok H. Thakkar and Mr. Mishal A. Thakkar from 'Promoter & Promoter Group' category to 'Public' category:

Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations, 2015'), effective from December, 2015, has provided a regulatory mechanism for re-classification of promoters as Public Shareholders subject to fulfillment of conditions as provided therein.

The Members may note that Mr. Ashok H. Thakkar and Mr. Mishal A. Thakkar, who form part of the Promoter group have submitted an application dated May 31, 2019 for reclassification of their shareholding in the Company from 'Promoter & Promoter Group' category to 'Public' category.

The grounds for the proposed reclassification are as under:

- Mr. Ashok H. Thakkar has resigned from the directorship of the Company with effect from close of business hours of May 29, 2018. Further, he would not be involved in the management and day to day affairs of the Company.
- Mr. Mishal A. Thakkar is the son of Mr. Ashok H. Thakkar. He has resigned from the position of VP – Operations in the Company with effect from close of business hours of May 29, 2018. Further, he would not be involved in the management and day to day affairs of the Company.

Further they do not hold any key managerial position or representations of the Board of Directors in the Company and have not engaged in any management or day to day affairs of the Company. None of their act influences the decision taken by the Company and they do not have any special right through formal or informal arrangements with the Company or with any other Promoter(s) of the Company.

In view of the explanations given by the applicants as detailed above and in consideration to the conditions as stipulated in Regulation 31A of the Listing Regulations, 2015, as amended, the Board of Directors of the Company at their meeting held on 19th June, 2019, have approved the applications received by the Company as above for reclassification of shareholding from Promoter & Promoter Group category to Public category subject to approval by the Members and relevant regulatory authorities. As required, intimation has been sent to Stock Exchanges based on declaration received from the aforesaid persons.

None of the concerned persons, acting individually and in concert, directly or indirectly exercise control over the management and affairs of the Company. Their aggregate shareholding does not exceed 10% of the total share capital of the Company.

Further as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended, the public shareholding as on date of the notice fulfills the minimum public shareholding requirement of atleast 25% and the proposed reclassification does not intend to increase the Public Shareholding to achieve compliance with the minimum public shareholding requirement.

The Board recommends the Resolution set out at Item No. 9 for the approval of Members as an Ordinary resolution.

Mr. Bimal R. Thakkar being a promoter is interested in the resolution set out respectively at Item No. 9 of the Notice.

The relatives of Mr. Ashok Thakkar and Mr. Mishal Thakkar may be deemed to be interested in the aforesaid resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid resolution.

Mumbai, 10th August, 2019

Regd. Office :

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

Tel.: 0268-2551381/2, Fax. : 0268-2565068;

E-mail: info@adf-foods.com;

website: www.adf-foods.com

CIN: LI5400GJ1990PLC014265

By order of the Board

For ADF FOODS LIMITED

Shalaka Ovalekar
Company Secretary
ACS 15274

ANNEXURE TO ITEM NOS. 5 TO 7 OF THE NOTICE OF THE AGM

Pursuant to Secretarial Standard 2 issued by the Institute of Company Secretaries of India and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the required details of the Directors proposed to be appointed/ re-appointed and the terms of proposed remuneration of the Directors are given herein below:

Particulars	Mr. Viren Merchant	Mr. Ravinder Kumar Jain	Mr. Jay Mehta
Director Identification Number	00033464	00652148	00152072
Age	53 Years	72 Years	58 Years
Date of Birth	15 th October, 1965	25 th March, 1947	18 th January, 1961
Date of Appointment on Board	3 rd November, 2005.	11 th October, 2007	12 th February, 2019
Qualifications	Bachelor of Science	Chemical Engineering (IIT, Delhi) and Post Graduate Diploma in Business Administration (IIM Ahmedabad)	B.S. (Industrial Engineering), Columbia University, New York, U.S.A. and MBA from IMD, Lausanne, Switzerland.
Experience/Expertise	<p>Mr. Viren A. Merchant has decades of experience and expertise in Business Management. He has worked as the Vice Chairman & C.E.O. of ZYG Pharma Pvt. Ltd., a leading manufacturer of Dermatological Creams, Ointments, Lotions and solutions manufactured in Technical Collaboration with Schering Plough Corporation, U.S.A. He has also worked as the Vice-Chairman & C. E. O. of Encore Healthcare Pvt. Ltd., a leading manufacturer of tablets, capsules and syrups.</p>	<p>Mr. Ravinder Kumar Jain started his career in 1971 with Warner Hindustan Ltd., a pharma company as a Product manager. He joined UB Group in 1974 as Brand Manager (Wines & Spirits) in Herbertsons Ltd. and moved on to Head of McDowell and Co., another group company. In 1992, he joined Shaw Wallace Ltd. as Managing Director which position he held until he left in 1999. Thereafter, he was Managing Director of Millennium Alcobev Pvt. Ltd., a joint Venture (JV) of Scottish & NewCastle, a British company, UB Group and himself. In 2006, he exited the JV by selling his stake to his other partners. In 2006, Mr. Jain promoted Vallee de Vin Pvt. Ltd, a company engaged in manufacture, branding and distribution of wines under the brand names of Zampa and One Tree Hill. In 2012, Vallee de Vin Pvt Ltd. merged with another leading wine company Grover Vineyard Ltd. to form Grover Zampa Vineyards Ltd. Company owns famous brands such as Grover La Reserve and Grover Art Collection etc.</p> <p>Mr. Ravinder Kumar Jain has spent almost 40 years in beverage alcohol industry. He has been instrumental in developing several green field business in this industry as well as many well-known brands like McDowell's Whisky, Bagpiper Whisky, etc. Mr. Jain has also been involved in many mergers and acquisitions and has wide experience in managing of large conglomerates.</p>	<p>Mr. Jay M. Mehta is the Executive Vice Chairman of Gujarat Sidhee Cement Limited and Saurashtra Cement Limited and is on the Board of various other private and public limited companies.</p>

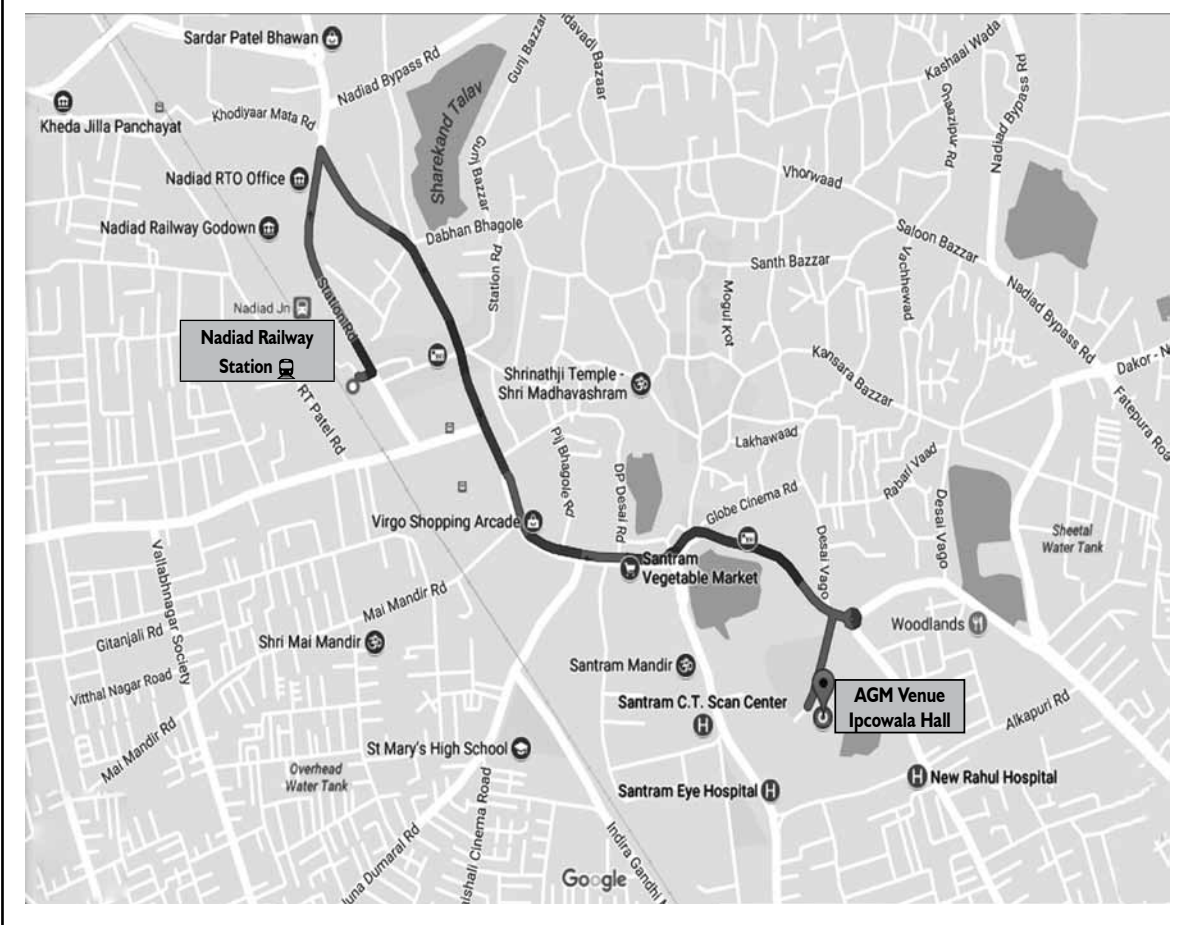
ADF FOODS LTD.

Particulars	Mr. Viren Merchant	Mr. Ravinder Kumar Jain	Mr. Jay Mehta
Terms and Conditions of Appointment or re-appointed along with remuneration	Mr. Viren Merchant appointed as Independent Director for a period of 5 years with effect from September 24, 2019. He will be entitled to Sitting Fees / Commission and re-imbursment of expenses for attending the meetings of Board and Committees thereof.	Mr. Ravinder Jain appointed as Independent Director for a period of 5 years with effect from September 24, 2019. He will be entitled to Sitting Fees / Commission and re-imbursment of expenses for attending the meetings of Board and Committees thereof.	Mr. Jay Mehta appointed as Non Executive Non Independent Director with effect from the ensuing AGM. He will be entitled to Sitting Fees / Commission and re-imbursment of expenses for attending the meetings of Board and Committees thereof.
The last drawn remuneration	Not Applicable	Not Applicable	Not Applicable
Shareholding in the Company	50,000 equity shares	50,000 equity shares	50,000 equity shares
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Viren Merchant is not related with any other Director, Manager, and Key Managerial Personnel of the Company.	Mr. Ravinder Jain is not related with any other Director, Manager, and Key Managerial Personnel of the Company.	Mr. Jay Mehta is not related with any other Director, Manager, and Key Managerial Personnel of the Company.
The Number of Meetings of the Board attended during the year	6	6	4
Other Directorships	<ul style="list-style-type: none"> • Encore Healthcare Private Limited • Encore Healthcare International Private Limited • ADF Foods (India) Limited • ADF Foods (USA) Ltd. • ADF Holdings (USA) Ltd. • ADF Foods UK Ltd. 	<ul style="list-style-type: none"> • Delta Corp Ltd. • Nector Ramco Trading Private Limited • Brovel Trading Private Limited • Noble Newera Milestone Trading and Investment Private Limited • Accra Investments Private Limited • Orange City Properties Private Limited • Nobel Feedback Computers Private Limited • Spirit Marketing Private Limited • Craft Brewerkz Private Limited • Marvel Resorts Private Limited 	<ul style="list-style-type: none"> • Gujarat Sidhee Cement Limited • Saurashtra Cement Limited • Metro Pizza Private Limited • Goodkarma Hospitality Private Limited • Indianapoli Hospitality Private Limited • Omna Exports Private Limited • Parsec Enterprises Private Limited • Bhadra Textiles and Trading Private limited • Reeti Investments Private Limited • Pranay Holdings Limited • Prachit Holdings Limited • Ria Holdings Ltd • Galaxy Technologies Private Limited • Mehta Private Limited • Agrima Consultants International Limited • Arclightz and Films Private Limited • Knight Riders Sports Private Limited
Memberships/Chairmanship of Committees of other companies	NIL	Member: <ol style="list-style-type: none"> 1. Audit Committee Delta Corp Limited & Marvel Resorts Private Limited 2. Nomination & Remuneration Committee- Marvel Resorts Private Limited 	Member: <ol style="list-style-type: none"> 1. Stakeholders Relationship & Shareholders Grievances Committee - Gujarat Sidhee Cement Limited & Saurashtra Cement Ltd.

ADF FOODS LIMITED

Route map to AGM Venue located at:

Nadiad Nagar Palika Ipcowala Town Hall, Near City Point, Paras Circle, Santram Road, Nadiad- 387 001



DIRECTORS' REPORT

Dear Shareholders,

ADF Foods Limited

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March 2019.

A. FINANCIAL RESULTS:

The performance of the Company for the financial year ended 31st March 2019 is summarized below:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from operation	18749.90	16,378.83	23,143.50	20,102.47
Other Income	1405.05	1,861.11	1,405.38	1,856.60
Total Income	20,154.95	18,239.94	24,548.88	21,959.07
Total expenditure				
Cost of materials consumed	8,932.55	7,820.54	8,932.55	7,820.54
Excise Duty	-	12.21	-	12.21
Purchase of Stock-in-trade	654.87	1,140.78	4,204.63	3,410.44
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(421.40)	276.77	(1,105.40)	149.50
Employee benefits expense	1,342.93	1,386.64	1,608.05	1,638.34
Financial cost	86.90	112.71	87.05	112.71
Depreciation and amortization expenses	431.08	435.92	431.19	440.68
Impairment losses	-	-	986.62	243.30
Other expenses	4,728.39	3,974.03	5,630.93	4,925.15
Total expenses	15,755.32	15,159.60	20,775.62	18,752.87
Profit before exceptional and extraordinary items and tax	4,399.63	3,080.34	3,773.26	3,206.20
Exceptional Items	-	-	-	-
Profit before tax	4,399.63	3,080.34	3,773.26	3,206.20
Current tax	1,290.69	1,023.20	1,300.58	1,029.70
Deferred tax	61.21	(165.23)	(60.78)	369.18
Prior year's tax adjustment	-	-	-	-
Total tax expenses	1,351.90	857.97	1,239.80	1,398.88
Prior Period adjustments (Net off)	-	-	-	-
Net Profit (+) / Loss (-)	3,047.73	2,222.37	2,533.46	1,807.32
Less : share of minority interest	-	-	-	-
Profit/loss for the period after minority interest	3,047.73	2,222.37	2,533.46	1,807.32
Net other Comprehensive income for the year	154.83	(509.34)	210.10	(629.94)
Total Comprehensive income for the year	3,202.56	1,713.03	2,743.56	1,177.38
EPS (Basic)	14.84	10.48	12.34	8.52
EPS (Diluted)	14.84	10.48	12.34	8.52

Previous year's figures have been re-grouped wherever necessary

FINANCIAL PERFORMANCE:

The Standalone total income for the financial year ended 31st March, 2019 stood at Rs. 20,154.95 Lakhs as against the corresponding figures of previous financial year which stood at Rs. 18,239.94 Lakhs. The Consolidated total income for the financial year ended 31st March, 2019 stood at Rs. 24,548.88 Lakhs as against the corresponding figures of previous financial year which stood at Rs. 21,959.07 Lakhs.

The Standalone Profit Before Tax (PBT) from ordinary activities for the financial year ended 31st March, 2019 stood at Rs. 4,399.63 Lakhs as against the corresponding figures of previous financial year which stood at Rs. 3,080.34 Lakhs, representing a remarkable growth over 40%. The said growth was on account of favorable product mix and operational efficiency. The Consolidated Profit Before Tax (PBT) from ordinary activities for the financial year ended 31st March, 2019 stood at Rs. 3,773.26 Lakhs as against the corresponding figures of previous financial year which stood at Rs. 3,206.20 Lakhs representing the growth over 15%. The consolidated profit of the Company for the Financial year 2018-19 would have been improved further if the one time impairment losses to the tune of Rs. 986.62 Lakhs on account of impairment of certain brands in our US subsidiary weren't considered.

B. BUSINESS DEVELOPMENT:

Your Company's growth during the year was driven by multiple factors. The Company continued to strengthen its brands and product portfolio across categories and geographies. We have an array of gluten free and vegan products under our various brands and are further investing in building capacities for such products. This year, the Company has launched various new products like baked snacks, a range of flavoured milk drinks called "Badamazaa" and a range of pastes under Ashoka and Camel brands.

This year the Company has initiated capex of Rs. 20 crore for expansion of product capacities at both Nadiad and Nasik facilities. The Company is also in the process of commissioning an Effluent Treatment Plant with zero-liquid discharge at its Nasik facility and solar panels at both the plants.

C. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There are no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the Financial year of the Company to which the Financial Statements relate and the date of the report.

D. SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2019 was Rs. 20.02 Crore. During the year under review, the Company has not issued or allotted any securities.

E. BUYBACK:

The Board of Directors of the Company at its Meeting held on June 5, 2018 approved Buyback of Equity Shares at price not exceeding Rs. 300 per Equity Share of Rs. 10/- each (Maximum Buyback price) for an aggregate amount not exceeding Rs. 30 Crore (Maximum Buyback size). The said Buyback was approved by the Shareholders vide Special Resolution on July 12, 2018 by way of Postal Ballot. The Company adopted the open market route in accordance with provision contained in SEBI (Buy-back of Securities) Regulations, 1998 and any statutory notification or re-enactment made thereof for the time being in force.

The Buyback of Equity Shares opened on July 23, 2018 and closed on September 19, 2018. The Company has bought back 11,78,742 Equity Shares at an average price of Rs. 254.43 per equity share utilizing a total of Rs. 29,99,12,542.50 (excluding transaction cost) which represents 99.97% of maximum Buyback size. The Company has extinguished all the shares that were bought back.

F. DIVIDEND:

The Board has not recommended any dividend on the equity shares of the Company for the year under review in order to conserve the resources for business growth.

G. TRANSFER TO RESERVES:

During the year under review, your Company has not transferred any amount to General Reserves.

ADF FOODS LTD.

H. SUBSIDIARY COMPANIES :

Your Company has three subsidiaries viz. ADF Foods UK Ltd, Power Brands (Foods) Pvt. Ltd. and ADF Foods (India) Ltd. and two step down subsidiaries viz. ADF Holdings (USA) Ltd. and ADF Foods (USA) Ltd as on 31st March, 2019. M/s. Power Brands (Foods) Pvt. Ltd., 100% wholly owned subsidiary of the Company, is undergoing Voluntary Liquidation vide Special resolution passed by the Members on 5th November, 2012. During the year, the Board of Directors reviewed the affairs of the subsidiaries in accordance with Section 129(3) of the Companies Act, 2013. We have prepared consolidated financial statements of the Company which forms part of the Annual Report. The salient features of the financial statement of the subsidiaries are set out in the prescribed form AOC-I which is attached to the financial statements. The statement also provides the details of performance and financial position of the Company's subsidiaries.

During the year under review, the Company did not have any JVs and/or Associate companies.

The financial statements of each of the subsidiaries may also be accessed on the Company's website www.adf-foods.com.

I. BOARD OF DIRECTORS AND COMMITTEES :

o Directors

During the year, the following changes took place in the Board composition:

Name of Director	Position held	Date of Resignation/ Appointment
Mr. Ashok H. Thakkar	Executive Chairman	Resigned from the closure of business hours on 29 th May, 2018.
Mr. Bhavesh R. Thakkar	Executive Director	Resigned from the closure of business hours on 29 th May, 2018.
Mr. Nipun C. Shah	Independent director	Resigned w.e.f. 18 th May, 2018.
Mr. Yasir J. Varawala	Independent director	Resigned w.e.f. 18 th May, 2018.
Mr. Bimal R. Thakkar	Appointed as Executive Chairman in addition to his current position as M.D. and CEO.	Appointed as Chairman, Managing Director and CEO with effect from 5 th June, 2018.
Mr. Jay M. Mehta	Resigned as Independent Director Reappointed as Non-Executive Non-Independent Director	Resigned w.e.f. 27 th September, 2018. Re-appointed w.e.f. 12 th February, 2019.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment. The necessary disclosures as required under Secretarial Standard- 2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended is given as an Annexure to the Notice convening the Twenty Ninth Annual General Meeting of the Members of the Company.

The necessary resolution for re-appointment forms part of the Notice convening the Twenty Ninth Annual General Meeting of the Members of the Company for your approval.

o Relationship between Directors *Inter-se*

The details of *Inter-se* relationship between Directors are given in the Corporate Governance Report.

o Meetings of Board of Directors

Six meetings of the Board of Directors of the Company were held during the year. The detail of the such Board Meetings are provided in the Report on Corporate Governance of the Company, which forms part of this Annual Report.

o **Committees of the Board**

The Company has duly constituted the Committees as required under the Companies Act, 2013 read with applicable Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Board of Directors of the Company has formed an Audit Committee which consists of Mr. Viren A. Merchant, Independent Director as Chairman, Mr. Ravinder Kumar Jain, Independent Director and Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO as members of the Audit Committee.

All the recommendations of the Audit Committee were accepted by the Board during the financial year under review.

The other Committees of the Board are:

- i) Nomination and Remuneration Committee
- ii) Stakeholders Relationship/ Shareholders Grievance Committee
- iii) Corporate Social Responsibility Committee

The details with respect to the constitution/ reconstitution, powers, roles, terms of reference, meetings held and attendance of the members at such meetings of the relevant Committees and such other related details are provided in the Report on Corporate Governance of the Company, which forms part of this Annual Report.

o **Directors' Responsibility Statement**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

- a) that in the preparation of the annual financial statements for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note 2 of the Notes to the Standalone Financial Statements and in Note 2 of the Notes to the Consolidated Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year and of the Profit and Loss of the Company for the financial year ended March 31, 2019;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

o **Independent Directors' Declaration**

The Independent Directors have submitted a declaration that each of them meet the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

o **Meeting of Independent Directors**

A meeting of the Independent Directors was held on 13th March, 2019 in order to take into consideration the performance of the Board as a whole, the Chairman and the Non-Independent Directors and timeliness of flow of

information between the Company management and the Board that would be necessary for the Board to effectively and reasonably perform its duties, was reviewed in the said meeting. All the Independent Directors were present in the meeting.

o **Performance Evaluation of the Board**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, of Chairman, its Committees and the Directors individually.

The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

o **Familiarization Program for Independent Directors**

The Independent Directors of the Company are eminent personalities having wide experience in the field of business, finance, industry and law. Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the Governance guidelines of the Company, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meeting with the Managing Director. The new Board members are also acquainted to access the necessary documents/ brochures, Annual Reports and Policies available on the Company's website www.adf-foods.com to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by the Senior Management, Statutory and Internal Auditors at the Board/ Committee meetings on business and performance updates of the Company, working capital management, fund flows, business risks and its mitigation strategy, subsidiary information, updates on major litigations, impact of regulatory changes on strategy, etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent directors.

Familiarization program of the Company as specified under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is displayed on the Company's website www.adf-foods.com and is available under the weblink: <http://www.adf-foods.com/wp-content/uploads/2019/04/Familiarization-Programme-2018-19.pdf>

o **Policy of Directors' Appointment and Remuneration**

In accordance with the provisions of Section 134(3)(e) of the Companies Act, 2013 ("the Act") read with Section 178(3) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters, which is covered in the Corporate Governance Report which forms part of this Report.

Further, information about elements of remuneration package of individual Directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act at Annexure-V in the prescribed form MGT-9 and forms part of this Report.

J. CASH FLOW STATEMENT:

The Cash Flow Statement pursuant to Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is annexed to this Report.

K. CONSOLIDATED ACCOUNTS:

The Consolidated Accounts of the Company are prepared in compliance with Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) prescribed u/s 133 of the Companies Act, 2013. The Consolidated Accounts of the Company and its subsidiaries are annexed to this Report.

L. GOVERNANCE :

o **Report on Corporate Governance**

In compliance with the requirements of Regulation 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, a separate report on Corporate Governance along with Auditors' certificate on its compliance has been provided elsewhere in this Annual Report which forms part of this report.

Report on Management Discussion and Analysis is provided in separate section and forms part of this Annual Report.

Various information required to be disclosed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the Annexure-I and forms part of this report.

o **Vigil Mechanism/ Whistle Blower Policy**

The Company has adopted a Vigil Mechanism/ 'Whistle Blower Policy' pursuant to Section 177 of the Companies Act, 2013 read with Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with an objective to conduct its affairs in a fair and transparent manner and by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

With the adoption of this Policy, the Company has put in place a mechanism wherein the Employees are free to report to the management any actual or possible violation of the Principles or any other unlawful or unethical or improper practice or act, or activity of the Company including leakage of Unpublished Price Sensitive Information. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No personnel has been denied access to the Management and the Audit Committee. The mechanism is reviewed by the Audit Committee of the Company in accordance with the SEBI (LODR) Regulations, 2015. The Company did not receive any such complaints during the year, hence no complaints were pending as on 31st March, 2019.

Whistle Blower Policy of the Company is displayed on the Company's website www.adf-foods.com and is available under the weblink: <http://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-I.pdf>

o **Nomination & Remuneration Policy**

The Nomination & Remuneration Policy is attached as Annexure II to the Board's Report forming part of the Annual Report and is also available on the website of the Company www.adf-foods.com.

o **Risk Management Framework**

The Company has adopted Business Risk Management System (BRMS) for mitigating various risks associated and identified across all levels within the organization. This model is based on ISO 31000. BRMS enables the management to review the business risks on periodical basis and to bring the high risk areas to the immediate attention of the Board.

o **Internal Financial Controls**

Your Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. Review of the internal financial controls mechanism of the Company was undertaken during the year under review which covered verification of entity level controls, process level control and IT controls, review of key business processes and analysis of risk control matrices, etc. During the period under review, effectiveness of internal financial controls was evaluated. Reasonable Financial Controls are operative for all the business activities of the Company and no material weakness in the design or operation of any control was observed.

o **Other Policies under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In accordance with the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed Policy for determination of Materiality for disclosure of events or information.

ADF FOODS LTD.

The same has been hosted on the website of the Company at the link: <http://www.adf-foods.com/wp-content/uploads/2016/01/Material-Events-21.12.2017.pdf>.

The details of the other policies of the Company can be obtained using the following web-links:

Sr No	Policy	Link
1	ADF Code of Conduct	http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf
2	Nomination and Remuneration Policy	http://www.adf-foods.com/wp-content/uploads/2016/01/Nomination-and-Remuneration-Policy1-3.pdf
3	Insider Trading Code 2015	http://www.adf-foods.com/wp-content/uploads/2019/04/Insider-Trading-Code.pdf
4	ADF Whistle Blower Policy	http://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-1.pdf
5	Related Party Transactions Policy	http://www.adf-foods.com/wp-content/uploads/2017/03/Related-Party-Transaction-Policy.pdf
6	ADF Material Subsidiary Policy	http://www.adf-foods.com/wp-content/uploads/2019/04/Policy-for-Determining-Material-Subsidiary.pdf
7	ADF CSR Policy	http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-CSR-Policy-1.pdf
8	ADF Familiarization Program	http://www.adf-foods.com/wp-content/uploads/2019/04/Familiarization-Programme-2018-19.pdf
9	ADF Board Diversity Policy	http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Board-Diversity-Policy.pdf
10	ADF Sexual Harassment policy	http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Sexual-Harassment-policy.pdf
11	Preservation of Documents	http://www.adf-foods.com/wp-content/uploads/2016/01/Preservation-of-Documents.pdf
12	ADF Archival Policy	http://www.adf-foods.com/wp-content/uploads/2016/05/ADF-Archival-Policy.pdf

o **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

The Company has a policy on Prevention of Sexual Harassment of Women at Workplace pursuant to the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act 2013.

The Prevention of Sexual Harassment Policy of the Company is displayed on the Company's website www.adf-foods.com and is available under the web-link:

<http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Sexual-Harassment-policy.pdf>

The Company has duly complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the FY 2018-19 no complaints pertaining to the sexual harassment were received and pending to be resolved.

M. PARTICULARS OF EMPLOYEES:

o Key Managerial Personnel (KMP)

Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO, Mr. Anish S. Jhaveri, CFO (appointed w.e.f 02nd November, 2018) and Ms. Shalaka Ovalekar, Company Secretary & Compliance Officer are the KMPs of the Company as on date of the Report.

During the year under review, Mr. Ashok H. Thakkar, Chairman and Mr. Bhavesh R. Thakkar, Executive Director & CFO tendered their resignations from the closure of the business hours on 29th May, 2018.

o Employees

There were no employees drawing remuneration exceeding the monetary ceiling of Rs. 1.02 Crores per annum or Rs. 8.50 Lakhs per month during the financial year 2018-19, if employed for a part of the year prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 except Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO of the Company.

The information required under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given at Annexure I that forms part of the Board's Report.

o Human Resource and Employee Relations

The Company has always perceived its Manpower as its biggest strength. The emphasis is on grooming in-house talent enabling them to take higher responsibilities. The Employee relations continue to be cordial at all the divisions of the Company. Your Directors place on record their deep appreciation for exemplary contribution of the employees at all levels. Their dedicated efforts and enthusiasm have been integral to your Company's steady performance.

N. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:

The Loans, Guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the Notes to the Financial Statements provided in this Annual Report.

O. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, subsidiary companies and other related parties which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval/ noting on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties as specified in Sub-Section (1) of section 188 of the Companies Act, 2013 are disclosed in Form AOC-2 which is attached to the Financial Statements.

Pursuant to requirements of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Company has formulated a 'Policy on determining Material Subsidiaries'. The Policy is posted on website of the Company viz. www.adf-foods.com.

The web link of the said Policy is:

<http://www.adf-foods.com/wp-content/uploads/2019/04/Policy-for-Determining-Material-Subsidiary.pdf>

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P. PUBLIC DEPOSITS :

Your Company has not accepted any deposit within the meaning of Section 73 and 76 of the Companies Act, 2013 and the rules made thereunder during the financial year 2018-19.

Q. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND :

Pursuant to the provisions of Section 125(5) of the Companies Act, 2013, dividends pertaining to the financial year 2010-11 (Final) amounting to Rs. 9,10,280/- which remained unpaid or unclaimed for a period of 7 years were transferred by the Company to the Investor Education and Protection Fund during the financial year under review.

Transfer of Equity Shares to the Demat account of IEPF Authority-

Pursuant to the provision of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), as amended from time to time, it is mandatory for the Company to transfer all the shares in the name of Investor Education and Protection Fund (IEPF) in respect of which dividend has not been claimed for seven consecutive years or more.

In compliance with the said Rules, during the financial year 2017-18, there were 2,403 shareholders holding 3,30,948 equity shares of Rs. 10/- each whose shares were transferred to IEPF.

Further, during the Financial Year 2018-19, there were 255 incremental shareholders holding 31,243 equity shares of Rs. 10/- whose shares were transferred to IEPF.

The list of the aforesaid shareholders whose shares were transferred to IEPF is available at the below mentioned web-links:

<http://www.adf-foods.com/wp-content/uploads/2018/10/Details-of-Shares-Transferred-to-IEPF-2018.pdf>

<http://www.adf-foods.com/wp-content/uploads/2017/10/Details-of-Shares-Transferred-to-IEPF-2017.pdf>

R. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES :

The Company has a Corporate Social Responsibility (CSR) Policy and set up CSR Committee and the same is currently comprising of four members viz. Mr. Viren Merchant, Independent Director, Ms. Anjali Seth, Independent Director, Mr. Bimal R. Thakkar, Chairman, Managing Director and CEO and Mr. Jay Mehta, Non-Executive Non- Independent Director.

During the Financial Year 2018-19, the Company had spend an amount of Rs. 50.16 Lakhs on the CSR activities pursuant to Section 135 of the Companies Act, 2013. During the year, the Company had undertaken various meaningful CSR activities in the areas such as educational aid for underprivileged and disabled, health, eradication of hunger and poverty, animal and women empowerment and the entire amount due was spent on these activities.

The CSR Policy of the Company and the relevant report as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been disclosed in Annexure-IV to this Report.

S. EXTRACT OF ANNUAL RETURN :

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2019 forms part of this report as Annexure V.

T. AUDITORS AND THEIR REPORT :

o Statutory Auditors

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Registration no. 104607W/W100166) are the Statutory Auditors of the Company. There are no qualifications, reservations or adverse remarks contained, in the Auditors Report and therefore there are no further explanations to be provided for in this report. The initial

appointment of the statutory auditors was done for a term of 5 years w.e.f. the date of the Annual General Meeting in which the said appointment was approved i.e. 24th September, 2014.

It is proposed to re-appoint M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Reg. No: 104607W/W100166) as the Statutory Auditors of the Company for the second consecutive term of 5 years from the completion of the forthcoming AGM.

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Reg. No: 104607W/W100166), have consented to continue as the statutory auditors of the Company and confirmed that their appointment, if made, is in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013 and the rules made thereunder.

o **Details with respect to fraud reported by Auditors**

During the year under review, no fraud was reported by Auditors.

o **Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Keyul M. Dedhia & Associates, Company Secretary in Practice (C.P. No. 8618), to undertake the Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report is annexed herewith as Annexure III.

There are no material qualifications, reservations or adverse remarks contained, in the said Report except the following observations:-

1. There was delay in filing of revised shareholding pattern of the Company pursuant to capital restructuring by way of Buy Back of Equity Shares by the Company resulting in a change exceeding two per cent of the total paid-up share capital.
2. There was delay in filing of return of Buy Back by the Company with the Securities and Exchange Board of India as per Section 68 of the Companies Act, 2013.
3. The names of promoters viz. Mr. Shivaan Thakkar (3,000 equity shares representing 0.01% of total paid-up capital) and Mr. Sumer Thakkar (2,000 equity shares representing 0.01% of total paid-up capital), being sons of Mr. Bimal Thakkar, Promoter of the Company was not disclosed in the Shareholding Pattern in 'Promotor and Promotor Group' Category.

The Company's explanation to the same is as under:

1. There was an inadvertent delay in filing of revised shareholding pattern of the Company pursuant to capital restructuring by way of Buy Back of Equity Shares by the Company resulting in a change exceeding two per cent of the total paid-up share capital.
2. There was an inadvertent delay in filing of return of Buy Back by the Company with the Securities and Exchange Board of India as per Section 68 of the Companies Act, 2013.
3. The Company has informed that the names of Promoters viz. Mr. Shivaan Thakkar (3,000 equity shares representing 0.01% of total paid-up capital) and Mr. Sumer Thakkar (2,000 equity shares representing 0.01% of total paid-up capital), will be included in the 'Promotor and Promotor Group' category in the Shareholding Pattern to be filed for the quarter ended June 30, 2019 and onwards.

o **Internal Audit**

The Company had appointed RMJ & Associates LLP, Chartered Accountants, Mumbai (Registration No. AAM 0182) to conduct Internal Audit of Nasik and Mumbai Divisions of the Company for the Financial Year 2018-19.

Further, RMJ & Associates LLP were also appointed to conduct Internal Audit of the Nadiad Division of the Company w.e.f. 02nd November, 2018 in place of the outgoing Auditors, M/s. Suresh Gandhi & Co, Chartered Accountants, Surat.

RMJ & Associates LLP, have been re-appointed as the Internal Auditors of the Company for all divisions across the organization for the FY. 2019-20.

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The Audit Committee of the Board of Directors, Statutory Auditors and the Management are periodically apprised of the Internal Audit findings and corrective actions taken.

o **Cost Records and Audit**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

U. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS :

During the Financial Year under review, no significant and material orders were passed by the Indian regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

V. LISTING OF SHARES :

The Company's equity shares are listed on BSE Limited and the National Stock Exchange of India Limited. The Company has duly paid the necessary listing fees with the concerned stock exchange(s) for the financial year under review.

W. TECHNOLOGY AND QUALITY :

Your Company is committed to deliver highest quality of products by continuous improvement in terms of product quality and achieving customer satisfaction and delight. Your Company has already obtained various quality certifications such as the internationally recognized BRC (British Retail Consortium) Global Standard – Foods, ISO 22000/ HACCP & ISO 9001: 2000 certifications for its plants located at Nadiad, Gujarat and Nashik, Maharashtra.

X. ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

Information required under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8 of The Companies (Accounts) Rules, 2014 is appended hereto and forms part of this report at Annexure VII.

Y. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT :

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management. A declaration to this effect has been signed by Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO and forms part of the Annual Report.

Z. DISCLOSURE REQUIREMENTS:

The various policies and codes adopted by the Company are stated in detail in the Corporate Governance Report of the Company, which forms part of the Annual Report.

The Company during the financial year complied with the applicable provisions of the Secretarial Standards issued by the Institute of the Companies Secretaries of India.

AA. ACKNOWLEDGEMENTS :

Your Directors wish to express their sincere appreciation of the excellent support and co-operation extended by the Company's shareholders, customers, bankers, suppliers and all other stakeholders.

For and on Behalf of the Board of Directors

Bimal R. Thakkar
Chairman, Managing Director & CEO
DIN: 00087404

Mumbai, August 10, 2019

Regd. Office:

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

Tel.: 0268-2551381/2 Fax. : 0268-2565068;

E-mail: info@adf-foods.com; website: www.adf-foods.com

CIN: L15400GJ1990PLC01426

ANNEXURE-I

I. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is as follows:-

- (i) **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Name of Executive Director	Ratio to Median Remuneration
Mr. Ashok H. Thakkar	*NA
Mr. Bimal R. Thakkar	35.05:1
Mr. Bhavesh R. Thakkar	*NA

* Mr. Ashok H. Thakkar and Mr. Bhavesh R. Thakkar resigned as directors from the closure of the business hours on 29th May, 2018.

- (ii) **The percentage increase in remuneration of each Director, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary or Manager, if any, in the financial year:**

Name of Person	% increase in Remuneration
Mr. Ashok H. Thakkar – Chairman	*NA
Mr. Bimal R. Thakkar – Managing Director & CEO	46.00
Mr. Bhavesh R. Thakkar – Executive Director & CFO	*NA
Mr. Anish S. Jhaveri – CFO	**NA
Ms. Shalaka Ovalekar – Company Secretary	10.00

* Mr. Ashok H. Thakkar and Mr. Bhavesh R. Thakkar resigned as Directors from the closure of the business hours on 29th May, 2018. Hence the increment was not applicable to them during the FY 2018-19.

** Mr. Anish S. Jhaveri was appointed as the CFO w.e.f. 02nd November, 2018 and was not entitled to increment till 31st March, 2019.

The fixed remuneration components have been taken into consideration for determining the % increase in the remuneration over previous year.

- (iii) **The percentage increase in the median remuneration of employees in the financial year:** 11.24%
- (iv) **The number of permanent employees on the payroll of Company:** 252
- (v) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in salaries of employees other than managerial personnel in 2018-19 was 11%. Percentage increase in the fixed managerial remuneration for the year was 46%. The said increase in managerial remuneration was to commensurate with the enhanced role of Mr. Bimal Thakkar as the Chairman along with the position of the Managing Director & CEO.

- (vi) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff. The performance of the individuals is measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

2. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company except receipt of sitting fees for attending Board and Committee meetings.

ANNEXURE II

NOMINATION & REMUNERATION POLICY:

Introduction:

The Company considers human resources as its prime invaluable asset. ADF believes in harmonizing the aspirations of human resources to be consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time.

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee on 9th August, 2014 and approved by the Board of Directors in their meeting on 11th August, 2014. The said Policy was amended by the Board of Directors in their meeting held on May 22, 2019.

I) Objective and purpose of the Policy:

The objective and purpose of this policy is:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- To carry out evaluation of the performance of Directors.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Effective Date:

This policy shall be effective from 1st April, 2014.

Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted on 8th May, 2002 by renaming it as Nomination and Remuneration Committee on 28th May 2014.

The Nomination and Remuneration Committee comprises of following Directors:

- i) Mr. Viren A. Merchant, Chairman [Non-Executive Independent Director]
- ii) Mr. Ravinder Kumar Jain, Member [Non-Executive Independent Director]
- iii) Ms. Anjali Seth, Member [Non-Executive Independent Director]
- iv) Mr. Jay Mehta, Member [Non-Executive Non-Independent Director]

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

Definitions:

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company or ADF means ADF Foods Limited.
- Independent Director means a Director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- Key Managerial Personnel (KMP) means:
 - (i) Executive Chairman and/ or Managing Director;
 - (ii) Whole Time Director;
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) Such other officer as may be prescribed under the applicable statutory provisions/ regulations.
- Senior Management personnel means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

General

This Policy is divided in three parts:

Part - A covers the matters to be dealt with and recommended by the Committee to the Board,

Part - B covers the appointment and nomination, and

Part - C covers remuneration and perquisites etc.

- The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
- devise a policy on diversity of Board of Directors;
- identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in this Policy, and recommending to the Board of Directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- decide whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.
- recommend to the Board, all remuneration, in whatever form, payable to senior management and KMPs.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- Appointment criteria and qualifications:
 1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
 2. A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
 3. The Company shall not appoint or continue the employment of any person as Whole Time Director who has attained the age of seventy years provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a Special Resolution based on the Explanatory Statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term/ Tenure:

1. Managing Director/ Whole Time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Evaluation:

The Committee shall carry out evaluation of performance of every Director on annual basis.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

General:

1. The remuneration/ compensation/ commission, etc. to the Whole Time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration/

compensation/ commission, etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to the Whole Time Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Companies Act, 2013, read with the rules made thereunder and the approval of the Board of Directors.
3. Increments to the existing remuneration/ compensation structure of the Directors, KMP's and senior management personnel may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole Time Director. Increments will be effective as per the terms of the employment agreements.
4. Where any insurance is taken by the Company on behalf of its Whole Time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

• **Remuneration to Whole Time/ Executive/ Managing Director, KMP and Senior Management Personnel:**

1. Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding the ceiling mentioned under Section 197 of the of the Companies Act, 2013.

3. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole Time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

4. Provisions for excess remuneration:

If any Whole Time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non-Executive/ Independent Director:

1. Sitting Fees:

The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

2. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

3. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

ANNEXURE III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

ADF Foods Limited

Corporate Identity Number: LI5400GJI990PLC014265

83/86, GIDC Industrial Area, Nadiad, Gujarat- 387 001.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ADF Foods Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with applicable regulatory authority(ies) and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2019 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2019, as per the provisions of:

- (i) The Companies Act, 2013, ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009/ The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, (to the extent applicable);

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit period);**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit period);**
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period);**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (to the extent applicable) and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) We relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for the compliance of the following laws applicable specifically to the Company:
1. Food Safety and Standards Act, 2006.
 2. Food Safety and Standards Rules, 2011.
 3. The Food Safety and Standards (Packaging and Labeling) Regulations, 2011.

We have also examined compliance with the applicable clauses of:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

Based on the aforesaid information provided by the Company, we report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. and we have not found material observation or instances of non-compliance in respect of the same subject to the following observations:

1. ***There was delay in filing of revised shareholding pattern of the Company pursuant to capital restructuring by way of Buy-back of Equity Shares by the Company resulting in a change exceeding two per cent of the total paid-up share capital.***
2. ***There was delay in filing of return of Buy-back by the Company with Securities and Exchange Board of India as per Section 68 of the Companies Act, 2013.***
3. ***Mr. Shivaan Thakkar (3,000 equity shares representing 0.01% of total paid-up capital) and Mr. Sumer Thakkar (2,000 equity shares representing 0.01% of total paid-up capital), being sons of Mr. Bimal Thakkar, Promoter of the Company was not disclosed under promoter and promoters group in shareholding pattern filed by the Company with the Stock Exchange(s).***

We further report that, during the Audit period, one of the connected persons of the Company had revoked the equity shares of the Company kept as pledge but has made disclosure for the said revocation of pledge of equity shares to the Company after delay of 118 days.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

ADF FOODS LTD.

Adequate notice was given to all Directors about scheduled Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and a reasonable system exists for Board Members for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on the representation made by the Company and its Officer, we herewith report that majority decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the Minutes.

Based on the representation made by the Company and its Officer, we report that majority decisions were carried through while dissenting member's views, if any, were captured and recorded as part of the Minutes. Based on the representations made by the Company and its Officers, the Company has proper system in place which facilitates/ ensures capturing and recording of any dissenting views of Board Members.

Based on the representation made by the Company and its Officers explaining to us in respect of internal systems and mechanisms established by the Company which ensures compliances of Acts, Laws and Regulations applicable to the Company, we report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the audit period, the following event which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.:

- a. The Company has bought back 11,78,742 equity shares during the financial year ended March 31, 2019.

For Keyul M. Dedhia & Associates
Company Secretaries

Keyul M. Dedhia
Proprietor
FCS No: 7756 COP No: 8618

May 22, 2019, Mumbai

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

'Annexure A'

To,

**The Members,
ADF Foods Limited**

Corporate Identity Number: LI5400GJ1990PLC014265

83/86, GIDC Industrial Area, Nadiad, Gujarat- 387 001.

Sub: Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test-check basis (by verifying records as was made available to us) to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we follow, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and we have relied on Statutory Auditors' independent assessment on the same.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of process followed by Company to ensure adequate Compliance on test-check basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Keyul M. Dedhia & Associates
Company Secretaries**

Keyul M. Dedhia

Proprietor

FCS No: 7756 COP No: 8618

May 22, 2019, Mumbai

ANNEXURE IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs :

The Company has always recognized that its business is a part of the community where it operates. The Company has undertaken various CSR initiatives so far including construction of toilets under Clean India Mission, sponsoring education of urban and rural underprivileged students, women empowerment, medical aid for needy people, support to physically challenged people, contribution to environment protection by creating awareness for avoiding usage of plastic, animal welfare etc. The company will continue to contribute in these areas and will simultaneously explore the opportunities to contribute towards other social causes through its CSR program.

CSR Policy is stated herein below:

Weblink: <http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-CSR-Policy-1.pdf>

2. Composition of the CSR Committee:

Mr. Viren A. Merchant	Chairman (Independent Director)
Ms. Anjali K. Seth	Member (Independent Director) – inducted w.e.f. 23.05.2018
Mr. Bimal R. Thakkar	Member (Chairman, Managing Director & CEO)
Mr. Nipun C.Shah	Ceased to be a member w.e.f. 18.05.2018

3. Average net profit of the Company for last three financial years: Rs. 2503.15 Lakhs
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 50.06 Lakhs

During the FY 2017-18 the Company was required to spend Rs. 50.06 Lakhs towards CSR

5. Details of CSR spend for the financial year
 - a. Total amount spent for the financial year: Rs. 50.16 lakhs
 - b. Amount unspent, if any: Nil.

Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay(budget)project or programs wise (in Rs.)	Amount spent on the projects or programs Sub heads 1.Direct expenditure on projects or programs 2. Overheads in Rs.)	Cumulative expenditure upto to the reporting period (in Rs.)	Amount spent: Direct or through implementing agency (Break-up is inclusive of overhead expense)
1	Aid to the centre imparting education for visually challenged students	Promoting education for disabled	Mumbai	2,25,000	2,25,000	8,13,000	Through implementing agency viz. South Indian Education Society

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay(budget)project or programs wise (in Rs.)	Amount spent on the projects or programs Sub heads 1.Direct expenditure on projects or programs 2. Overheads in Rs.)	Cumulative expenditure upto to the reporting period (in Rs.)	Amount spent: Direct or through implementing agency (Break-up is inclusive of overhead expense)
2	Sponsoring school fees	Education	Mumbai, Nashik & Nadiad	16,35,265	16,35,265	42,88,265	Through implementing agency viz. St.Annes Jesus & Mary Society- Rs.2,00,000 Premadan- Rs. 2,80,000 Nirant Seva Trust- Rs. 5,27,065 Samanway Samajik Sanstha- Rs. 3,76,200 Taramati Charitable Trust- 90,000 Abhi Educational & Charitable Foundation – Rs.2,62,000
3	Sponsoring food expenses of residential care centre for disabled and poor people and girl child	Eradication of hunger	Mumbai	8,50,000	8,50,000	25,84,015	Through implementing agency viz. Cheshire Home- Rs. 6,00,000 Premadan- Rs. 2,50,000
4	Sponsoring girl child	Women empowerment	Mumbai	60,000	60,000	6,55,500	Through implementing agency viz. ADAPT- Rs. 60,000
5	IDA (In Defense of Animals)	Animal Welfare	Mumbai	1,00,000	1,00,000	5,50,000	Through implementing agency viz. IDA

ADF FOODS LTD.

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay(budget)project or programs wise (in Rs.)	Amount spent on the projects or programs Sub heads I.Direct expenditure on projects or programs 2. Overheads in Rs.)	Cumulative expenditure upto to the reporting period (in Rs.)	Amount spent: Direct or through implementing agency (Break-up is inclusive of overhead expense)
6	Donation for medical purpose	Health	Mumbai	17,15,750	17,15,750	52,89,495	Through implementing agency viz. Taramati Charitable Foundation- Rs. 1,87,500 Aditya Jyot Foundation for Twinkling Little Eyes- Rs. 2,50,000 Abhi Educational & charitable Foundation - 13,78,250
7	Financial aid to underprivileged people	Eradication of poverty	Mumbai	2,30,000	2,30,000	2,30,000	Samanvay Samajik Sanstha
	Total Direct expenses of projects & programs (A)				Rs.48,16,015		
	Overheads Expenses (B)				Rs. 2,00,000		
	Total (A) + (B)				Rs 50,16,015		

6. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company is reproduced below:

We hereby affirm that CSR Policy, as recommended by CSR Committee and approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR projects and activities in compliance with CSR objectives.

Viren A. Merchant
Director & Chairman
Of CSR Committee
DIN:00033464

Bimal R. Thakkar
Managing Director & Member
of CSR Committee
DIN:00087404

Anjali K. Seth
Director & Member
of CSR Committee
DIN:05234352

Date: 22nd May, 2019

Place: Mumbai

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Introduction:

This policy has been framed in accordance with the provisions of Section 135 of the Companies Act, 2013 on Corporate Social Responsibility along with the Companies (CSR) Rules, 2014 have become applicable w.e.f 1st April, 2014.

The CSR activities/projects shall be undertaken or donations shall be made by the Company to assist weaker and underprivileged sections of the society.

Applicability:

In every financial year, in which the Company has a Net worth of INR 500 Crores or more; or Turnover of INR 1000 Crores or more; or Net profit of INR 5 Crores or more it is required to spend 2% of the average net profits (Profit before tax) of the last three financial years on CSR activities.

CSR Committee :

CSR Committee will be a Board level committee known as Corporate Social Responsibility Committee. The constitution of CSR Committee is in accordance with the applicable provisions of the Act and comprises of the Chairman & Managing Director, two Independent Directors and one Non Executive Non Independent Director.

The CSR Committee comprises of following Directors:

- 1 Mr. Viren A. Merchant, Chairman [Non-Executive Independent Director];
- 2 Ms. Anjali K. Seth, Member [Non-Executive Independent Director];
- 3 Mr. Bimal R. Thakkar, Member [Chairman & Managing Director].
- 4 Mr. Jay M.Mehta, Member [Non Executive Non Independent Director]

The composition of the CSR Committee may be changed by the Board of Directors of the Company.

The Committee shall formulate CSR Policy, recommend the amount of expenses to be incurred in each CSR activity/project/program and monitor CSR policy on annual basis.

CSR Activities as per Schedule VII and CSR Rules:

1. eradicating extreme hunger and poverty;
2. promotion of education;
3. promoting gender equality and empowering women;
4. reducing child mortality and improving maternal health;
5. combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
6. ensuring environmental sustainability;
7. employment enhancing vocational skills;
8. social business projects;
9. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
10. Other activities as prescribed under Guidelines for CSR activities/projects/programs.

The Company may decide to undertake such CSR activities/projects/programs as may be recommended by the CSR Committee

ADF FOODS LTD.

Provided that –

- a. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committee is in a position to report separately on such projects or programs in accordance with the CSR Rules;
- b. The CSR projects shall be only taken up in India;
- c. The CSR projects or programs or activities shall not only benefit the employees of the Company;
- d. Company shall not contribute to any Political Party under CSR activities.

Guidelines for monetary contributions :

The Company may decide to grant donations to a registered trust/ a registered society/ a Company established by the Company or its holding or subsidiary or associate Company under section 8 of the Act/by such institutions as mentioned in the Act:

Provided that-

if such trust, society or Company is not established by the Company or its holding or subsidiary or its associate Company, it shall have an established track record of three years in undertaking similar programs or projects;

Accounting and reporting:

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee. The report will be presented to the Committee at the end of each financial year.

Any surplus arising out of CSR projects/programs/activities shall not form part of the business profit.

The Board's Report shall include CSR report in the prescribed format on an annual basis.

The contents of CSR policy shall be disclosed in the Board's Report and the same shall be displayed on the Company's website.

ANNEXURE V

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L15400GJ1990PLC014265
- ii) Registration Date: 27/08/1990
- iii) Name of the Company: ADF Foods Limited
- iv) Category / Sub-Category of the Company: Company Limited by Shares / Indian Non- government
- v) Address of the Registered office and contact details:
83/86, G.I.D.C. Industrial Estate, Nadiad- 387001, Gujarat, India.
Tel: 0268-2551381/2
Fax: 0268-2565068
E-mail: nadiadfactory@adf-foods.com
- vi) Whether listed Company - Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:
Link Intime India Private Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083.
Tel.: 022 49186270 Fax: 022 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the Company shall be stated)

Sr. No.	Name and Description of main products / services	ITC Code of the Product/ services	% to total turnover of the Company
1	Meal Accompaniments	20019000	40
2	Can Food & Ready to eat	20051000	11
3	Frozen Foods	20049000	33

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section
1	ADF Foods (India) Ltd.	U15132GJ2009PLC058782	Subsidiary	100%	2(87)
2	ADF Foods (UK) Ltd.	Foreign Company	Subsidiary	100%	2(87)
3.	*Power Brands (Foods) Pvt Ltd.	U15490MH2007PTC170748	Subsidiary	100%	2(87)
4.	ADF Holdings (USA) Ltd	Foreign Company	Step down Subsidiary	100%	2(87)
5.	ADF Foods (USA) Ltd	Foreign Company	Step down Subsidiary	100%	2(87)

* Power Brands (Foods) Pvt. Ltd is undergoing Voluntary Liquidation vide Special resolution passed by the Members on 5th November, 2012.

ADF FOODS LTD.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% change during the year
	Demat	Physical	Total	*% of total Shares	Demat	Physical	Total	*% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	72,28,251	-	72,28,251	34.10	62,38,351	-	62,38,351	31.16	(2.94)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) Sate Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp	2,38,399	-	2,38,399	1.12	2,38,399	-	2,38,399	1.19	0.07
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Subtotal (A)(1)	74,66,650	-	74,66,650	35.22	64,76,750	-	64,76,750	32.35	(2.87)
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	74,66,650	-	74,66,650	35.22	64,76,750	-	64,76,750	32.35	(2.87)
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	-	5,100	5,100	0.02	-	5,100	5,100	0.03	0.01
b) Banks / FI	57,229	500	57,729	0.27	37030	500	37530	0.19	(0.08)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors	6,14,010	3,300	6,17,310	2.91	35,500	3,300	38,800	0.19	(2.72)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(I):-	6,71,239	8,900	6,80,139	3.21	72,530	8,900	81,430	0.41	(2.8)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	42,34,266	12,000	42,46,266	20.03	53,35,460	12,000	53,47,460	26.71	6.68
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	39,68,406	877,784	48,46,190	22.85	33,14,629	7,64,051	40,78,680	20.37	(2.48)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	23,63,638	-	23,63,638	11.15	28,83,883	-	28,83,883	14.40	3.25
c) Others (specify)	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% change during the year
	Demat	Physical	Total	*% of total Shares	Demat	Physical	Total	*% of total Shares	
i) NRI (Repat)	1,54,357	100	1,54,457	0.73	195,909	100	196,009	0.98	0.25
ii) NRI (non Repat)	36,050	-	36,050	0.17	31,771	-	31,771	0.16	(0.01)
iii) Clearing member	2,95,992	-	2,95,992	1.40	108,999	0	108,999	0.54	(0.86)
iv) Independent Directors/ relative	5,37,853	-	5,37,853	2.53	1,18,500	0	1,18,500	0.59	(1.94)
v) Other Directors/ relatives	-	-	-	-	1,00,000	-	1,00,000	0.50	0.50
vi) NBFC	-	-	-	-	15,523	-	15,523	0.08	0.08
vii) Trusts	500	-	500	0.01	-	-	-	-	(0.01)
viii) HUF	2,42,778	-	2,42,778	1.15	221,523	-	221,523	1.11	(0.04)
ix) IEPF	3,30,948	-	3,30,948	1.56	362,191	-	362,191	1.81	0.25
Sub-total (B)(2)	1,21,64,788	8,89,884	1,30,54,672	61.57	1,26,88,388	776,151	1,34,64,539	67.25	5.67
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,28,36,027	8,98,784	1,37,34,811	64.78	1,27,60,918	785,051	1,35,45,969	67.65	2.87
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	2,03,02,677	8,98,784	*2,12,01,461	100	1,92,37,668	785,051	*2,00,22,719	100	-

* % of the total Shares of the Company at the beginning and the end of the year are not comparable on account of change in the total shareholding due to buyback of equity shares of the company.

(ii) Shareholding of Promoters

Sr No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change during the year
		No. of Shares	*% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	*% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Bimal Ramesh Thakkar	22,76,074	10.74	Nil	22,78,924	11.38	Nil	0.64
2	Mahalaxmi Ramesh Thakkar	19,58,022	9.24	Nil	19,58,022	9.78	Nil	0.54
3	Bhavesh Ramesh Thakkar	11,76,450	5.55	Nil	7,51,450	3.75	Nil	(1.80)
4	Bimal Ramesh Thakkar HUF	5,95,246	2.81	Nil	5,95,246	2.97	Nil	0.16
5	Bhavesh R Thakkar HUF	5,73,000	2.70	Nil	Nil	-	Nil	(2.70)
6	Parul Bimal Thakkar	3,16,007	1.49	Nil	3,21,257	1.60	Nil	0.11
7	Priyanka Bhavesh Thakkar	3,01,000	1.42	Nil	3,01,000	1.50	Nil	0.08
8	H J Thakkar Property Investment Limited	2,38,399	1.12	Nil	2,38,399	1.19	Nil	0.07
9	Mishal Ashok Thakkar	21,098	0.10	Nil	21,098	0.11	Nil	0.01
10	Ashok H Thakkar	11,354	0.05	Nil	11,354	0.06	Nil	0.01
	Total	74,66,650	35.22	Nil	64,76,750	32.35	Nil	(2.87)

* % of the total Shares of the Company at the beginning and the end of the year are not comparable on account of change in the total shareholding due to buyback of equity shares of the company.

ADF FOODS LTD.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2018		Change in the shareholding during the year		Shareholding at the end of the year as on 31.03.2019	
		No of shares	#% of the total Shares of the Company	No of shares	% of the total Shares of the Company	No of shares	# % of the total Shares of the Company
1	Ashok H. Thakkar	11,354	0.05			11,354	0.06
2.	Bimal R. Thakkar*	22,76,074	10.74	2,850	0.01	22,78,924	11.38
3	Bimal Thakkar HUF	5,95,246	2.81	-	-	5,95,246	2.97
4	Bhavesh R. Thakkar*	11,76,450	5.55	(4,25,000)	(2.12)	7,51,450	3.75
5	Bhavesh Ramesh Thakkar HUF*	5,73,000	2.70	(5,73,000)	(2.70)	-	-
6	Mishal A. Thakkar	21,098	0.10	-	-	21,098	0.11
7	Mahalaxmi R. Thakkar	19,58,022	9.24	-	-	19,58,022	9.78
8	Parul B. Thakkar *	3,16,007	1.49	5,250	0.03	3,21,257	1.60
9	Priyanka B. Thakkar	3,01,000	1.42	-	-	3,01,000	1.5
10	H J Thakkar Property Investments Ltd.	2,38,399	1.12	-	-	2,38,399	1.19

% of the total Shares of the Company at the beginning and the end of the year are not comparable on account of change in the total shareholding due to buyback of equity shares of the company.

*Mr. Bimal R. Thakkar bought 2,850 equity shares on 19th October, 2018. The transaction was carried out through Market Purchase.

*Bhavesh Thakkar HUF sold 5,73,000 equity shares on 18th May, 2018. The transaction was carried out through Market sale.

* Mr. Bhavesh R. Thakkar sold 4,25,000 equity shares on 25th May, 2018. The transaction was carried out through Market sale.

* Ms. Parul B. Thakkar bought 5,250 equity shares on 19th October, 2018. The transaction was carried out through Market Purchase.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2018		Change in the shareholding during the year		Shareholding at the end of the year as on 31.03.2019	
		No of shares	#% of the total Shares of the Company	No of shares	% of the total Shares of the Company	No of shares	# % of the total Shares of the Company
1.	Mentor Capital Limited	0	0.00	27,79,284	13.88	27,79,284	13.88
2.	Alpana S Dangi	5,93,147	2.80	4,68,404	2.34	10,61,551	5.30
3.	Top Class Capital Markets Private Limited	7,87,535	3.93	(1,000)	0.01	7,86,535	3.93
4.	Ebony Advisors LLP	0	0.00	4,00,000	2.00	4,00,000	2.00
5.	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	3,30,948	1.56	31,243	0.16	3,62,191	1.81
6.	Lashit Sanghvi	2,83,750	1.34	-	-	2,83,750	1.42
7.	Ashwin Kedia	2,50,000	1.18	-	-	2,50,000	1.25
8.	Sanand Properties Pvt Ltd	1,43,191	0.72	-	-	1,43,191	0.72
9.	Zaki Abbas Nasser	160,000	0.80	(20,000)	(0.1)	1,40,000	0.70
10.	Pallavi Navin Mehta	141,644	0.71	(27,542)	(0.14)	1,14,102	0.57

% of the total Shares of the Company at the beginning and the end of the year are not comparable on account of change in the total shareholding on account of buyback of equity shares of the company.

Note:

1. *Mentor Capital Limited

Increase: Acquired 13,77,325 shares on 06.04.2018; 8,799 shares on 27.04.2018; 3,226 shares on 11.05.2018; 4,79,500 shares on 01.06.2018; 3,002 shares on 15.06.2018; 25,845 shares on 20.07.2018; 18,000 shares on 10.08.2018; 4,339 shares on 24.08.2018; 34,600 shares on 05.10.2018; 24,220 shares on 12.10.2018; 15,668 shares on 02.11.2018; 71,197 shares on 09.11.2018; 83,271 shares on 16.11.2018; 12,303 shares on 23.11.2018; 94,968 shares on 30.11.2018; 2,02,384 shares on 07.12.2018; 13,047 shares on 14.12.2018; 95,277 shares on 21.12.2018 ; 1,777 shares on 28.12.2018 ; 14,344 shares on 04.01.2019; 13,064 shares on 11.01.2019; 51,684 shares on 18.01.2019; 6,502 shares on 25.01.2019; 807 shares on 08.02.2019; 33,100 shares on 15.02.2019; 20,342 shares on 22.02.2019; 89,631 shares on 08.03.2019; 7,915 shares on 15.03.2019; 31,972 shares on 22.03.2019; 14,421 shares on 29.03.2019

Reason: Market Purchase

Decrease: Sold 3,857 shares on 13.04.2018; 12,738 shares on 07.09.2018; 10,518 shares on 14.09.2018; 46,133 shares on 01.03.2019

Reason: Market Sale

2. * Alpana S Dangi

Increase: Acquired 2,35,000 shares on 25.05.2018; 2,82,289 shares on 01.06.2018; 4,692 shares on 08.06.2018; 53,019 shares on 15.06.2018; 1,551 shares on 08.02.2019

Reason: Market Purchase

Decrease: Sold 1,08,147 shares on 14.12.2018

Reason: Market Sale

3. * Top Class Capital Markets Private Limited

Decrease: Sold 1,000 shares on 08.02.2019

Reason: Market Sale

4. * Ebony Advisors LLP

Increase: Acquired 4,00,000 shares on 15.03.2019

Reason: Market Purchase

5. * INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS

Increase: Transferred 31,243 shares on 19.10.2018

Reason: Transfer to Demat Account of IEPF

6. * Zaki Abbas Nasser

Increase: Acquired 9,000 shares on 14.12.2018; 1,000 shares on 21.12.2018

Reason: Market Purchase

Decrease: Sold 20,000 shares on 07.09.2018; 10,000 shares on 07.12.2018

Reason: Market Sale

7. *Pallavi Navin Mehta

Increase: Acquired 300 shares on 28.12.2018; 100 shares on 01.02.2019

Reason: Market Purchase

Decrease: Sold 27,542 shares on 07.09.2018; 200 shares on 14.12.2018; 100 shares on 21.12.2018; 100 shares on 04.01.2019

Reason: Market Sale

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(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2018		Change in the shareholding during the year		Shareholding at the end of the year as on 31.03.2019	
		No of shares	**% of the total Shares of the Company	No of shares	% of the total Shares of the Company	No of shares	**% of the total Shares of the Company
1.	Mr. Ashok H. Thakkar, Chairman	11,354	0.05	-	-	11,354	0.06
2.	Mr. Bimal R. Thakkar , Managing Director & CEO	22,76,074	10.74	2,850	0.02	22,78,924	11.38
3.	Mr. Bhavesh R. Thakkar, Executive Director & CFO	11,76,450	5.55	(4,25,000)	(2.12)	7,51,450	3.75
4.	Mr. Nipun C. Shah, Independent Director	54,450	0.26	-	-	54,450	0.27
5.	Mr. Yasir J Varawala, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Viren A. Merchant, Independent Director	50,000	0.24	Nil	Nil	50,000	0.25
7.	Mr. Jay M. Mehta, Independent Director	50,000	0.24	Nil	Nil	50,000	0.25
8.	Mr. Ravinder Kumar Jain, Independent Director	50,000	0.24	Nil	Nil	50,000	0.25
9.	Ms. Anjali Seth, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
10.	#Mr. Naresh Kothari, Independent Director	2,50,000	1.18	(2,50,000)	(1.18)	Nil	Nil
11.	Ms. Shalaka Ovalekar, Company Secretary	Nil	Nil	Nil	Nil	Nil	Nil
12.	Mr. Anish Jhaveri, Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil

Note :

** % of the total Shares of the Company at the beginning and the end of the year are not comparable on account of change in the total shareholding on account of buyback of equity shares of the company.

* Mr. Bimal R. Thakkar purchased 2,850 equity shares on 19th October, 2018. The transactions was carried out through Market purchase.

* Mr. Bhavesh R. Thakkar sold 4,25,000 equity shares on 25th May, 2018. The transaction was carried out through Market sale.

Mr. Naresh Kothari sold 2,50,000 shares on 15th March, 2019. The transaction was carried out through off Market sale.

Mr. Ashok H.Thakkar and Mr. Bhavesh R.Thakkar ceased to be the directors of the company from the closure of the business hours on 29th May, 2018. Mr. Nipun Shah and Mr. Yasir Varawala ceased to be the directors of the Company w.e.f 18th May, 2018.

V. Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rupees in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	140.00	-	-	140.00
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	140.00	-	-	140.00
Change in Indebtedness during the financial year	-	-	-	-
- Addition	140.00	-	-	140.00
- Reduction	-	-	-	-
Net Change	140.00	-	-	140.00
Indebtedness at the end of the financial year	0.00	-	-	0.00
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	0.00	-	-	0.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors and/or Manager:

(Amount in Rupees)

Sr. No.	Particulars	Names of Directors			Total Amount
		Mr. Ashok H. Thakkar, Chairman*	Mr. Bimal R. Thakkar, Managing Director & CEO	Mr. Bhavesh R. Thakkar, Executive Director & CFO*	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,24,000	75,97,800	9,24,000	94,45,800
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	6,63,933	13,59,946	6,63,933	26,87,812
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL	NIL
5.	**Others, please specify				
	Gratuity	68,53,846	-	68,53,846	1,37,07,692
	Leave Encashment	6,71,667	9,98,967	6,71,667	23,42,301
	Annual Performance based Incentive	-	1,20,00,000	-	1,20,00,000
	Total (A)	91,13,446	2,19,56,713	91,13,446	4,01,83,605
	***Amount considered for determining eligibility u/s. 197 of the Companies Act, 2013	15,87,933	2,19,56,713	15,87,933	2,51,32,579
	Ceiling as per the Act	Rs.74,23,766 (10% of Net Profit calculated under section 198 for April and May 2018 considering three Whole Time Directors till 29 th May , 2018) Additionally, Rs.185,59,416(5% of Net Profit calculated under section 198 for the remaining tenure of the FY 2018-19)			

*Mr. Ashok Thakkar and Mr. Bhavesh Thakkar resigned as Directors from the closure of business hours on 29th May, 2018.

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*** Gratuity and Leave encashment paid to Mr. Ashok H.Thakkar and Mr. Bhavesh R.Thakkar during the FY 2018-19 forms part of full and final settlement related to prior years of service. Hence these components are not considered for determining eligibility u/s.197 of the Companies Act, 2013.

B. Remuneration to other directors:

(Amount in Rupees)

Sr. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr.Nipun C. Shah*	Mr.Yasir J. Varawala*	Mr. Viren Merchant	Mr. Ravinder Kumar Jain	Ms. Anjali Seth	Mr. Naresh Kothari	
	Independent Directors							
	- Fee for attending board / committee meetings	Nil	Nil	4,80,000	4,05,000	2,55,000	2,70,000	14,10,000
	- Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	Nil	Nil	4,80,000	4,05,000	2,55,000	2,70,000	14,10,000
		\$ Mr. Jay Mehta	-	-	-	-	-	-
	2. Other Non-Executive Directors							
	- Fee for attending board / committee meetings	1,20,000	Nil	Nil	Nil	Nil	Nil	Nil
	- Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	1,20,000	Nil	Nil	Nil	Nil	Nil	1,20,000
	Total (B)=(1+2)							15,30,000
	Total Managerial Remuneration	Not Applicable as the same comprises of sitting fees paid to the independent directors for attending board and committee meetings)						
	Overall Ceiling as per the Act	Not Applicable for the reason stated above.						

*Mr. Nipun Shah and Mr. Yasir Varawala resigned as Directors w.e.f. 18th May, 2018.

§Mr. Jay Mehta resigned as Independent Director on 27th September, 2018 and was again appointed as an Additional Director in the category of Non-Executive Non-Independent Director on 12th February, 2019.

C. Remuneration to Key Managerial Personnel other than MD/Manager /WTD

(Amount in Rupees)

Sr. no	Particulars of Remuneration	Details of KMP		
		Anish Jhaveri Chief Financial Officer	Shalaka Ovalekar Company Secretary	Total
I.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,95,835	26,17,356	50,13,191
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-

Sr. no	Particulars of Remuneration	Details of KMP		
		Anish Jhaveri Chief Financial Officer	Shalaka Ovalekar Company Secretary	Total
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	Total	23,95,835	26,17,356	50,13,191

*Mr. Anish Jhaveri was appointed as the Chief Financial Officer of the Company w.e.f November 02, 2018

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

For and on Behalf of the Board of Directors

Bimal R. Thakkar
Chairman, Managing Director & CEO
DIN: 00087404

Mumbai, August 10, 2019

Regd. Office:

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat
Tel.: 0268-2551381/2 Fax. : 0268-2565068;
E-mail: info@adf-foods.com; website: www.adf-foods.com
CIN: L15400GJ1990PLC01426

ANNEXURE VI

FORM No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2018-19.
2. Details of contracts or arrangement or transactions at arm's length basis:

Name of Related Party	Nature of Relationship	Nature of Contracts / salient features	Duration of Contract	Board's approval date	Member's approval date	Monetary value during the FY 2018-19 (Rs.)
ADF Foods (India) Ltd	Wholly owned subsidiary	Sale, purchase or supply of any goods or materials and/or availing or rendering of any services and/or leasing of property Maximum Limit Rs. 50 crore per annum.	Duration of Contract is from 01st April, 2017 to 31st March, 2020.	27 th July, 2016	28 th September, 2016	43,25,237
ADF Foods UK Ltd	100% Subsidiary	Sale, purchase or supply of any goods or materials and/or availing or rendering of any services. Maximum Limit Rs. 50 crore per annum.	Duration of Contract is from 01st April, 2017 to 31st March, 2020.	27 th July, 2016	28 th September, 2016	18,28,523
ADF Foods UK Ltd	100% Subsidiary	Advances	NA	25 th July, 2018	NA	70,18,750
ADF Foods USA Ltd	Step down Subsidiary	Sale, purchase or supply of any goods or materials and/or availing or rendering of any services. Maximum Limit Rs. 50 crore per annum	Duration of Contract is from 01st April, 2017 to 31st March, 2020.	27 th July, 2016	28 th September, 2016	1,47,78,820
Mishal A. Thakkar	Person in place of profit	Employment contract. Basic: Rs.90,000/- p.m.; HRA : 40% of basic; LTA: for himself and his family subject to a ceiling of ½ months basic salary in a year Reimbursement of medical expenses; incurred by him and family subject to a ceiling of ½ months basic salary in a year; Ex gratia at the time of Diwali subject to one month's basic salary; Other benefits such as PF and Gratuity; Provision of a car for use on Company's business.	Duration of Contract is from 01st October, 2017 to 30 th September, 2018 .	20 th July 2017	23 rd August, 2017	11,91,096

Name of Related Party	Nature of Relationship	Nature of Contracts / salient features	Duration of Contract	Board's approval date	Member's approval date	Monetary value during the FY 2018-19 (Rs.)
Shivaan B. Thakkar	Person in place of profit	Employment contract. Basic: Rs. 72,000/- p.m.; HRA : 40% of basic; LTA: for himself and his family subject to a ceiling of ½ months basic salary in a year. Reimbursement of medical expenses; incurred by him and his family subject to a ceiling of ½ months basic salary in a year; Ex-gratia at the time of Diwali subject to one month's basic salary; Other benefits such as PF and Gratuity; Provision of a car with driver for use on Company's business.	Duration of Contract is for a period of three years with effect from 15 th February, 2019	12 th February 2019	NA	1,68,660
Ashok H. Thakkar	Relative of KMP	Sale of Assets	NA	Omnibus approval granted by Audit Committee on 28 th May, 2018	NA	15,00,000
Bhavesh R. Thakkar	Relative of KMP	Sale of Assets	NA	Omnibus approval granted by Audit Committee on 28 th May, 2018	NA	18,00,000
Mishal A. Thakkar	Relative of KMP	Sale of Assets	NA	Omnibus approval granted by Audit Committee on 28 th May, 2018	NA	24,50,000
Mahalaxmi R. Thakkar	Relative of Directors	Lease of bungalow at Nadiad Rent – Rs.50,000/- per annum and Interest Free Refundable Security Deposit of Rs.10,50,000/-	Duration of Contract is for 99 years w.e.f. from 1st April, 2007.	12th August, 2015	30th September, 2015	50,000

For and on Behalf of the Board of Directors

Bimal R. Thakkar
Chairman, Managing Director & CEO
DIN: 00087404

Mumbai, August 10, 2019

Regd. Office:

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

Tel.: 0268-2551381/2 Fax. : 0268-2565068;

E-mail: info@adf-foods.com; website: www.adf-foods.com

CIN: L15400GJ1990PLC01426

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE VII

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March 2019.

A. Conservation of Energy

The Company has been continuously attempting to create a conscious awareness against excessive consumption and wastage at all levels. The Company is taking all possible steps to conserve energy. Maximum efforts for this purpose will continue.

FORM A

Form for disclosure of particulars with respect to Conservation of Energy

(A) Power and Fuel Consumption :-	2018-19	2017-18
I Electricity		
a. Purchased Units (KWH)	39,67,970	35,46,802
Total Amount (Rs.)	3,16,18,246	2,76,51,734
Average Rate/Unit (Rs.)	7.97	7.80
b. Own Generation		
i. Through Diesel Generator	N.A.	N.A.
Units (KWH)		
Units/Lt.of Diesel		
Cost/Unit (Rs.)		
ii. Through Steam Turbine/Generator	N.A.	N.A.
2 Agro waste & Fire Wood:		
Quantity (kgs)	15,80,661	14,59,390
Total Amount (Rs.)	72,72,526	65,42,532
Average Rate/KL (Rs.)	4.60	4.48
3 Fuel Furnace Oil + Light Diesel		
Quantity (K.L.)	3,84,637	3,58,962
Total Amount (Rs.)	1,41,20,714	1,01,91,937
Average Rate/KL (Rs.)	36.71	28.39
4 Others/Internal Generation	N.A.	N.A.

(B) Consumption per unit of production:

Products(with details) **Unit , Electricity, Furnace oil, Agro waste, Coal (specify quantity)**

Since the Company manufactures several items viz. Pickles, chutneys, Frozen Foods, Retort Ready to Eat, Pastes and other food stuffs, having regard to other books maintained by the Company, it is impracticable to apportion the utilities.

B. Technology Absorption, Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company
 - Development of new recipes.
 - Development of new products.
 - Improvement in quality.
 - Better packaging.
 - Standardisation in packaging.
2. Benefits derived as a result of the above R&D.
Benefits comprise of improved customer satisfaction, introduction of new brands, introduction of new products, meeting world class quality norms, enhancement of exports, reduced costs on packing.
3. The Company will continue its efforts to develop new products, new recipes, reduce costs, improve technology and produce quality products.
4. Expenditure on R&D

	2018-19	2017-18
	Rs.	Rs.
(a) Capital	19,300	1,91,973
(b) Recurring	89,343	6,36,483
(c) Total	1,08,643	8,28,456
(d) Total R&D expenditure as a percentage of total turnover	0.01%	0.05%

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation. The Company upgraded its technology at Nadiad to world class standard. At Nasik, the Company has improved state of the art machinery for manufacture of spices and masalas.
2. Benefits derived as a result of the above efforts.
Satisfaction of customer needs, improvement in product quality, new product development.

C. Foreign Exchange Earnings and Outgo:

1. The Company has maintained its focus on development of exports both in the ethnic and mainstream markets. The Company's products under the brand name "ASHOKA" & "AEROPLANE" are very popular in the U.S.A., U.K., Canada and Australia. While "CAMEL" is popular in the Middle East. The Company will continue to make exports a thrust area.
2. Total Foreign Exchange used and earned:

	2018-19	2017-18
	Rs. (in lacs)	Rs. (in lacs)
Total Foreign Exchange Earned	17,860.55	15,466.29
Total Foreign Exchange Used	1,204.29	693.29

For and on behalf of the Board of Directors

Mumbai
Date: August 10, 2019

Bimal R. Thakkar
Chairman, Managing Director & CEO
DIN: 00087404

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The global food industry is witnessing changes in consumption patterns with increasing importance of nutritional efficacy and the convenience of consumption. Today's typical American dinner would not be possible without convenient ready to eat food. Helping the strapped-in-time consumer to be able to get healthier, fresher and ethnic food is the emerging theme.

The global ready-to-eat market is driven by three consumer mega trends as follows-

- Emerging importance of a balanced diet:** The industry experts suggest that segments such as gluten free, lactose free, veganism, vegetarianism and nutritional food are gaining market share as consumers are becoming more health conscious. As per study, 45% of consumers consume organic snacks. Veganism has grown 500% since 2014 in the US with 6% of US consumers now claiming to be vegan, up from just 1% in 2014².
- Changing preference over ethnic food:** Global ethnic food market is expected to grow at a CAGR of 5.1% during 2018 to 2023¹. The world is witnessing a paradigm shift in taste preference over ethnic food due to increased diaspora and the willingness to experiment with international cuisines. Amongst the international cuisines, Indian, Chinese and Mexican cuisines are the most preferred ones. Furthermore, vegans prefer Indian cuisine given the multiple options in Indian dishes.
- Strong preference of convenience food by millennials:** According to a research, Millennials, the largest living generation, are poised this year to have more spending power than baby boomers. As per recent study, 36% of consumers, out of which 50% are millennials, use ready-to-eat (RTE) meals. Over half of the consumers eat RTE meals at least three times a day. They spend most of their income on RTE food products which optimising the ease of consumption.

Global RTE food market is expected to grow at a CAGR of 4.3% by 2024³. North America accounts for lion's share in the ready to eat food market followed by Europe. RTE food demands in developing regions of South America and Asian countries like China and India are growing at a fast pace due to urbanization and change in consumption pattern.

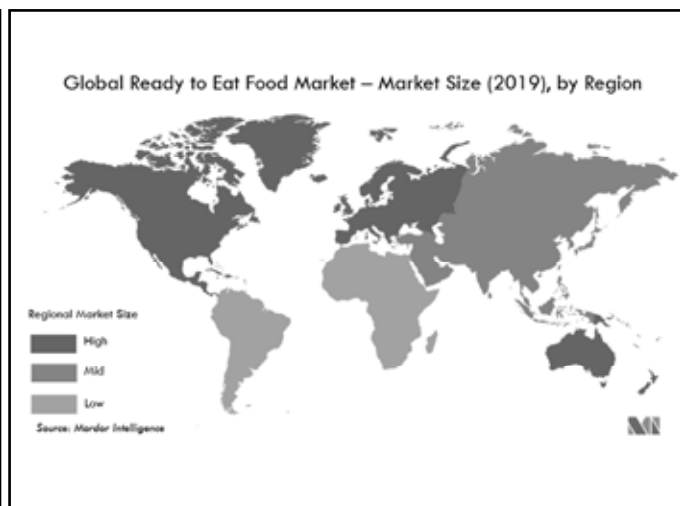
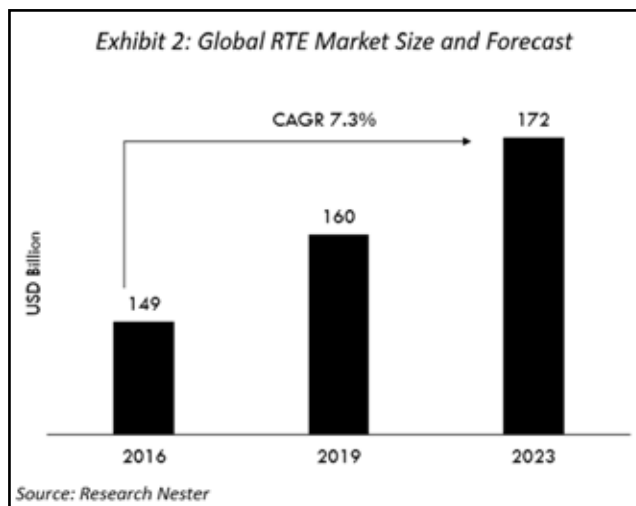
India's RTE food market stood at \$ 261 million in 2017 and is projected to grow at a CAGR of over 16% during 2018-2023 to reach \$ 647 million by 2023⁴. Anticipated growth in the market can be attributed to rising urbanization, increasing disposable income of middle-class population and changing taste preferences of Indian consumers.

¹ Mordor Intelligence

² Rise of the Vegan

³ Mordor Intelligence

⁴ Techsiresearch Report

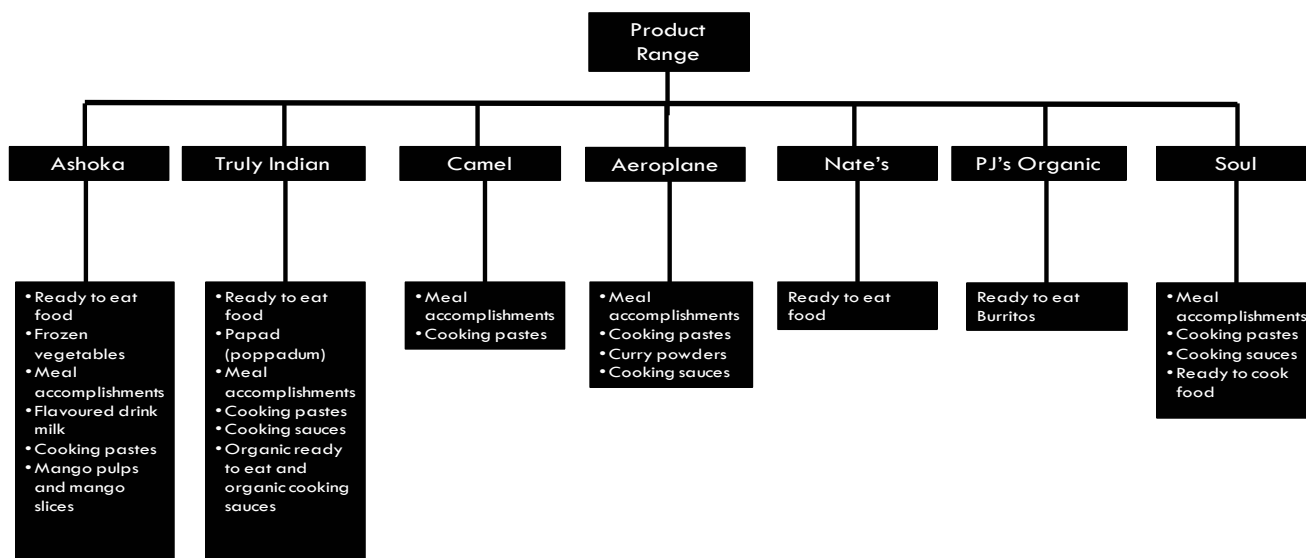


BUSINESS OUTLOOK

Your Company is well known in the prepared food segment with products portfolio spanning across ready-to-eat food, ready-to-cook food, frozen food, frozen vegetables, and meal accomplishments like pickles, sauces and pastes. Our export contributes more than 95% across the US, Canada, Europe, Australia, Middle East and Asia through our seven flagship brands of Ashoka, Truly Indian, Camel, Aeroplane, Soul, Nate's and PJ's Organic.

The Company continues to strengthen its brands and product portfolio across categories and geographies. We already have an array of gluten free and vegan products under our various brands and are further investing in building capacities for such products. This year, the Company has launched various new products like baked snacks, a range of flavoured milk drinks called "Badamazaa" and a range of pastes under Ashoka and Camel brands.

Exhibit 4: ADF's Product Portfolio:



The Company is committed to invest in human capital. This year, we strengthened the senior management team with appointment of Mr. Anish Jhaveri as Chief Financial Officer and Mr. Narayan Kadam as General Manager-Works (Nasik). In addition, we also appointed additional Country Managers Mr. Apurva Patel for the US and Mr. Bharat Sareen for the UK as a continuous effort to strengthen our international sales team.

The Company has two state of the art manufacturing plants:

1. Nashik Plant - Spread across 10,100 sq. meters of area. It is HACCP (Hazard Analysis and Critical Control Point) and BRC (British Retail Consortium) accredited and ISO 22000:2005 certified. The facility is also USDA Organic certified.
2. Nadiad Plant - Spread across 15,000 sq meters. It is HACCP (Hazard Analysis and Critical Control Point) and BRC (British Retail Consortium) accredited and ISO 22000:2005 certified.

This year the Company has initiated capex of Rs. 20 crore for expansion of product capacities both at the Nadiad and Nasik facilities. The Company stands committed to the environment and is in the process of commissioning an Effluent Treatment Plant with zero-liquid discharge at our Nasik facility and solar panels at both the plants. The above expansions are expected to be on stream by the end of the current fiscal year.

FINANCIAL PERFORMANCE

On a Standalone basis for the year ended March 31, 2019, total income for the Company grew by 10.5% over the last year to Rs. 201.5 crores. EBIDTA grew by 36% over the previous FY to Rs. 49.2 crores. During the Fiscal 2019, the Company's PAT was Rs. 30.5 crores, up from Rs 22.2 crores in the previous year, a year-on-year growth of 37%.

On a Consolidated basis, the Company's total income for FY2018-19 stood at Rs. 245.5 crores with a year-on-year increase of 11.8%. The EBIDTA grew by 32% over the previous FY to Rs. 52.8 crores .PAT for the year ended March 31, 2019 stood

ADF FOODS LTD.

at Rs. 25.3 crores with an increase of 40% as compared to Rs. 18.1 crores in the previous year. The consolidated profit of the Company for the Financial year 2018-19 would have been higher but for one time impairment losses to the tune of Rs. 10 crores on account of impairment of certain brands in our US subsidiary.

Rs in Crs	Standalone		Consolidated	
	FY17-18	FY18-19	FY17-18	FY18-19
Total Income	182.4	201.5	219.6	245.5
EBIDTA	36.3	49.2	40.0	52.8
EBIDTA Margin	19.9%	24.4%	18.2%	21.5%
Interest	1.1	0.9	1.1	0.9
PAT	22.2	30.5	18.1	25.3
PAT Margin	12.2%	15.1%	8.2%	10.3%
Working Capital Management	83.4	84	92.62	87.77
ROE	10.7%	14.5%	10.4%	14.7%
ROCE	14.2%	19.39%	13.1%	18.6%
EPS	10.5	14.8	8.5	12.3

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS:

Particulars	March 19	March 18
Debtors Turnover	82 days	89 days
Inventory Turnover	3.5 times	4.2 times
Interest Coverage Ratio	51.6 times	28.3 times
Current Ratio	5.8 times	4.6 times
Debt Equity Ratio	-	-
Operating Profit Margin (%)	51.1%	43.6%
Net Profit Margin (%)	16.3%	13.6%

Debtors Turnover Ratio: The ratio has improved over the previous year on account of collection efficiency.

Inventory Turnover Ratio: The ratio has declined due to higher inventory with lower cost of goods sold.

Interest Coverage Ratio: During the year, the cash flow from operations improved and the interest cost declined on account of repayment. This is the reason for improvement in ratio.

Current Ratio: Current ratio has improved on account of higher inflow from operations and better working capital management.

Debt-Equity Ratio: Not applicable to the Company.

Operating Profit Margin: During the year, the Company changed its product mix thereby focusing on higher yielding products. This has resulted in improvement in operating profit margin.

Net Profit Margin: Better product mix thereby leading to higher inflow from operations has led to improvement in net profit margins.

DETAILS OF ANY CHANGE IN RETURN ON NET WORTH AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR ALONG WITH THE DETAILED EXPLANATION THEREOF

During the FY 2018-19, the Company's Return on Net Worth was 14.48% as against 10.66% in the previous FY resulting in an increase of 35% over the previous year. The said increase was mainly on account of 37% growth in Profit After Tax and reduction in base equity capital by 11,78,792 equity shares on account of Buy Back during FY 2018-19.

STRENGTHS, OPPORTUNITIES AND THREATS

Strengths

Diversified product offerings: ADF's range of products includes ready-to-eat curries, meal accompaniments (pickles, sauces, chutneys), canned vegetables, frozen snacks, frozen parathas, frozen continental and mexican foods, etc., thus catering to varied tastes and preferences.

Well established brands: Strong demand for core brands like Ashoka, Truly Indian, Nate's and PJ's in international markets of US, Canada, Europe, etc. ADF has been successful in launching new products in major supermarket chains and ethnic Indian stores across the Globe. Similarly, its brands Camel and Aeroplane have strong presence in Middle East.

Experienced management: Experienced management with rich experience in the food industry.

Strong overseas distribution network: Strong network of over 180 distributors in over 50+ countries that allows wide reach and coverage in target markets. The appointment of additional country managers for the US and UK has further strengthened the sales team.

Opportunities

Industry tailwinds: Rising demand of RTE and frozen foods due to changing consumer trends, increased disposable income.

New categories and products: The Company has an array of gluten free and vegan products under its various brands. This year, the Company has launched various new products like baked snacks, a range of flavoured milk drinks called "Badamazaa" and a range of pastes under our Ashoka and Camel brands.

Threats & Risks

Fluctuations in raw material prices: The Company uses various kinds of vegetables, oils, spices and condiments in the preparation of its products. Rapid fluctuations in prices and inconsistency in availability throughout the year affects the Company's ability to reach its consumers with the right value proposition.

Mitigation: The Company looks at informed strategic and bulk purchases with an efficient supply chain team to ensure constant supply at competitive price.

Foreign exchange risk: Almost 95% of the Company's business is export oriented making it susceptible to foreign exchange risks.

Mitigation: The Company manages this financial risk through an efficient hedging mechanism.

Competition: Increasing competition from existing players and entry of new players can impact the market share. The presence of unorganized sector offering products in loose unbranded form also intensifies competition.

Mitigation: Your Company has invested significantly in building strong brands which helps differentiate its products and increase in market share by going forward.

Your Company has a well established Business Risk Management System which enables detection and monitoring of the business risks on a continuous basis.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Identification and monitoring the internal control systems play a crucial role in an organization. The Company has a well-established system of internal controls including Internal Financial Controls and its adequacy is constantly supervised by the Management. The internal control systems implemented by the Company strike at achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with all applicable laws and regulations. Key controls have been tested during the year and corrective and preventive actions are taken for any weakness. Regular internal audits are conducted by outsourced audit teams. Risk based internal audit plan is approved by the Audit Committee which also reviews adequacy and effectiveness of the Company's internal financial controls.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company believes in the overall development and continuous growth of its employees by investing in human capital. The Company continues to provide its employees the ideal workplace where they can give optimum results. This has resulted into team spirit and teamwork. The Company continues to equip its employees with the skill which would enable them to meet the growing organizational challenges.

The relationships with employees have been cordial and operations at the factory uninterrupted. Measures for safety of employees, welfare and development continue to receive top priorities. The Company has 252 employees as on 31st March, 2019.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, competitive actions, changes in Government regulations, tax regimes, economic developments in India and in countries in which the Company conducts business and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

I COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, disclosure, monitoring and fairness in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other stakeholders. Your Company is committed to adoption and adherence to the best Corporate Governance practices at all times.

The Corporate Governance guidelines are in compliance with the requirements of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the stock exchanges.

The Company presents a summary of the practices it followed during the year 2018-19 in deference to its commitment to fairness, transparency and accountability.

II. BOARD OF DIRECTORS

A Composition:

The Board of Directors of your Company represents an optimum mix of professionalism, knowledge and experience. As on 31st March, 2019, the total strength of the Board of Directors of the Company was 6 (Six) Directors comprising of one Executive Promoter Director, one Non – Executive Non – Independent Director and four Non-Executive Independent Directors. The Independent Directors are eminent professionals/ entrepreneurs with wide range of knowledge and experience in business, industry, finance and law. Their presence on the Board has been advantageous and fruitful in taking business decisions.

The composition of the Board, their attendance at the meeting, their Directorship and Chairmanship/Memberships of Committees in other Companies as on 31st March, 2019 are given below:

Name of the Director	Designation Executive/Non Executive Independent/ Promoter	Board Meetings held and attended by the Directors		Attendance at the last Annual General Meeting	*[1] Directorships in other Companies	*[2] No. of Board Committees in which Chairman / Member	
		Held	Attended			Chairman	Member
*Mr. Ashok H. Thakkar	Promoter/ Executive Director	6	1	N.A.	N.A.	N.A.	N.A.
*Mr. Bhavesh R. Thakkar	Promoter/ Executive Director	6	1	N.A.	N.A.	N.A.	N.A.
§Mr. Nipun C. Shah	Non-Executive Independent Director	6	-	N.A.	N.A.	N.A.	N.A.
§Mr. Yasir J. Varawala	Non-Executive Independent Director	6	-	N.A.	N.A.	N.A.	N.A.
Mr. Bimal R. Thakkar	Promoter/ Chairman, Managing Director & CEO	6	5	Yes	4	1	2
#Mr. Jay M. Mehta	Non-Executive Non- Independent Director	6	4	Yes	6	Nil	2
Mr. Viren A. Merchant	Non-Executive Independent Director	6	6	Yes	1	Nil	Nil
Mr. Ravinder Kumar Jain	Non-Executive Independent Director	6	6	No	1	1	1
Ms. Anjali Seth	Non-Executive Independent Director	6	5	No	7	2	6
Mr. Naresh Kothari	Non-Executive Independent Director	6	6	Yes	4	Nil	1

*Mr. Ashok Thakkar and Mr. Bhavesh Thakkar resigned as Directors from the closure of business hours on 29th May, 2018.

§Mr. Nipun Shah and Mr. Yasir Varawala resigned as Directors w.e.f. 18th May, 2018.

#Mr. Jay Mehta resigned as Independent Director on 27th September, 2018 and was again appointed as an Additional Director in the category of Non-Executive Non-Independent Director on 12th February, 2019.

Note: None of the Directors are *inter-se* related with other Directors except Mr. Ashok Thakkar, Mr. Bimal Thakkar and Mr. Bhavesh Thakkar.

The Board, on request of the Director(s) has granted Leave of Absence to the Director(s) being unable to attend the respective Board Meeting(s) and Committee Meeting(s).

*[1] Number of Directorships held by the Directors, as mentioned above do not include alternate Directorship and Directorship held in foreign companies, Section 8 Companies and Private Limited Companies incorporated in India.

*[2] Committee Chairmanship/Membership of only Audit Committee and Shareholders' Grievance/ Stakeholders' Relationship Committee of public companies is reckoned. Membership includes Chairmanship of the Director.

None of the above Directors is a member in more than 10 Committees or acts as Chairman of more than 5 Committees across all Companies in which he is a Director.

The details of Directorship and Committee Membership of Directors in various companies is given at Annexure I to this Report.

Independent Directors are not serving as Independent Director in more than seven listed companies.

The Whole Time Director of the Company doesn't serve as Independent Director in more than three listed companies.

The Company has received declarations of independence as prescribed under Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from the Independent Directors. All requisite declarations have been placed before the Board.

The details of Directorship of Directors in other listed entities and their category of Directorship are mentioned below:

Sr. No	Name of the Director	Name of Listed Entity	Category
1.	Mr. Bimal R. Thakkar	Gujarat Sidhee Cement Limited	Independent Director
		Saurashtra Cement Limited	
2.	Mr. Jay M. Mehta	Gujarat Sidhee Cement Limited	Executive Vice Chairman and Managing Director
		Saurashtra Cement Limited	
3.	Mr. Ravinder K. Jain	Delta Corp Limited	Independent Director
4.	Ms. Anjali Seth	Caprihans India Limited	Independent Director
		Endurance Technologies Limited (Cn)	
		Kalpataru Power Transmission Limited	
		JMC Projects (India) Limited	
		Centrum Capital Limited	
5.	Naresh Kothari	AGC Networks Limited	Non-Executive Additional Director
		B L Kashyap and Sons Limited	Non-Executive Non-Independent Director

Disclosure of the number of equity shares of the Company held by Non-Executive Directors as on 31st March 2019:

Sr. No.	Name of the Non-Executive Director	No. of Shares held in the Company (as first holder)
1.	Mr. Jay M. Mehta	50,000
2.	Mr. Viren A. Merchant*	50,000
3.	Mr. Ravinder Kumar Jain	50,000
4.	Mr. Naresh Kothari	Nil
5.	Ms. Anjali Seth	Nil

* In addition to the above, Mr. Viren Merchant holds 18,500 shares as joint holder.

B. Induction and training of Independent Directors:

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which *inter-alia* explains the role, function, duties and responsibilities expected of him/her as an Independent Director of the Company. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one to one meeting with the Managing Director.

Periodical presentations are made by the Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, business risks and controls, updates on relevant statutory changes encompassing important laws, etc.

The details of the Familiarization programme imparted to the Independent Directors can be accessed by following the web link: <http://www.adf-foods.com/wp-content/uploads/2019/04/Familiarization-Programme-2018-19.pdf>

C. Performance evaluation of the Board of Directors:

Pursuant to the provisions of the Companies Act, 2013, and the provisions of Regulation 25(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance and the Directors individually including that of Independent Directors, evaluation of the Chairman and the evaluation of Committees of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various parameters of the Board's functioning such as adequacy of the composition of the Board and its Committees, the process of selection of new Board members, Board culture, understanding of the role and responsibilities, effectiveness of contributions made during the Board meetings, etc.

D. Details of sitting fees, remuneration, etc. paid to Directors for the year ended 31st March 2019:

Non-Executive Directors are eligible for only sitting fees not exceeding the limits prescribed under the Companies Act, 2013. The Independent Directors were paid sitting fees @ Rs. 30,000/- for attending every meeting of the Board, Independent Directors meeting and Audit Committee meeting and Rs. 15,000/- for attending meetings of other Board Committees viz. Nomination & Remuneration Committee, CSR Committee and Shareholder's Grievance/ Stakeholder's Relationship Committee.

Name of Non-Executive Director	Sitting fees paid for attending meetings of the Board and Committees (in Rs.)
Mr. Jay M. Mehta	1,20,000
Mr. Viren A. Merchant	4,80,000
Mr. Ravinder K. Jain	4,05,000
Ms. Anjali Seth	2,55,000
Mr. Naresh L. Kothari	2,70,000

The details of remuneration paid to the Managing Director/ Whole Time Directors during the financial year ended 31st March 2019 are as under:

Sr. No.	Director	Inter-se relationship between Directors	Period of employment contract, Notice period.	Stock options	Salary (Rs.)	Provident Fund	Other Perquisite (Rs.)	Total (Rs.)
I	*Mr. Ashok H. Thakkar, Chairman	<ul style="list-style-type: none"> • Bimal R. Thakkar - Brother's son • Bhavesh R. Thakkar - Brother's son 	1 st October, 2017 till 30 th September, 2018 Notice Period: 3 months	Nil	9,24,000	1,05,600	80,83,846	91,13,446

Sr. No.	Director	Inter-se relationship between Directors	Period of employment contract, Notice period.	Stock options	Salary (Rs.)	Provident Fund	Other Perquisite (Rs.)	Total (Rs.)
2	Mr. Bimal R. Thakkar Chairman, Managing Director & CEO	• Ashok H. Thakkar- Father's Brother • Bhavesh R. Thakkar- Brother	1 st October, 2017 till 30 th September, 2018 and 1 st October, 2018 till 30 th September, 2023 Notice Period: 3 months	Nil	75,97,800	8,68,320	14,90,593	99,56,713 (Fixed Component) and 1,20,00,000 Annual performance based variable incentive
3	*Mr. Bhavesh R. Thakkar, Executive Director & CFO	• Ashok H. Thakkar- Father's Brother • Bimal R. Thakkar- Brother	1 st October, 2017 till 30 th September, 2018 Notice Period: 3 months	Nil	9,24,000	1,05,600	80,83,846	91,13,446

*Mr. Ashok Thakkar and Mr. Bhavesh Thakkar resigned as Directors from the closure of business hours on 29th May, 2018. Their remuneration comprises of Salary for the period from 1st April 2018 till the date of exit and other retirement benefits.

NOTES:

- (i) All appointments of Directors are non-contractual except those of Mr. Bimal R. Thakkar, Chairman and Managing Director. Appointment of Mr. Bimal R. Thakkar is for five years with effect from 1st October 2018. His earlier term was from 1st October, 2017 to 30th September, 2018. The appointment of the above managerial personnel is conditional and subject to termination by three calendar months' notice in writing on either side but no severance fees of any other kind is payable.
- (ii) Presently, the Company does not have any scheme for grant of Stock Options to its Directors, Managing Director or other employees.
- (iii) None of the employees except Mr. Shivaan B. Thakkar, Manager - Business & Strategy Development is related to Mr. Bimal Thakkar, Director of the Company as on 31st March, 2019.

E. Number of Board meetings held:

The meetings of the Board of Directors are scheduled well in advance. The Board Members are presented in advance with the detailed agenda in respect of all Board meetings. During the year under review, 6 meetings of the Board of Directors were held on the following dates:

May 29, 2018, June 05, 2018, July 25, 2018, November 02, 2018, February 12, 2019 and March 13, 2019.

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through video conferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through video conferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through video conferencing.

F. Independent Directors' Meeting:

The meeting of the Independent Directors of the Company was held on 13th March, 2019 to:

- a) review the performance of the Board as a Whole and the Chairman of the Board;
- b) the performance of the Non-Independent Directors; and

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c) timeliness of flow of information between the Company management and the Board that would be necessary for the Board to effectively and reasonably perform its duties for the year under review.

G. The Board periodically reviews compliance reports of all laws applicable to the Company, prepared by the Company as well as steps taken by the Company to rectify instances of non-compliances.

H. **Chart/ Matrix setting out the skills/ expertise/ competence of the Board of Directors is as follows:**

Skills/expertise/competencies identified by the Board as required in the context of the Company's business and sector for it to function effectively	Skills/expertise/competencies available with the Board
Industry knowledge/ experience:	Yes
Industry experience	
Knowledge of FMCG sector	
Understanding of government legislation / legislative process	
Technical skills/ experience:	
Accounting and Finance	
Law	
Marketing experience	
Monitoring risk management systems	
Strategy development and implementation	
Governance Competencies:	
Financial literacy	
Strategic thinking/planning from a governance perspective	
Director's performance management	
Compliance focus	
Behavioral competencies:	
Integrity and high ethical standards	
Interpersonal relations	
Communication skills	
Willingness and ability to devote time and energy to the role	

I. **Confirmation:**

The Board hereby confirms that the Independent Directors of the Company fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the management.

J. **Detailed reasons for the resignation of Independent Director:**

During the year under review, Mr. Jay Mehta resigned as a Non-Executive Independent Director with effect from September 27, 2018 on account of his prior engagements and continuous business travels. Mr. Jay Mehta had provided detailed reasoning for his resignation.

III COMMITTEES OF DIRECTORS

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship/ Shareholder's Grievance Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Share Transfer Committee.

The terms of reference of these Committees are determined by the Board and their relevance is reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Committee Members individually and tabled at the Board Meetings.

• **AUDIT COMMITTEE**

A. Composition & Meetings:

The Audit Committee was constituted on 13th January, 2001 and over the years the Committee has been reconstituted to align it with the requirements of the provisions of applicable laws, rules and regulations. All members of the Committee are financially literate and are having the requisite financial management expertise.

The present composition of the Audit Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Audit Committee as on 31st March, 2019 was as under:

Sr. No.	Name of the Director	Chairman/ Member
1	Mr. Viren A. Merchant	Chairman
2.	Mr. Ravinder Kumar Jain	Member
3.	Mr. Bimal R. Thakkar	Member

The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer, Internal Auditors and the Statutory Auditors are invited to the Audit Committee meetings.

During the year under review, four Audit Committee meetings were held on May 28, 2018, July 23, 2018, November 02, 2018 and February 11, 2019.

The attendance of each Audit Committee member during the FY 2018-19 is given hereunder:

Sr. No.	Name of the Audit Committee Member	No. of meetings attended
1	Mr. Viren A. Merchant	4
2	Mr. Ravinder Kumar Jain	4
3	Mr. Bimal R. Thakkar	4

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on September 15, 2018.

B. The terms of reference of the Audit Committee:

The said Committee is entrusted with the powers and scope as prescribed under Section 177 of the Companies Act, 2013 and Regulation 18(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Under the Companies Act, 2013:-

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the Company with related parties;

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

Provided further that in case of transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board:

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it:

Provided also that the provisions of this clause shall not apply to a transaction, other than a transaction referred to in section 188, between a holding company and its wholly owned subsidiary company.

5. scrutiny of inter-corporate loans and investments;
6. valuation of undertakings or assets of the Company, wherever it is necessary;
7. evaluation of internal financial controls and risk management systems;
8. monitoring the end use of funds raised through public offers and related matters;
9. Oversee the vigil mechanism.

Under the Regulation 18(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

C. Review of Information by the Audit Committee:

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of Significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).
7. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

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• STAKEHOLDER'S RELATIONSHIP/SHAREHOLDERS GRIEVANCE COMMITTEE

A. Composition & Meetings:

The Stakeholder's Relationship/ Shareholders' Grievance Committee was constituted on 2nd May, 2001 and over the years the Committee has been reconstituted to align it with the requirements of the provisions of applicable laws, rules and regulations. The same was renamed as Stakeholder's Relationship/Shareholders' Grievance Committee in the Board meeting held on 28th May, 2014.

The composition of the Stakeholder's Relationship/ Shareholders' Grievance Committee as on 31st March, 2019 was as under:

Sr. No.	Name of the Director	Chairman/ Member
1.	Mr. Viren A. Merchant	Chairman
2.	Mr. Bimal R. Thakkar	Member
3.	Mr. Naresh L. Kothari	Member

Ms. Shalaka Ovalekar, Company Secretary acts as the Compliance Officer for the Committee.

During the year, four meetings of the said Committee were held on May 29, 2018, July 25, 2018, November 02, 2018 and February 12, 2019.

The attendance of each member is given hereunder:

Sr. No.	Name of the Committee Member	No. of meetings attended
1	Mr. Viren A. Merchant	4
2	Mr. Bimal R. Thakkar	4
3	Mr. Naresh L. Kothari	4

B. The terms of reference of the Shareholders' Grievance Committee:

The said Committee is entrusted with the powers and scope as prescribed under Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Committee specifically looks into redressing of investors' complaints including non-receipt of annual reports, non-receipt of declared dividends and complaints related to transfer of shares.

The Registrar and Share Transfer agents provide quarterly confirmation to the Committee on compliance of the requirements in respect of dealing with the transfers, transmissions, complaints and other shareholder related matters. The Committee also monitors and reviews the performance and service standards of the Registrar and Share Transfer Agent and provides continuous guidance to improve the service levels for investors.

C. Shareholders' complaints:

8 complaints were received from the shareholders during the financial year ended 31st March, 2019. The complaints were mainly relating to non-receipt of duplicate share certificates, pending demat requests and transfer of shares. The

Complaints received were resolved to the satisfaction of the Shareholders. No complaints remained pending as on March 31, 2019.

Apart from the said complaints, the Company also received certain requests / general intimations regarding copy of Annual Report, change of address, revalidation of dividend warrants, issuance of duplicate share certificates, transfer/ transmission of shares, dematerialization of shares, claim of shares and dividends from IEPF, etc. There are no requests pending to be replied / attended to as at the end of the year under consideration.

• **NOMINATION & REMUNERATION COMMITTEE**

A. Composition & Meetings:

The Remuneration Committee was constituted on 8th May 2002 to recommend to the Board the remuneration package for managerial persons and over the years the Committee has been reconstituted to align it with the requirements of the provisions of applicable laws, rules and regulations. The same has been renamed as Nomination & Remuneration Committee in the Board meeting held on 28th May, 2014.

The Nomination & Remuneration Committee comprises of three Non-Executive Independent Directors.

The composition of the Nomination and Remuneration Committee as on 31st March, 2019 was as under:

Sr. No.	Name of the Director	Chairman/ Member
1.	Mr. Viren A. Merchant	Chairman
2.	Mr. Ravinder Kumar Jain	Member
3.	Ms. Anjali K. Seth	Member

During the year, five meetings of the said Committee were held on May 29, 2018, July 25, 2018, November 02, 2018, February 12, 2019 and March 13, 2019.

Sr. No.	Name of the Remuneration Committee Member	No. of meetings attended
1	Mr. Viren A. Merchant	5
2	Mr. Ravinder Kumar Jain	5
3	Ms. Anjali K. Seth	4

B. The terms of reference of the Nomination & Remuneration Committee:

The said Committee is entrusted with the powers and scope as prescribed under Section 178 of the Companies Act, 2013 and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination & Remuneration Policy is attached as Annexure II to the Board's Report forming part of the Annual Report and is also available on the website of the Company at www.adf-foods.com.

Under the Companies Act, 2013:-

- 1) The Committee shall identify persons with suitable qualifications to be appointed as Directors, Senior Management Personnel and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- 2) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- 3) The Committee shall, while formulating the policy ensure that-
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Under Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- 2) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- 3) devising a policy on diversity of Board of Directors;
- 4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- 5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- 6) recommend to the Board, all remuneration, in whatever form, payable to senior management.

C. Performance evaluation criteria for Independent Directors:

The performance evaluation of the Independent Directors is carried by the entire Board of Directors (except the Director being subject to evaluation) evaluating the criteria such as participation at Board/Committee Meetings, relationships with fellow Board Members, knowledge and skill, diligence etc.

- **SHARE TRANSFER COMMITTEE**

Ms. Shalaka Ovalekar has been delegated authority to approve/ratify registration of transfer of shares in physical mode and to transact other shares-related matters.

- **CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

A. Constitution & Meetings:

The CSR Committee was constituted on 28th May, 2014 and over the years the Committee has been reconstituted to align it with the requirements of the provisions of applicable laws, rules and regulations.

The CSR Committee comprises of two Non-Executive Independent Directors and the Managing Director.

The composition of the Corporate Social Responsibility Committee as on 31st March, 2019 was as under:

Sr. No.	Name of the Director	Chairman/ Member
1.	Mr. Viren A. Merchant	Chairman
2.	Mr. Bimal R. Thakkar	Member
3.	Ms. Anjali K. Seth	Member

During the year, one meeting of the said Committee was held on 29th May, 2018.

Sr. No.	Name of the CSR Committee Member	No. of meetings attended
1	Mr. Viren A. Merchant – Chairman	1
2	Mr. Bimal R. Thakkar	1
3	Ms. Anjali K. Seth	1

B. The terms of reference of the CSR Committee:

- (1) To review and monitor the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;

- (2) To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.
- (3) To recommend the amount of expenditure to be incurred on the CSR activities.

The CSR Policy is attached as Annexure IV to the Board's Report forming part of the Annual Report and is also available on the website of the Company at www.adf-foods.com.

IV. GENERAL BODY MEETINGS

A. Location, Time and Date when last three Annual General Meetings of the Company were held are given below:

Financial Year	Day & Date	Time	Location of the Meeting
2015-16	Wednesday, 28 th September, 2016	1.00 p.m.	Ipcowala Banquet Hall, Near Amba Ashram Mandir, College Road, Nadiad 387 001, Gujarat
2016-17	Wednesday, 23 rd August, 2017	10.00 a.m.	Nadiad Nagar Palika Ipcowala Town Hall, Near City Point, Paras Circle, Santram Road, Nadiad- 387 001, Gujarat
2017-18	Saturday, 15 th September, 2018	12.00 noon	Nadiad Nagar Palika Ipcowala Town Hall, Near City Point, Paras Circle, Santram Road, Nadiad- 387 001, Gujarat

B. SPECIAL RESOLUTIONS WHETHER PASSED IN THE ANNUAL GENERAL MEETINGS

Special resolutions passed in the previous three Annual General Meetings:

Sr. No.	Annual General Meeting held on	Subject matter of the Special Resolution in brief
1	Wednesday, 28 th September, 2016	None
2	Wednesday, 23 rd August, 2017	None
3	Saturday, 15 th September, 2018	Re-appointment of Mr. Bimal R. Thakkar as Chairman, Managing Director & Chief Executive Officer for a period of 5 years w.e.f. October 01, 2018.

Postal Ballot

Resolutions put through Postal Ballot during the period and details of voting pattern:

During the Financial Year 2018 -19, the resolution for buyback of equity shares of the Company was passed through Postal Ballot on 12th July, 2018. The results of the voting by Postal Ballot were announced on 13th July, 2018.

Mr. Sanjay Risbud of M/s. S. S. Risbud & Co, Company Secretary in whole-time practice was appointed as the Scrutinizer by the Board to conduct the Postal Ballot process. The following result of the postal ballot (physical as well as e-voting) was declared. The following resolution was passed with requisite majority.

Resolutions passed through Postal Ballot	Votes in favour of the resolution		Votes against the resolution	
	No. of shares	Percentage (%)	No. of shares	Percentage(%)
Approving the Buy Back of Equity Shares of the Company	30,95,906	99.93	2,138	0.07

Procedure for Postal Ballot

In compliance with Section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related rules and Listing Agreements, the Company provided electronic voting (e-voting) facility to its members. The Company engaged the services of Link Intime India Pvt. Ltd. for the purpose of providing e-voting facility to its members. The members had the option to vote either by physical ballot or through e-voting.

The Company dispatched the postal ballot notices and forms along with postage prepaid business reply envelope to its members whose names appeared on the register of members/ list of beneficiaries as on the cut-off date decided by the Board. The postal ballot notice was sent to members in electronic form to the e-mail addresses registered with

the depository participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agent (in case of physical shareholding). The Company had also published a notice in the newspapers declaring the details of completion of dispatch and such other requirements as mandated under the Act and applicable rules.

Voting rights were reckoned on the paid - up value of the shares registered in the names of the members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms were requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode were requested to vote before the close of the business hours on the last date of the e-voting.

The scrutinizer submitted his report to the Chairman, after the completion of the scrutiny, and the consolidated results of the voting by postal ballot, were then announced by the Chairman/Company Secretary. The results were displayed on the Company's website www.adf-foods.com and were also put on the notice board of the Company besides being communicated to the stock exchanges, depository and Registrar and Share Transfer Agent. The last date for the receipt of duly completed Postal Ballot forms or e-voting was the date on which the resolution was considered as passed.

There is no immediate proposal for passing any resolution through Postal Ballot.

V. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are generally published in the "The Economic Times" (Ahmedabad edition in English and Gujarati), "The Economic Times" (Mumbai edition in Gujarati), "Western Times" (Ahmedabad edition in English and Gujarati) and "Western Times" (Mumbai edition in Gujarati).

The financial results and other information are displayed on the Company's website viz. www.adf-foods.com as well as on the website of the Stock Exchanges viz. www.bseindia.com and www.nseindia.com.

The Company's website also displays official news releases.

Website: The Company's website (www.adf-foods.com) contains a separate dedicated section viz; 'Investors' where information for the shareholders is made available. The Company's Annual Report is also available in downloadable form on website.

The Company does not have the system of intimating shareholders individually of its quarterly/half-yearly financial results. However, investors/shareholders desirous of getting the quarterly/half yearly financial results are given copies thereof after consideration of results by the Board and publication in the newspapers.

Annual Report: The Annual Report containing *inter-alia*, Audited Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Auditors Report and other important information are circulated to the Members and others entitled thereto. The Management Discussion and Analysis report is given separately in the Annual Report.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for the Corporates. All periodical compliance filings like shareholding pattern, corporate governance report, Financial Results, statement of investor's complaints, among others on NSE are filed electronically on NEAPS.

BSE Listing Centre: The Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, Financial Results, statement of investor's complaints, among others on BSE are filed electronically on Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

Institutional investors: There was/ were no presentation/(s) made to institutional investors or to the analysts during the year under review.

VI. GENERAL SHAREHOLDERS' INFORMATION

A. ANNUAL GENERAL MEETING

Day, Date & Time: Wednesday , 25th September, 2019 at 12.00 noon

Venue : Nadiad Nagar Palika Ipcowala Town Hall, Near City Point,
Paras Circle, Santram Road, Nadiad - 387 001, Gujarat

B. FINANCIAL YEAR:

The Company follows the Financial Year from 1st April to 31st March.

C. FINANCIAL CALENDAR 2019-20

Schedule of Board Meetings (tentative):

First Quarter ending 30th June 2019: on or before 14th August, 2019

Half Year ending 30th September 2019: on or before 14th November, 2019

Third Quarter ending 31st December 2019: on or before 14th February 2020

Year ending 31st March 2020: on or before 30th May 2020

D. DATES OF BOOK CLOSURE

The Share Transfer Register will remain closed from Thursday, 19th September, 2019 to Wednesday , 25th September, 2019 (both days inclusive).

E. DIVIDEND- NIL

F. LISTING ON STOCK EXCHANGES

The Equity Shares of the Company are presently listed at the BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 and The National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

The Annual Listing fee for the securities listed on the aforesaid Stock Exchanges has been paid to the aforesaid Stock Exchanges for the Financial Year 2019-20.

G. STOCK CODE/SYMBOL

BSE Limited	:	519183
The National Stock Exchange of India	:	ADFFOODS
ISIN	:	INE982B01019
CIN	:	L15400GJ1990PLC014265

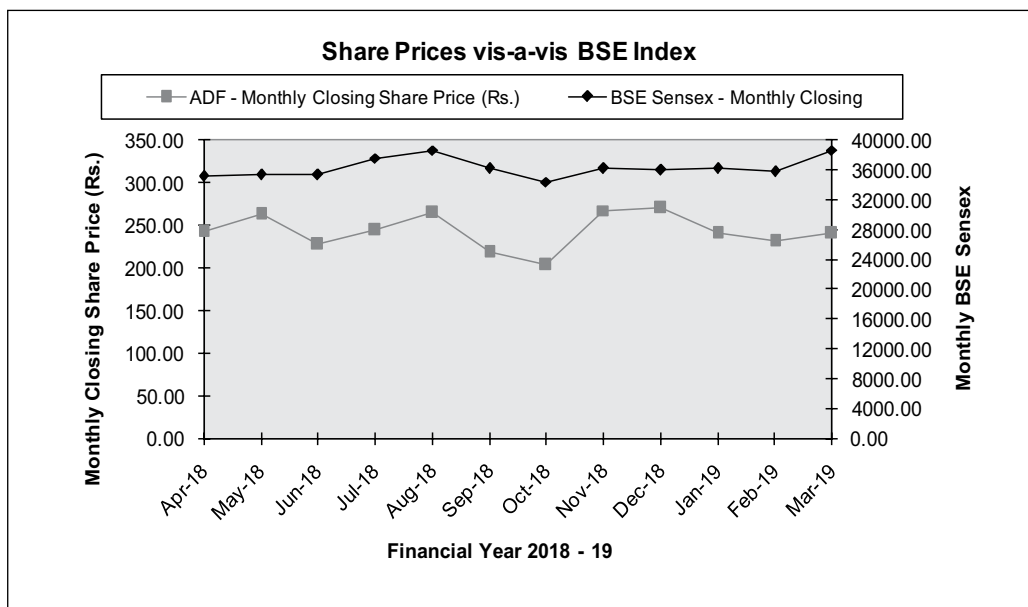
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H. MARKET PRICE DATA

The monthly high, low and closing price quotations of the Company's shares traded on the BSE Limited during financial year 2018-2019 are as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Total Traded Quantity (Nos.)
April 2018	248.90	203.50	242.75	12,03,812
May 2018	276.10	226.75	263.35	5,57,269
June 2018	275.45	221.40	227.90	3,18,944
July 2018	257.10	226.00	244.20	2,52,038
August 2018	271.00	235.25	265.45	2,18,047
September 2018	290.00	210.00	219.00	1,23,873
October 2018	227.00	193.00	203.10	50,106
November 2018	274.00	203.00	267.70	3,22,029
December 2018	282.00	240.00	270.20	1,00,533
January 2019	280.95	235.05	240.40	78,167
February 2019	246.90	205.30	231.40	49,546
March 2019	270.00	233.10	241.00	55,961

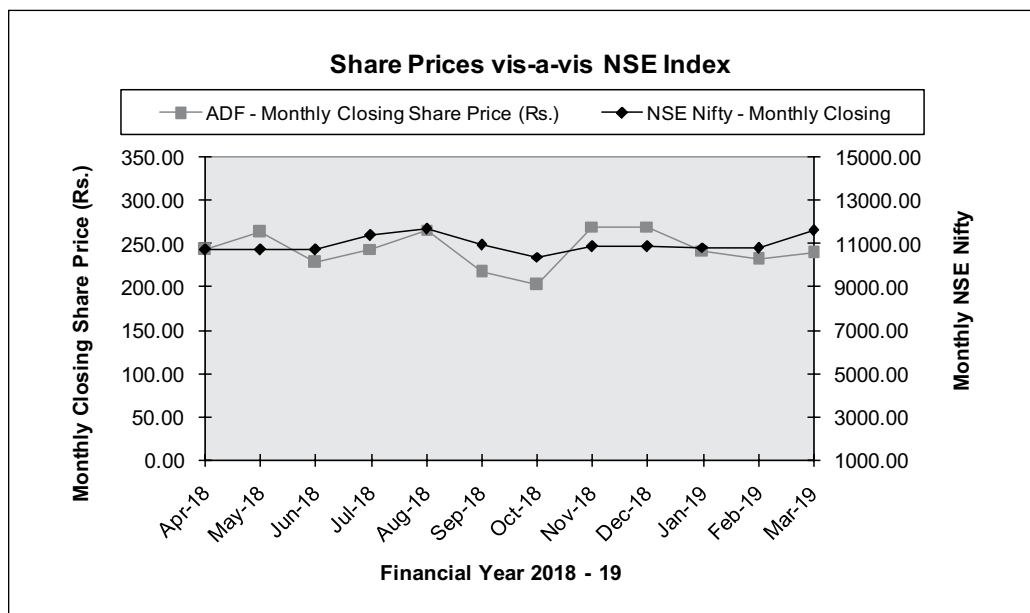
PERFORMANCE IN COMPARISON TO BROAD BASED INDICES (BSE - SENSEX)



The monthly high, low and closing price quotations of the Company's shares traded on the National Stock Exchange India Limited during financial year 2018-2019 are as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Total Traded Quantity
April 2018	249.00	203.40	242.55	59,41,148
May 2018	275.60	226.10	263.70	43,43,493
June 2018	274.00	222.00	228.00	14,44,001
July 2018	257.50	226.00	243.90	16,40,209
August 2018	271.00	235.55	266.10	15,79,596
September 2018	289.80	212.50	216.70	12,58,915
October 2018	225.95	192.30	202.80	5,24,106
November 2018	274.50	201.10	269.55	28,10,267
December 2018	282.50	237.30	269.65	12,89,965
January 2019	280.90	235.05	242.30	6,67,107
February 2019	248.40	205.50	232.30	7,05,899
March 2019	271.40	231.95	239.65	8,04,898

PERFORMANCE IN COMPARISON TO BROAD BASED INDICES (NSE - NIFTY)



ADF FOODS LTD.

I. REGISTRAR & SHARE TRANSFER AGENTS

The Company's Registrar and Share Transfer Agents are LINK INTIME INDIA PRIVATE LIMITED. Their address and contact numbers remain the same as reproduced below:

C – 101, 1st Floor, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083

Tel.: 022-49186270 Fax: 022-49186060

E-mail: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

J. SHARE TRANSFER SYSTEM

Shares held in the dematerialised form are electronically traded in the Depositories and the Registrar and Share Transfer Agents of the Company, viz. Link Intime (India) Pvt. Ltd., periodically receive the beneficial holdings data from the Depositories so as to enable them to update their records and to send all corporate communications. Physical shares received for dematerialization are processed and completed within a period of 15 days from the date of receipt provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders within the aforesaid period.

The Share Transfer is normally effected within a maximum period of 15 days from the date of receipt, if all the required documentation is submitted. The Company Secretary & Compliance Officer has been given the authority by the Board of Directors to approve the share transfers and other share related matters. The Stakeholder's Relationship Committee notes the approval of the same at the next meeting.

K. DISTRIBUTION PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2019

Shareholding of Nominal Value Rs.	No. of shareholders	% of Total	Face Value (Rs.)	% of Total
1 to 5000	17,824	92.70	2,02,25,530	10.10
5001 to 10000	678	3.53	55,58,890	2.78
10001 to 20000	330	1.72	51,16,720	2.56
20001 to 30000	104	0.54	26,93,450	1.35
30001 to 40000	51	0.27	18,35,470	0.91
40001 to 50000	53	0.28	24,78,510	1.24
50001 to 100000	77	0.40	57,17,520	2.85
100001 & above	110	0.57	15,66,01,100	78.21
Total	19,227	100.00	200,227,190	100.00

L. DEMATERIALISATION OF EQUITY SHARES AND LIQUIDITY.

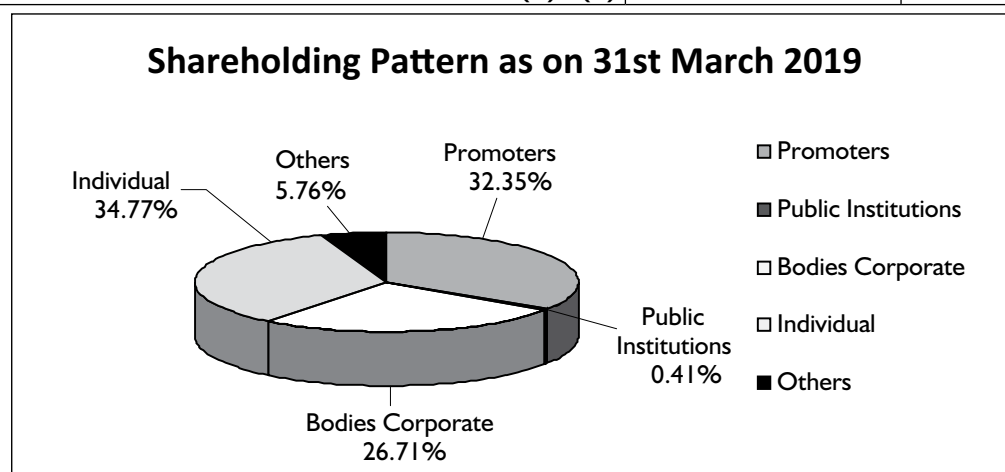
The shares of the Company are mainly traded in dematerialised form and are available for trading under both the Depository Systems, viz. NSDL (National Securities Depository Limited) and CDSL [Central Depository Services (India) Limited]. Nearly 96.08% of total equity shares of the Company are held in dematerialised form with NSDL and CDSL.

Reconciliation of Share Capital Audit Report

As stipulated by SEBI, a qualified Practicing Company Secretary carries out Reconciliation of Share Capital Audit to reconcile the total admitted capital with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The audit confirms that the total paid-up and listed capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

M. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2019

Category	No. of Shares	% Holding
A. Holding of the Promoter Group		
(a) Individual / HUF	62,38,351	31.16
(b) Bodies Corporate	2,38,399	1.19
Total (A)	64,76,750	32.35
B. Non-Promoters Holding		
I. Institutional Investors		
(a) Mutual Funds / UTI	5,100	0.03
(b) Financial Institutions / Banks	37,530	0.19
(c) Foreign Portfolio Investors	38,800	0.19
Sub Total (B1)	81,430	0.41
2. Others		
(a) Bodies Corporate	53,47,460	26.71
(b) Individual	69,62,563	34.77
(c) Clearing Member	1,08,999	0.54
(d) Non Resident Indian (Repat/ Non Repat)	2,27,780	1.14
(e) NBFCs Registered with RBI	15,523	0.08
(f) Independent Director	1,00,000	0.50
(g) HUF	2,21,523	1.11
(h) Relatives of Directors	1,18,500	0.59
(i) Investor Education and Protection Fund	3,62,191	1.81
Sub Total (B2)	1,34,64,539	67.25
Total B1 + B2 (B)	1,35,45,969	67.65
Grand Total (A) + (B)	2,00,22,719	100.00



N. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS CONVERSION DATE AND LIKELY IMPACT ON EQUITY :

During the year, the Company has not issued any GDRs/ADRs/ Warrants or any convertible instruments.

O. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

As the Company is engaged in the business of exporting the food products, it is exposed to exchange rate fluctuations on its exports. In order to mitigate this risk, the Company takes appropriate measures such as entering into forward contracts and hedging of its receivables.

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P. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) - N.A.

Q. Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the last financial year, the same to be disclosed along with reasons thereof: N.A.

R. Total fees for all services paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which the Statutory Auditor is a part:

Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) have been appointed as the Statutory Auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

Name of the Entity	Auditor's Fees (Rs.)
ADF Foods Limited:	
Audit Fees	11,00,000
Limited Review Reports (Quarterly)	5,25,000
Other Services	3,71,000
Out of Pocket Expenses	41,000
ADF Foods (India) Limited:	
Audit Fees	3,50,000
Limited Review Reports (Quarterly)	1,50,000
Total	25,37,000

S. PLANT LOCATIONS:

- * 77/84, GIDC Industrial Estate, Nadiad 387 001, Gujarat.
- * 83/86, GIDC Industrial Estate, Nadiad 387 001, Gujarat.
- * 94, GIDC Industrial Estate, Nadiad 387 001, Gujarat.
- * C I -40/2, GIDC Industrial Estate, Nadiad 387 001, Gujarat.
- * Plot No. 5, MIDC Industrial Estate, Malegaon, Sinnar, Nashik 422 103, Maharashtra.

T. ADDRESS FOR INVESTOR CORRESPONDENCE:

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address or any other query relating to shares, please write to M/s. Link Intime India Pvt. Limited, at the below mentioned address:

C - 101, 247 Park, L.B.S. Marg, Vikhroli West,
Mumbai - 400 083, India.
Tel.: 022-49186270 Fax: 022-49186060

For general correspondence, please write to:

ADF Foods Limited

Registered Office: 83/86, G.I.D.C. Industrial Estate, Nadiad 387 001, Gujarat.

Corporate Office: The Company Secretary

Marathon Innova, B2 - G01, Ground Floor,

Lower Parel, Mumbai - 400 013

Email: co_secretary@adf-foods.com

Tel.: 022 61415555 Fax: 022 61415577

Shareholders holding shares in the electronic form should address their correspondence (except those relating to dividend) to their respective Depository Participants.

U. List of all credit ratings obtained by the Company along with any revisions thereto during the financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad – N.A.

V. OTHER DISCLOSURES:

(i) Disclosure regarding materially significant related party transactions:

- (a) No transaction of material nature has been entered into by the Company with the related parties that may have potential conflict with the interest of the Company.
- (b) Transactions with related parties viz. Directors and their relatives, Key Managerial Personnel and subsidiaries are covered by contracts which govern the terms and conditions clearly.
- (c) The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in Note No. 45 of the Financial Statements.
- (d) Related Party Transaction Policy is stated under the web-link below:

<http://www.adf-foods.com/wp-content/uploads/2017/03/Related-Party-Transaction-Policy.pdf>

(ii) Details of compliance with the mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with the mandatory requirements and adopted the non-mandatory requirements the details of which are given at Point no. (ix) below.

(iii) Subsidiary Companies:

The Company's Material Subsidiary Policy is stated under the weblink below:

<http://www.adf-foods.com/wp-content/uploads/2019/04/Policy-for-Determining-Material-Subsidiary.pdf>

The Company does not have any material unlisted Indian subsidiary as on March 31, 2019.

The Company has three subsidiaries viz ADF Foods UK Ltd, Power Brands (Foods) Pvt. Ltd. (under voluntary liquidation) and ADF Foods (India) Ltd. and two step down subsidiaries viz. ADF Holdings (USA) Ltd. and ADF Foods (USA) Ltd.

The Company monitors performance of its subsidiaries, *inter-alia*, by the following means:

- The Financial Statements of the Subsidiary Companies are reviewed by the Audit Committee of the Company.
- The Minutes of the Board Meetings of the Subsidiary Companies are placed before the Board Meeting of the Company.
- The details of any significant transactions and arrangements entered into by the unlisted Subsidiary Companies are placed before the Board Meeting of the Company.
- The significant transactions entered into between the Company and its unlisted Subsidiary Companies are given in Form AOC-2 at Annexure VI forming part of the Board's Report.

Power Brands (Foods) Private Limited:

M/s Power Brands (Foods) Pvt. Ltd, Wholly Owned Subsidiary of the Company, is undergoing Voluntary Liquidation vide Special Resolution passed by the Members on 5th November, 2012.

Shareholders interested in obtaining a copy of the audited annual accounts of the Subsidiary Companies may write to the Company Secretary.

In terms of proviso to Sub Section 3 of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC-I, which forms part of the Annual Report.

(iv) Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed u/s 133 of the Companies Act, 2013 which became applicable to the Company w.e.f. 1st April, 2017.

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(v) Risk Management :

The Company has adopted Business Risk Management System (BRMS) for mitigating various risks associated and identified across all levels within the organization. BRMS would enable the management to review the business risks on periodical basis and to bring high risk areas to the immediate attention of the Board.

(vi) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority on any matter related to capital market during last three years.

(vii) Disclosure of commodity price risks and commodity hedging activities:

The details are mentioned in point number "O" in General Shareholder's Information.

(viii) Vigil Mechanism/Whistle Blower Policy:

The Company has adopted a 'Whistle Blower Policy' in its meeting held on 11th August, 2014 with an objective to conduct its affairs in a fair and transparent manner and by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

With the adoption of this Policy, the Company has put in place a mechanism wherein the Employees are free to report to the management any actual or possible violation of the Principles or any other unlawful or unethical or improper practice or act, or activity of the Company including leakage of Unpublished Price Sensitive Information. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No person has been denied access to the Management & Audit Committee. The mechanism is being reviewed by the Audit Committee of the Company in accordance with the Listing Regulations.

Whistle Blower Policy of the Company is displayed on the Company's website www.adf-foods.com under the weblink: <http://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-1.pdf>

The Whistle Blower Policy is stated elsewhere in this Report.

During the year, no complaints were received and remained pending under the Whistle Blower Policy.

(ix) Disclosure on Sexual Harassment of Women at Workplace

The disclosure pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given as under:

No. of complaints filed during the financial year - Nil

No. of complaints disposed of during financial year - Nil

No. of complaints pending as on the end of financial year - Nil

(x) The Company has complied with all the mandatory requirements of Regulation 16 to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as under:

Particulars	Regulation Number	Compliance status (Yes/No/NA)refer note below
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes

Particulars	Regulation Number	Compliance status (Yes/No/NA)refer note below
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Composition and role of Stakeholder Relationship Committee	20(1) (2), (3) and (4)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4), (5)	N.A.
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all Related Party Transactions	23(2) & (3)	Yes
Approval for material Related Party Transactions	23(4)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Filling up of casual vacancy caused by removal/resignation of Independent Director	25(6)	NA
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Other Corporate Governance Requirements	27 (1) & (2)	Yes

With regards to the Corporate Governance, the Company is in compliance with the requirements under regulation 17 to 27 read with Schedule V and Clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Details of discretionary requirements as per Part E of Schedule II of Regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The status of compliance with Discretionary requirements as referred above is stated below:

- A. The Board: The Company has an Executive Chairperson. Therefore the Discretionary requirements pertaining to Non-Executive Chairperson are not applicable.
- B. Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- C. Modified opinion(s) in Audit Report: The Company's financial statement for the year 2018-19 does not contain modified Audit opinion.
- D. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

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Details of compliances under Clauses (b) to (i) of Sub- Regulation (2) of Regulation 46:

Particulars	Regulation Number	Compliance status with regard to the disclosure on the Company's website (Yes/No/NA)
Terms and conditions of appointment of Independent Directors	46 (2)(b)	Yes
Composition of various Committees of Board of Directors	46 (2)(c)	Yes
Code of Conduct of Board of Directors and Senior Management Personnel	46 (2)(d)	Yes
Details of establishment of Vigil Mechanism/ Whistle Blower Policy	46 (2)(e)	Yes
Criteria for making payment to Non-Executive Directors, if the same has not been disclosed in the Annual Report	46 (2)(f)	N.A. as the same has been disclosed in the Annual Report
Policy on dealing with Related Party Transactions	46 (2)(g)	Yes
Policy for determining material subsidiaries	46 (2)(h)	Yes
Details of Familiarisation programmes imparted to Independent Directors	46 (2)(i)	Yes

W. NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT, WITH REASONS THEREOF – N.A.

X. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT: N.A.

Y. CODE OF CONDUCT:

The Company has adopted the Code of Conduct and Ethics for Directors and Senior Management. As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to Corporate Governance, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code and a declaration signed by the Managing Director & CEO is given below:

"It is hereby declared that the Company has obtained from all members of the Board and Senior Management Personnel, an affirmation that they have complied with the Code of Conduct for the Board Members and Senior Management Personnel for the financial year ended 31st March, 2019."

Code of Conduct of the Company is displayed on the Company's website [www.adf-foods.com](http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf) under the weblink <http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf>

Bimal R. Thakkar
Chairman, Managing Director & CEO
DIN: 00087404

Z. CEO/CFO CERTIFICATION:

A certificate duly signed by the Managing Director & CEO & CFO that the Financial Statements reflect true and fair view of the affairs of the Company was placed before the Board. The certificate is attached at Annexure II to this Report.

For and on behalf of the Board of Directors

Bimal R. Thakkar
Chairman, Managing Director & CEO
DIN: 00087404

ANNEXURE I

REPORT ON CORPORATE GOVERNANCE

DETAILS OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS OF ALL THE DIRECTORS AS ON 31ST MARCH, 2019:

[1] MR. BIMAL R. THAKKAR

Other Directorships:

- Gujarat Sidhee Cement Limited
- Saurashtra Cement Limited
- ADF Foods (India) Limited
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]
- ADF Foods U.K. Limited
- ADF Holdings (USA) Limited
- ADF Foods (USA) Limited
- Villa Trading Company Pvt. Limited
- H J Thakkar Property Investment Limited

Committee Memberships:

- ADF Foods Limited
 - Shareholder's Grievance/Stakeholder's Relationship Committee
 - CSR Committee
 - Audit Committee
- Gujarat Sidhee Cement Limited
 - Audit Committee
 - Share Allotment Committee
 - Nomination & Remuneration Committee
- Saurashtra Cement Limited
 - Nomination & Remuneration Committee
 - Stakeholders Relationship / Shareholders Grievances Committee
 - Share Allotment Committee

[2] MR. VIREN A. MERCHANT

Other Directorships:

- Encore Healthcare Private Limited
- Encore Healthcare International Private Limited
- ADF Foods (India) Limited
- ADF Foods (USA) Ltd.
- ADF Holdings (USA) Ltd.
- ADF Foods (UK) Ltd.

Committee Memberships:

- ADF Foods Limited
 - Audit Committee
 - Nomination & Remuneration Committee
 - CSR Committee
 - Shareholder's Grievance/Stakeholder's Relationship Committee

[3] MR. JAY M. MEHTA

Other Directorships:

- Gujarat Sidhee Cement Limited
- Saurashtra Cement Limited
- Metro Pizza Private Limited
- Goodkarma Hospitality Private Limited
- Indianapolis Hospitality Private Limited
- Omna Exports Private Limited
- Parsec Enterprises Private Limited
- Bhadra Textiles and Trading Private limited
- Reeti Investments Private Limited
- Pranay Holdings Limited
- Prachit Holdings Limited
- Ria Holdings Ltd
- Galaxy Technologies Private Limited
- Mehta Private Limited
- Agrima Consultants International Limited
- Arclightz and Films Private Limited
- Knight Riders Sports Private Limited

Committee Memberships:

- Gujarat Sidhee Cement Limited
 - Shareholder's Grievance/ Stakeholder's Relationship Committee
- Saurashtra Cement Limited
 - Shareholder's Grievance/ Stakeholder's Relationship Committee

[4] MR. RAVINDER KUMAR JAIN

Other Directorships:

- Delta Corp Ltd.
- Nector Ramco Trading Private Limited
- Brovel Trading Private Limited
- Noble Newera Milestone Trading and Investment Private Limited
- Accra Investments Private Limited
- Orange City Properties Private Limited
- Nobel Feedback Computers Private Limited
- Spirit Marketing Private Limited
- Craft Brewerkz Private Limited
- Marvel Resorts Private Limited

Committee Memberships:

- ADF Foods Limited
 - Audit Committee
 - Nomination & Remuneration Committee
- Delta Corp Limited
 - Audit Committee
- Marvel Resorts Private Limited
 - Audit Committee
 - Nomination and Remuneration Committee

[5] MS. ANJALI K. SETH

Other Directorships:

- Caprihans India Limited
- Endurance Technologies Limited (CN)
- Kalpataru Power Transmission Limited
- JMC Projects (India) Limited
- Kalpataru Limited
- Centrum Housing Finance Limited
- Centrum Capital Limited

Committee Memberships:

- Caprihans (India) Limited
 - Shareholder's Grievance/Stakeholder's Relationship Committee
- Endurance Technologies Ltd.
 - Shareholder's Grievance/Stakeholder's Relationship Committee
 - Audit Committee
 - Nomination & Remuneration Committee
- JMC Projects (India) Limited
 - Audit Committee
 - Stakeholders Relationship Committee
- Centrum Housing Finance Limited
 - Nomination & Remuneration Committee
 - Audit Committee
- ADF Foods Limited
 - Nomination & Remuneration Committee
 - Corporate Social Responsibility Committee

[6] MR. NARESH KOTHARI

Other Directorships:

- B L Kashyap and Sons Limited
- Bhagwati Products Limited
- Alpha Alternatives Holdings Private Limited
- Soul Space Projects Limited
- AGC Networks Limited
- Provincial Finance and Leasing Co Private Limited

Committee Memberships:

- B L Kashyap and Sons Limited
 - Audit Committee
 - Nomination and Remuneration Committee
- ADF Foods Limited
 - Shareholders' Grievance/Stakeholder's Relationship Committee

ANNEXURE II

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To
The Board of Directors
ADF Foods Ltd.

We, the undersigned, hereby certify and confirm to the Board of Directors of the Company that:

- A. We have reviewed financial statements and cash flow statement for year ended 31st March, 2019 and that to the best of our knowledge and belief;
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, of which we are aware and we have taken steps to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:
1. there are no significant changes in internal control over financial reporting during the year;
 2. there are no significant changes in accounting policies during the year; and
 3. there has been no instance of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Bimal R Thakkar
Chairman, Managing Director & CEO
DIN : 00087404

Sd/-
Anish Jhaveri
CFO

Date: 22nd May, 2019

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
ADF Foods Limited

We have examined the compliance of conditions of Corporate Governance by ADF Foods Limited ("the Company") for the year ended March 31, 2019, as stipulated in Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. I04607W/W10066

FARHAD M. BHESANIA
PARTNER
Membership No. I27355
UDIN: I9127355AAAACU2962

Place: Mumbai
Date: August 10, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of ADF Foods Limited

Report on the Audit of the Standalone Ind AS Financial Statement

Opinion

We have audited the accompanying standalone Ind AS Financial Statements of **ADF Foods Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("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, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 standalone 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 together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Our Response
1. Impairment of Indefinite-lived intangible assets	
<p>Indefinite-lived intangible assets (Brands) as at March 31, 2019 amount to Rs.2,132.84 lakhs.</p> <p>The impairment assessment must be performed at least annually and involves the determination of the recoverable amount, being the higher of the value-in-use and the fair value less costs to dispose.</p> <p>We consider this to be a key audit matter because the recoverability assessment of such assets involves complex and subjective estimates and judgements.</p> <p>These estimates and judgements are entrenched with inherent uncertainty as they include assumptions in relation to forecasting revenue growth rates, direct costs, foreign exchange rates, discount rates and future cash flows.</p>	<p>We have assessed the valuation methodology and challenged management's analysis and assumptions around the key drivers of cash flow forecasts including discount rate, terminal growth rate, royalty rate etc. by comparing them to relevant market data and with the assistance from our inhouse specialists. We also performed sensitivity analysis in respect of the above assumptions.</p> <p>We assessed the appropriateness and completeness of the related disclosures in the financial statements.</p>
2. Derivative Instruments and Hedge Accounting	
<p>The Company enters into a high volume of derivative financial instrument contracts to manage its exposure to foreign currency risk. These contracts gave rise to derivative Assets of Rs.213.55 lakhs as at March 31, 2019. These contracts are recorded at fair value and for the majority of them hedge accounting is applied, such that gains and losses arising from fair value changes are deferred in equity and recognised in the Statement of Profit or Loss when hedges mature. The high volume of contracts necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date. The valuation of hedging instruments and consideration of hedge effectiveness can involve a significant degree of both complexity and management judgement and are subject to an inherent risk of error.</p>	<p>Ensure that the entity's Hedging policy is documented, validated by adequate level of management and those charged with governance, and communicated to all stakeholders within the entity.</p> <p>Assess the process and controls to validate hedging requests to ensure that all hedging requests were duly validated by adequate level of management, and are in line with the entity's documented hedging policy.</p> <p>Verify that all derivatives documented in hedging relationships are allocated to a specific hedged risk from their inception.</p> <p>Testing management's controls over derivative financial instruments and hedge accounting.</p> <p>Inspecting, on a sample basis, appropriateness of hedging documentation and contracts.</p> <p>Obtaining confirmation in respect of derivative financial instruments from counterparties.</p> <p>Re-performing the year end valuations of derivative financial instruments and calculations of hedge effectiveness; and</p> <p>We have also evaluated whether the liabilities and potential exposures were appropriately disclosed in the Financial Statements.</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely Financial Highlights, Management Discussion and Analysis, Director's report, Corporate Governance Report, but does not include the Financial Statements and our auditor's report thereon. The information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and review the steps taken by the Management to communicate with those in receipt of the other information, if previously issued, to inform them of the revision

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 of 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 Standalone Ind AS Financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Ind AS Financial Statements.

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

- (a) Identify and assess the risks of material misstatement of the Standalone 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.
- (b) 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to Financial Statements in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 Standalone Ind AS 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.

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- (e) Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of subsection (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- (g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided managerial remuneration in accordance with the provisions of Section 197 of the Act.
- (h) 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 has disclosed the impact of pending litigations on its Standalone financial position in its Standalone Ind AS financial statements – Refer Note 40 to the financial statements;
 - ii. The Company did not have any material foreseeable losses, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/WI00166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai

Date: May 22, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in in Para I 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended March 31, 2019.

Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2016:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets, by which all fixed assets are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all fixed assets were physically verified during the year and discrepancies reported on such verification were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies reported on such verification were not material and have been properly dealt with in the books of account.
- 3) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a) (b) and (c) of paragraph 3(iii) the Order are not applicable.
- 4) In our opinion and according to information and explanations given to us, the Company has not advanced any loans to the persons covered under section 185 or granted securities under section 186 of the Act.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from Public and hence the directives issues by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable.
- 6) In our opinion and according to the information and explanation given to us, the maintenance of cost records under sub section (l) of section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.
- 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, Service Tax, Goods and Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2019, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of books of account and record, the company has generally been regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Goods and Service tax, Duty of Customs, Duty of Excise and Value added Tax except the following:

Sr. No.	Name of the Statute	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
1	Finance Act, 1994	463.54	FY.2006-2007 to FY.2010-2011	CESTAT
2	Income Tax Act, 1961	164.98	FY.2009-2010 to FY.2013-2014	CIT (Appeal)

- 8) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of borrowings to banks. The Company does not have any loans or borrowings from financial institutions, government or debenture holders.
- 9) The Company has not raised any funds by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the paragraph 3 (ix) of the Order is not applicable.
- 10) 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.
- 11) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 hence the provisions of paragraph 3 (xvi) of the Order are not applicable.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/WI00166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai

Date: May 22, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the standalone Ind AS Financial Statements for the year ended March 31, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls with reference to financial statements of ADF Foods Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the Internal Control Over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System with reference to financial statements and their operating effectiveness.

Our audit of Internal Financial Controls System with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal Financial Control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the Internal Financial Control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls System with reference to financial statements and such Internal Financial Controls with reference to financial statements were operating effectively as at March 31, 2019, based on "the Internal Control Over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Date: May 22, 2019

BALANCE SHEET AS AT MARCH 31, 2019

(All amounts are in Rupees lakhs unless stated otherwise)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	4(a)	4,725.06	4,911.28
Capital work-in-progress		147.72	23.12
Intangible assets	4(b)	2,136.01	2,137.57
Financial assets			
Investments	5	5,792.52	5,723.62
Trade receivables	6	4.51	4.51
Loans	7	128.18	158.46
Other financial assets	8	35.68	144.34
Income tax assets (net)	9	323.75	297.63
Other non-financial assets	10	336.76	64.02
Total non-current assets		13,630.19	13,464.55
Current assets			
Inventories	11	2,617.70	2,208.67
Financial assets:			
Trade receivables	12	4,222.05	3,980.30
Cash and cash equivalents	13	1,234.69	2,420.37
Bank balance other than above	14	403.31	342.12
Loans	15	14.06	20.44
Other financial assets	16	800.17	334.26
Other non financial assets	17	843.88	1,360.76
		10,135.86	10,666.92
Assets held - for - sale	18	14.63	-
Total current assets		10,150.49	10,666.92
Total assets		23,780.68	24,131.47
Equity and liabilities			
Equity			
Equity share capital	19	2,040.10	2,157.98
Other equity	20	19,003.09	18,684.78
Total equity		21,043.19	20,842.76
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	21	-	2.54
Provisions	22	119.76	217.06
Deferred tax liabilities (net)	23	867.44	742.65
Total non-current liabilities		987.20	962.25
Current liabilities			
Financial liabilities			
Borrowings	24	-	130.08
Trade payables			
a) Dues to micro, small and medium enterprises (Refer Note no: 41)		31.75	59.72
b) Dues other than to micro, small and medium enterprises	25	1,068.15	1,043.68
Other financial liabilities	26	264.20	517.25
Other non financial liabilities	27	107.33	308.80
Provisions	28	50.61	20.54
Income tax liabilities (net)	29	178.25	246.39
		1,700.29	2,326.46
Liabilities classified on asset held for sale	30	50.00	-
Total current liabilities		1,750.29	2,326.46
Total liabilities		2,737.49	3,288.71
Total equity and liabilities		23,780.68	24,131.47
Significant accounting policies	2		

The accompanying notes 1 to 54 form an integral part of the financial statements.

As per our report of even date

For **KALYANIWALLA & MISTRY LLP**

Chartered Accountants
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

Partner
Membership Number 127355

Place: Mumbai
Date: May 22, 2019

Signatures to the Balance Sheet and Notes to the financial statements

For and on behalf of the Board

Bimal R. Thakkar
Chairman, M.D. & C.E.O.
DIN: 00087404

Shalaka Ovalekar
Company Secretary
Membership No.: A15274

Place: Mumbai
Date: May 22, 2019

Anish Jhaveri
Chief Financial Officer

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees lakhs unless stated otherwise)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	31	18,749.90	16,378.83
Other income	32	1,405.05	1,861.11
Total income		20,154.95	18,239.94
Expenses			
Cost of materials consumed	33	8,932.55	7,820.54
Purchase of stock-in-trade		654.87	1,140.78
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	(421.40)	276.77
Excise duty	35	-	12.21
Employee benefits expenses	36	1,342.93	1,386.64
Finance cost	37	86.90	112.71
Depreciation and amortisation expenses	38	431.08	435.92
Other expenses	39	4,728.39	3,974.03
Total expenses		15,755.32	15,159.60
Profit before Tax		4,399.63	3,080.34
Tax expense			
Current tax		1,290.69	1,023.20
Deferred tax		61.21	(165.23)
Total tax expense		1,351.90	857.97
Profit for the year		3,047.73	2,222.37
Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or loss			
Re-measurement of the defined benefit plans		(83.24)	6.29
Income tax on above item		24.24	(1.83)
		(59.00)	4.46
B. Items that will be reclassified subsequently to profit or loss			
Net gain/(loss) on cash flow hedges		301.65	(724.89)
Income tax on above item		(87.82)	211.09
		213.83	(513.80)
Net other comprehensive income for the year (net of tax) (A + B)		154.83	(509.34)
Total comprehensive income for the year		3,202.56	1,713.03
Earning per equity share [Nominal value per share Rs. 10/- each]			
Basic and Diluted (Rs.)	48	14.84	10.48

The accompanying notes 1 to 54 form an integral part of the financial statements.

As per our report of even date

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Registration Number 104607W/WI00166

FARHAD M. BHESANIA

Partner

Membership Number 127355

Place: Mumbai

Date: May 22, 2019

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

For and on behalf of the Board

Bimal R. Thakkar
Chairman, M.D. & C.E.O.
DIN: 00087404

Anish Jhaveri
Chief Financial Officer

Shalaka Ovalekar
Company Secretary
Membership No.: A15274

Place: Mumbai

Date: May 22, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts are in Rupees lakhs unless stated otherwise)

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
A. Cash Flow from Operating Activities		
Profit before Taxation	4,399.63	3,080.34
Adjustment for:		
Depreciation and amortisation	431.08	435.92
Loss on sale / write off of Fixed Assets	55.01	14.03
Finance cost	86.90	112.71
Provision for doubtful trade receivables	-	0.89
Bad debts written off	(0.38)	-
Unrealised exchange loss	63.08	(69.35)
Net (gain)/loss on sale of investments	-	(18.43)
Interest income	(52.20)	(35.19)
Dividend income	-	(0.04)
Operating Profit before working capital changes	4,983.12	3,520.88
Adjustment for:		
(Increase) / Decrease in trade receivable	(316.79)	(794.19)
(Increase) / Decrease in inventories	(409.03)	269.95
(Increase) / Decrease in Non-current financial assets	123.12	129.45
(Increase) / Decrease in Non-current Non-financial assets	(272.73)	(28.64)
(Increase) / Decrease in current financial assets	(247.80)	(143.35)
(Increase) / Decrease in current Non-financial assets	516.88	(610.95)
(Increase) / Decrease in assets held for sale	(14.63)	-
Increase / (Decrease) in trade payable	2.29	201.20
Increase / (Decrease) in Non-current Non-financial provisions	(97.31)	33.36
Increase / (Decrease) in current financial liabilities	(138.36)	123.47
Increase / (Decrease) in liabilities classified on asset held for sale	50.00	-
Increase / (Decrease) in current Non-financial liabilities	(171.40)	235.63
	4,007.36	2,936.81
Taxes Paid (Net)	(1,384.95)	(799.47)
Net Cash Flow from / (used in) Operating Activities (A)	2,622.41	2,137.34
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment	(481.53)	(469.72)
Proceeds from sale of property, plant and equipment	58.64	-
Withdrawal/(Investment) in fixed deposits	(56.37)	(85.49)
Proceeds from sale of mutual funds	-	867.81
Investment in subsidiary	(68.91)	296.40
Dividend Received	-	0.04
Interest received	54.03	31.71
Net Cash Flow from/ (used in) Investing Activities (B)	(494.14)	640.75

(All amounts are in Rupees lakhs unless stated otherwise)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C. Cash Flow from Financing Activities		
Buyback of equity shares	(3,002.12)	-
Repayment of short-term borrowings (Net)	(140.00)	(339.03)
Finance cost	(86.90)	(112.71)
Unclaimed dividend	11.01	(553.16)
Tax on dividend	-	(107.90)
Net cash flow from / (used in) financing activities (C)	(3,218.01)	(1,112.80)
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(1,089.74)	1,665.29
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING OF THE YEAR	2,420.37	691.46
Unrealised Foreign Exchange Reinstatement in Cash and Cash Equivalents	(95.94)	63.62
Cash and Cash Equivalents - Closing Balance	1,234.69	2,420.37
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,185.68)	1,728.91
Notes:		
I. Cash and Cash Equivalents:		
(a) Cash on hand	7.04	7.69
(b) Balance with banks	1,227.54	2,412.67
(c) Cheque and draft on hand	0.11	0.01
Cash and Cash Equivalents.	1,234.69	2,420.37

- The cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.
- The above cash flow statement includes Rs. 50.16 lacs towards Corporate Social Responsibility activities (Refer Note 49).
- Figures for the previous year have been regrouped/ restated wherever necessary to conform to current year's classification.

As per our report of even date

For KALYANIWALLA & MISTRY LLP

Chartered Accountants

Firm Registration Number 104607W/WI00166

FARHAD M. BHESANIA

Partner

Membership Number 127355

Place: Mumbai

Date: May 22, 2019

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

For and on behalf of the Board

Bimal R. Thakkar

Chairman, M.D. & C.E.O.

DIN: 00087404

Anish Jhaveri

Chief Financial Officer

Shalaka Ovalekar

Company Secretary

Membership No.: AI5274

Place: Mumbai

Date: May 22, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees lakhs unless stated otherwise)

(a) Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
Balance at beginning of the year	21,201,461	2,120.15	21,201,461	2,120.15
Changes in equity shares during the year	(1,178,742)	(117.87)	-	-
Balance at end of the year	20,022,719	2,002.27	21,201,461	2,120.15

(b) Other Equity

Particulars	March 31, 2019	March 31, 2018
Reserves and surplus		
Capital reserves		
As per Last Balance Sheet	105.00	105.00
Capital redemption reserves		
As per last Balance sheet	79.85	79.85
Addition during the year	117.88	-
Closing balance	197.73	79.85
Securities premium		
As per Last Balance Sheet	5,051.11	5,051.11
Utilised during the year	(2,884.25)	-
Closing balance	2,166.86	5,051.11
General reserve		
As per last Balance Sheet	763.97	763.97
Retained earning		
As per Last Balance Sheet	12,692.09	11,102.53
Utilised for buyback of equity shares	(117.88)	-
	12,574.21	11,102.53
Profit for the year	3,047.73	2,222.37
Re-measurement of defined benefit plans	(59.00)	4.46
Less: Dividend paid	-	(529.37)
Less: Tax on dividend	-	(107.90)
Movement during the year	2,988.73	1,589.56
Closing Balance	15,562.94	12,692.09
Cash flow hedge reserve		
As per Last Balance Sheet	(7.24)	506.56
Add: Change in fair value of hedging instrument	301.65	(724.89)
Less: Deferred tax	(87.82)	211.09
Closing balance	206.59	(7.24)
Total Reserves & Surplus	19,003.09	18,684.78

The accompanying notes 1 to 54 form an integral part of the financial statements.

As per our report of even date

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA
Partner
Membership Number 127355

Place: Mumbai
Date: May 22, 2019

Signature to the statement of changes in equity and Notes to the financial statements

For and on behalf of the Board

Bimal R. Thakkar
Chairman, M.D. & C.E.O.
DIN: 00087404

Shalaka Ovalekar
Company Secretary
Membership No.: A15274

Place: Mumbai
Date: May 22, 2019

Anish Jhaveri
Chief Financial Officer

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

I Company Overview

Description of Business

ADF Foods Limited (“the Company”) is a public company incorporated under the provisions of the Companies Act, 1956 and domiciled in India having registered office at 83/86 G.I.D.C Industrial Estate, Nadiad, Gujarat. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in the manufacture and selling of food products like pickles, chutneys, ready to eat items, paste and sauces, frozen foods, spices etc. The Company caters mainly to international markets and domestic market.

Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Company’s Financial Statements for the year ended March 31, 2019 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

Current versus non-current classification all assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and noncurrent.

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, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

Key Accounting Estimates and Judgements:

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

- (a) Measurement of defined benefit obligations – Note 47
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Note 40
- (c) Recognition of deferred tax assets – Note 23
- (d) Impairment of Intangible asset – Note 38

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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability 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 period during which the change has occurred.

2 Significant Accounting Policies

2.1 Property, Plant and Equipment

2.1.1 Initial Recognition

Property, Plant and Equipment are initially recognised at cost which comprises of purchase price including import duties, non-refundable taxes and any directly attributable cost of bringing the assets to its present condition and location for its intended use, including the cost of replacing parts only

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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 except for carboys and pallets where lower lives of 5 Years is applied based on the technical advice obtained by the company.

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

The estimated useful lives for computing depreciation are generally as follows:

Machinery and equipment	15 Years
Furniture and fixtures	10 Years
Automobiles	08 Years
Building	30 Years
Computers	03 Years

Leasehold land under operating lease is depreciated over the leasehold period or its estimated useful life, whichever is shorter.

Freehold land is not depreciated.

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 Capital Work In Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset on completion of the expansion project or otherwise on commencement of commercial use of the asset.

Intangible Assets

2.2.1 Initial Recognition

Intangible Assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

2.2.2 Subsequent Recognition

Intangible Assets are carried at cost less accumulated amortisation and impairment loss, if any.

2.2.3 Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Goodwill - 5 years Software - 3 Years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Indefinite life intangibles mainly consist of brands. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not the change in useful life from indefinite to finite is made on a prospective basis.

2.2.4 Derecognition

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

2.3 Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.4 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 CENVAT/GST credits.

Raw materials, packing materials and stores: Costs includes cost of purchase, discounts and other costs incurred in bringing each product to its present location and condition.

Finish goods and work in progress: In the case of manufactured inventories and work in progress, cost includes all costs of purchases, an appropriate share of production overheads based on normal operating capacity and other costs incurred in bringing each product to its present location and condition. Finished goods valuation also includes applicable duty. Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

2.5 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.

2.6 Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment. The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

2.7 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. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

2.7.1 Financial Assets

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

2.7.1.1 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.

2.7.1.2 Subsequent measurement

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

2.7.1.2.1 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.

2.7.1.2.2 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).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

2.7.1.2.3 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. 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.

2.7.1.2.4 Financial assets as Equity Investments

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

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

2.7.1.3 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.

2.7.1.4 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 period 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.

2.7.2 Financial Liabilities

(i) Classification

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

(ii) Initial recognition and measurement

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

(iii) Loans and borrowings

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

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

This category generally applies to loans and borrowings.

(iv) Derecognition

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

(v) Offsetting of financial instruments

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Share Capital

Ordinary equity shares

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

2.7.3 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions. (Cash flow hedges).

The company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income.

When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity.

The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/ (losses).

2.8 Assets held for sale

The Company classifies Current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Assets held for sale are measured at fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

2.9 Government Subsidy/Grants

Grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as a deferred grant which is recognized as income in the Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

2.10 Segment Reporting

The Company is considered to be a single segment company – engaged in the manufacture of Processed foods. Consequently, the Company has, in its primary segment, only one reportable business segment. As per Ind AS-108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the consolidated financial statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

2.11 Provisions, Contingent Liabilities and Contingent Assets

2.11.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11.2 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.

2.11.3 Contingent Assets

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

2.12 Revenue from Operation

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 sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

2.13 Other Non-Operating Income

2.13.1 Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

2.13.2 Interest Income

Interest income is recognized using the effective interest rate (EIR) method.

2.13.3 Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

2.14 Employee Benefits

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

- a) Short-term employee benefits
- i) Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.
- b) Long Term Employee Benefit Plan

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.
- c) Post Separation Employee Benefit Plan
- i) Defined Benefit Plan
 - Post separation benefits of Directors on the basis of actuarial valuation as per Ind AS-19.
 - Gratuity Liability on the basis of actuarial valuation as per Ind AS-19. Liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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

ii) 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 as an expense in the Statement of Profit and Loss as they fall due.

2.15 Taxes

2.15.1 Current Taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its branch operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.16 Foreign Currencies

The Company's functional currency is Indian Rupee (INR) and it is also the presentation currency for the Company.

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate of exchange prevailing on the date of the transaction. Monetary assets and monetary liabilities denominated in foreign currencies and remaining unsettled at the end of the year are converted at the functional currency spot rate of exchange prevailing on the reporting date.

Differences arising on settlement or conversion of monetary items are recognised in statement of profit and loss. 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 except for the qualifying cash flow hedge, which are recognised in OCI to the extent that the hedges are effective.

2.17 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the same is in line with inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.18 Borrowings costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

2.19 Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.20 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 period.

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

3. Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements.

The Company is currently evaluating the effect of the above amendments.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

4(a) Property, Plant and Equipment

(All amounts are in Rupees lakhs unless stated otherwise)

Particulars	Period	Land		Buildings	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Office premises	Electrical installation	Laboratory equipment	Computers	Leasehold improvement	Total
		Freehold	Leasehold											
Gross carrying amount	April 1, 2017	4.18	94.39	2,228.67	2,340.17	78.42	281.75	19.80	97.77	83.73	5.73	18.09	-	5,252.70
Additions		-	-	414.19	103.69	3.41	-	3.08	-	3.26	1.92	1.68	-	531.23
Deductions		-	-	-	18.37	0.13	0.07	0.25	-	-	0.35	-	-	19.17
Closing Gross carrying amount as at	March 31, 2018	4.18	94.39	2,642.86	2,425.49	81.70	281.68	22.63	97.77	86.99	7.30	19.77	-	5,764.76
Opening gross carrying amount as at	April 1, 2018	4.18	94.39	2,642.86	2,425.49	81.70	281.68	22.63	97.77	86.99	7.30	19.77	-	5,764.76
Additions		-	-	108.06	140.45	3.62	-	4.51	-	-	0.19	6.96	93.14	356.93
Deductions		-	-	-	2.34	0.42	163.57	6.85	-	-	-	3.34	-	176.52
Closing Gross carrying amount as at	March 31, 2019	4.18	94.39	2,750.92	2,563.60	84.90	118.11	20.29	97.77	86.99	7.49	23.39	93.14	5,945.17
Accumulated depreciation	April 1, 2017	-	1.01	95.84	243.81	11.25	50.84	5.79	1.68	8.54	1.03	5.66	-	425.45
Charge for the year		-	1.01	97.67	254.75	11.36	47.14	4.43	1.69	9.14	0.94	5.04	-	433.17
Deduction		-	-	-	5.06	0.08	-	-	-	-	-	-	-	5.14
Closing accumulated depreciation	March 31, 2018	-	2.02	193.51	493.50	22.53	97.98	10.22	3.37	17.68	1.97	10.70	-	853.48
Opening accumulated depreciation	April 1, 2018	-	2.02	193.51	493.50	22.53	97.98	10.22	3.37	17.68	1.97	10.70	-	853.48
Charge for the year		-	1.01	111.24	257.16	10.80	19.75	4.28	1.68	9.17	0.97	4.30	9.14	429.50
Deduction		-	-	-	0.70	0.11	56.79	2.84	-	-	-	2.43	-	62.87
Closing accumulated depreciation	March 31, 2019	-	3.03	304.75	749.96	33.22	60.94	11.66	5.05	26.85	2.94	12.57	9.14	1,220.11
Net carrying amount as at	March 31, 2018	4.18	92.37	2,449.35	1,931.99	59.17	183.70	12.41	94.40	69.31	5.33	9.07	-	4,911.28
Net carrying amount as at	March 31, 2019	4.18	91.36	2,446.17	1,813.64	51.68	57.17	8.63	92.72	60.14	4.55	10.82	84.00	4,725.06

4(b) Intangible assets

Particulars	Period	Trade marks *	Software	Total
Gross carrying amount	April 1, 2017	2,132.84	12.56	2,145.40
Additions		-	3.49	3.49
Deductions		-	-	-
Closing Gross carrying amount as at	March 31, 2018	2,132.84	16.05	2,148.89
Opening gross carrying amount as at	April 1, 2018	2,132.84	16.05	2,148.89
Additions		-	-	-
Deductions		-	-	-
Closing Gross carrying amount as at	March 31, 2019	2,132.84	16.05	2,148.89
Accumulated amortisation	April 1, 2017	-	8.54	8.54
Charge for the year		-	2.76	2.76
Deduction		-	-	-
Closing accumulated amortisation	March 31, 2018	-	11.30	11.30
Accumulated amortisation	April 1, 2018	-	11.30	11.30
Charge for the year		-	1.58	1.58
Deduction		-	-	-
Disposals		-	-	-
Closing accumulated amortisation	March 31, 2019	-	12.88	12.88
Net carrying amount as at	March 31, 2018	2,132.84	4.75	2,137.57
Net carrying amount as at	March 31, 2019	2,132.84	3.17	2,136.01

* The indefinite life of intangible assets are tested for impairment and accordingly no impairment charges were identified for the FY-2018-19 onwards.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5 Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in equity instruments:		
Investment in Subsidiaries (Unquoted) (At amortised cost)		
a) ADF Foods (India) Limited		
Face value (Rs.)	10	10
Number of shares	50,000	50,000
Amount in Rs. In lacs	5.00	5.00
b) ADF Foods (UK) Limited		
Face value (£)	1	1
Number of shares	2,085,281	2,085,281
Amount in Rs. In lacs	1,826.29	1,826.29
c) Power Brands (Foods) Private Limited (Refer Note 50)		
Face value (Rs.)	10	10
Number of shares	20,885,992	20,885,992
Amount in Rs. In lacs	-	-
Investments in preference shares:		
Investment in Subsidiaries (Unquoted) (At amortised cost)		
a) ADF Foods (UK) Limited (0.001% Redemable Cumulative Preference Shares)		
Face value (£)	1	1
Number of shares	4,207,716	4,131,816
Amount in Rs. In lacs	3,961.23	3,892.33
Aggregate amount of unquoted investments	5,792.52	5,723.62
Aggregate amount of impairment in value of investments	-	-

6 Non-current trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivable		
Unsecured Considered good	4.51	4.51
Unsecured Credit Impaired	4.51	4.51
	9.02	9.02
Less: Allowances for Credit impaired	(4.51)	(4.51)
Total	4.51	4.51

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

7 Non-current loans

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security deposits	120.07	147.98
Loans and advances to Employees	8.11	10.48
Total	128.18	158.46

8 Other non-current financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Export incentives receivables	35.68	128.51
Deposits with maturity of more than 12 months*	-	15.83
Total	35.68	144.34

* Above bank deposits are pledged as margin money

9 Income tax assets (net)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance payment of income tax (Net)	323.75	297.63
Total	323.75	297.63

10 Other non-current non-financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Advance		
Unsecured Considered good	326.55	59.46
Unsecured Credit Impaired	-	14.63
	326.55	74.09
Less: Allowances for Credit impaired	-	(14.63)
Deferred lease expenses	10.21	4.56
Total	336.76	64.02

11 Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(Valued at lower of cost and net realizable value)		
Raw materials	274.47	299.34
Packing materials	641.69	629.19
Work-in-progress	1,495.86	921.00
Finished goods - Includes goods in transit Rs. Nil; (March 31, 2018 Rs. 53.01 lakhs)	154.51	192.40
Traded goods	51.17	166.74
Total	2,617.70	2,208.67

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

12 Current trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured Considered good		
Related parties	170.76	36.20
Others	4,051.29	3,944.10
Unsecured Credit Impaired	-	0.88
Total receivables	4,222.05	3,981.18
Less: Allowances for Credit impaired	-	(0.88)
Total	4,222.05	3,980.30

13 Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	7.04	7.69
Balances with banks		
in Current account	74.58	20.52
in EEFC account	971.66	2,392.15
in Fixed deposit account	181.30	-
Cheque, drafts on hand	0.11	0.01
Total	1,234.69	2,420.37

14 Bank balances other than above

Particulars	As at March 31, 2019	As at March 31, 2018
in Current account *	76.45	87.46
in Fixed deposit account **	326.86	254.66
Total	403.31	342.12

* Balance with bank in current account is on account of earmark balance for unclaimed dividend.

**Deposit with original maturity of more than 3 months but less than 12 months.

15 Current loans

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Loans to employees	14.06	20.44
Total	14.06	20.44

16 Other current financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Derivative instruments		
Derivative foreign exchange forward contracts	213.55	-
Dividend from Subsidiary	-	0.04
Interest accrued on fixed deposits and others	8.89	10.72
Export incentive receivable	576.63	323.14
Other receivables	1.10	0.36
Total	800.17	334.26

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

17 Other current non-financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Advance to suppliers for services	16.06	4.71
Advance to suppliers for goods	55.01	30.25
Advance to suppliers for expenses	-	0.35
Balances with Government authority	749.87	1,303.13
Prepayments	19.22	22.32
Deferred lease expenses	3.53	-
Others	0.19	-
Total	843.88	1,360.76

18 Assets held - for - sale

Particulars	As at March 31, 2019	As at March 31, 2018
Land	14.63	-
Total	14.63	-

The company purchased certain plot of land at Nadiad for the purpose of building storage facility. The Company now intends to dispose off the same as it no longer intends to utilise it for the purpose of its business. The prospective buyer has given an advance of Rs. 50 Lakhs against the sale of above mentioned land.

19 Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised shares 2,50,00,000 (March 31, 2018: 2,50,00,000) equity shares of Rs. 10/- each.	2,500.00	2,500.00
Issued, subscribed and fully paid share capital 2,12,01,461 (March 31, 2018: 2,12,01,461) equity shares of Rs. 10/- each Less: 11,78,742 (March 31, 2018: Nil) equity shares of Rs. 10/- each buyback during the year	2,120.15 (117.88) 2,002.27	2,120.15 - 2,120.15
Shares forfeited 7,56,600 (March 31, 2018: 7,56,600) equity shares of Rs. 10/- each; amount originally paid up thereon @ Rs. 5 per share	37.83	37.83
Total	2,040.10	2,157.98

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

Particulars	No. of shares	Amount (Rs.)
Equity shares		
As at April 1, 2017	21,201,461	2,120.15
Changes during the year	-	-
As at March 31, 2018	21,201,461	2,120.15
Buy-back during the year	(1,178,742)	(117.88)
As at March 31, 2019	20,022,719	2,002.27

Of the above 7,56,600 equity shares (Rs.37.83 lacs) is forfeited and not cancelled by the company .

- (b) The Board of Directors of the Company, at its meeting held on June 5, 2018 approved buyback of Equity Shares. The Company adopted the open market route in accordance with provision contained in SEBI (buyback of security) Regulation, 1998 and any statutory notification or re-entitlement for the time being in force.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The buyback of Equity Shares opened on July 23, 2018 and closed on September 19, 2018. As on the date of the closure of Buyback, the Company bought back an aggregate of 11,78,742 Equity Shares, utilizing a total of Rs. 29,99,12,542/- (excluding Transaction Costs) which represents 99.97% of the Maximum Buy-back size. The Equity Shares were bought back at an average price of Rs. 254.43 per Equity Share. All the shares bought back have been extinguished. The Company has adjusted an amount of Rs. 1,17,87,420/- against Retained Earning and Rs. 28,84,25,043/- against Security premium.

(c) Terms / rights attached to equity shares

The Company has one class of Equity Shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As at March 31, 2019	As at March 31, 2018
Mr. Bimal R. Thakkar		
No. of Shares	2,278,924	2,276,074
%	11.38%	10.74%
Mr. Bhavesh R. Thakkar		
No. of Shares	751,450	1,176,450
%	3.75%	5.55%
Mrs. Mahalaxmi R. Thakkar		
No. of Shares	1,958,022	1,958,022
%	9.78%	9.24%
Alpana S. Dangi		
No. of Shares	1,061,551	593,147
%	5.30%	2.80%
Mentore Capital Limited		
No. of Shares	2,779,284	Nil
%	13.88%	Nil
JM Financial Services Limited		
No. of Shares	113,000	1,365,089
%	0.56%	6.44%
Total - Number of shares	8,942,231	7,368,782
Total - %	44.65%	34.77%

(e) Equity shares movement during the five years preceding March 31, 2019

Particulars	No. of shares	
	From 1st April 2014 to 31st March 2019	From 1st April 2013 to 31st March 2018
Aggregate no. of equity shares bought back	1,977,281	798,539

There are no shares reserved for issue under option and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

20 Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Reserves and surplus		
Capital reserves		
As per Last Balance Sheet	105.00	105.00
Capital redemption reserves		
As per Last Balance Sheet	79.85	79.85
Addition during the year	117.88	-
Closing balance	197.73	79.85
Securities premium		
As per Last Balance Sheet	5,051.11	5,051.11
Utilized during the year	(2,884.25)	-
Closing balance	2,166.86	5,051.11
General reserve		
As per Last Balance Sheet	763.97	763.97
Retained earning		
As per Last Balance Sheet	12,692.09	11,102.53
Utilised for buyback of equity shares	(117.88)	-
	12,574.21	11,102.53
Add: profit for the year	3,047.73	2,222.37
Re-measurement of defined benefit plans	(59.00)	4.46
Less: Dividend paid	-	(529.37)
Less: Tax on dividend	-	(107.90)
Movement during the year	2,988.73	1,589.56
Closing balance	15,562.94	12,692.09
Cash flow hedge reserve		
As per Last Balance Sheet	(7.24)	506.56
Add: Change in fair value of hedging instrument	301.65	(724.89)
Less: Deferred tax	(87.82)	211.09
Closing balance	206.59	(7.24)
Total Reserves and Surplus	19,003.09	18,684.78

Nature of Reserves

(a) Capital reserve

The Company recognises profit and loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

(b) Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(c) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(d) Cash flow hedge reserve

The company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the company uses foreign currency forward contracts which are designated as cash flow hedges.

To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

21 Non-current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured		
Due to Bank under Car Loan Agreement (Refer Note no. 21.1)	-	2.54
Total	-	2.54

21.1 Secured by hypothecation of asset purchased, repayable in 35 instalments. The loan carries interest @ 10.25% p.a.

22 Non-current provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer Note no. 47)		
For compensated absences	32.32	54.04
For compensated sick leaves	9.66	6.50
For gratuity	77.78	156.52
Total	119.76	217.06

23 Income taxes

a) Tax expense recognised in profit and loss

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax expense for the year		
Tax expense of the year	1,290.69	1,023.20
Tax expense of prior year	-	-
Net current tax expenses	1,290.69	1,023.20
Deferred Income tax liability / (asset), (net)		
Origination and reversal of temporary differences	61.21	(165.23)
Total	1,351.90	857.97

b) Tax expense recognised in other comprehensive income:

Particulars	As at March 31, 2019	As at March 31, 2018
Items that will not be reclassified subsequently to profit or loss		
Re-measurements of the defined benefit plans	24.24	(1.83)
Items that will be reclassified subsequently to profit or loss		
Net gain / (loss) on cash flow hedges	(87.82)	211.09
Total	(63.58)	209.26

c) Reconciliation of effective tax rate

Particulars	As at March 31, 2019	As at March 31, 2018
Profit before tax	4,399.63	3,080.34
Tax using the company's domestic tax rate	1,281.17	1,066.05
(March 31, 2019 - 29.12 % , March 31, 2018 - 34.608 %)		
Tax effect of:		
Expenses not deductible for tax purposes	70.73	23.25
Other exemption income	-	(75.79)
Differences in tax rate *	-	(154.79)
Others	-	(0.75)
Total	1,351.90	857.97

* Reduced rate of 29,12% is applicable for company's which have reported a turnover of upto Rs.250 crores and the prospective rate has been used by the Company for calculating deferred tax as future tax rate is to be used.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

d) Movement in deferred tax balances

March 31, 2019

Particulars	Net Balance April 01, 2018	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2019	Deferred tax asset	Deferred tax liability
Deferred tax assets / (liabilities)						
Property, plant and equipment	(905.74)	(36.56)	-	(942.30)	-	(942.30)
Cash flow hedge reserve	80.86	-	(87.82)	(6.96)	-	(6.96)
Employee benefits	76.41	(20.13)	24.24	80.52	80.52	-
Provision for doubtful advances	5.82	(4.52)	-	1.30	1.30	-
Net Deferred tax assets / (liabilities)	(742.65)	(61.21)	(63.58)	(867.44)	81.82	(949.26)

March 31, 2018

Particulars	Net Balance April 01, 2017	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2018	Deferred tax asset	Deferred tax liability
Deferred tax assets / (liabilities)						
Property, plant and equipment	(994.39)	88.65	-	(905.74)	-	(905.74)
Cash flow hedge reserve	(130.23)	-	211.09	80.86	80.86	-
Employee benefits	76.84	1.40	(1.83)	76.41	76.41	-
Provision for doubtful advances	6.56	(0.74)	-	5.82	5.82	-
Fair value of Mutual fund	(75.92)	75.92	-	-	-	-
Net Deferred tax assets / (liabilities)	(1,117.14)	165.23	209.26	(742.65)	163.09	(905.74)

24 Current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured Loan		
Loans repayable on demand		
From banks	-	130.08
Total	-	130.08

Secured loan availed from banks is secured by hypothecation of the Current Assets of the Company, the whole of the immovable properties pertaining to DTA divisions situated at Plot No: 83/86, and 40, 40/1, 40/2, & 40/3 in GIDC industrial area, Nadiad including movable plant & machinery, stores, spares tools and accessories and other movable both present and future of the Company which have been provided as collateral security, ranking pari passu in favour of the Company's bankers. The said Working Capital limits are repayable on demand and the interest payable on Rupee borrowings range from 8.70 % to 9.90 % p.a. and on foreign currency borrowings is LIBOR plus margin (200 basis points).

25 Current trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
Others	1,068.15	1,043.68
Total	1,068.15	1,043.68

26 Other current financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Derivative instruments		
Derivative Foreign exchange forward contracts	-	107.31
Current maturity of long term borrowings	-	7.38
Employees related payables	81.20	77.31
Book overdraft	19.93	173.41
Unpaid dividend	76.45	87.46
Other liabilities	86.62	64.38
Total	264.20	517.25

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

27 Other current non-financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers	51.27	4.57
Statutory dues and other dues payable	56.06	304.23
Total	107.33	308.80

28 Current provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits (Refer Note no. 47)		
For compensated absences	2.36	4.90
For compensated sick leaves	1.44	1.05
For gratuity	46.81	14.59
Total	50.61	20.54

29 Income tax liabilities (net)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for taxation (net)	178.25	246.39
Total	178.25	246.39

30 Liabilities classified on asset held for sale

Particulars	As at March 31, 2019	As at March 31, 2018
Advance for land	50.00	-
Total	50.00	-

31 Revenue from operations

Particulars	As at March 31, 2019	As at March 31, 2018
Sale of products (inclusive of excise duty)	18,749.90	16,378.83
Total	18,749.90	16,378.83

Consequent to the introduction of Good and Service Tax (GST) w.e.f July 01, 2017, Central excise, Value Added Tax(VAT), etc. have been subsumed into GST. In accordance with Indian Accounting Standard -18 on Revenue and Schedule III of the Companies Act 2013, unlike excise duties, levies like GST, VAT, etc. are not part of revenue. Accordingly, figure for the year ended March 31, 2018 is not strictly relatable to previous year.

Sale of goods includes excise duty collected from customers of Nil; (March 31, 2018 Rs. 12.21 lacs)

The Chief Operating Decision Maker (CODM) evaluates the performance of the Company based on revenue and operating income in one segment. i.e. "Processed food". Accordingly, as per Ind AS-108, the Company has only one business segment and hence disaggregation information has not been separately disclosed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

32 Other income

Particulars	March 31, 2019	March 31, 2018
Interest income from		
Bank deposits	24.56	17.43
Others	27.63	17.76
Other non-operating revenue		
Export incentives	1,263.32	790.22
Liabilities no longer required written back	12.09	25.70
Unwinding of discount on security deposit	1.63	5.37
Income from investment measured at FVTPL (Refer Note no. 5 I)	-	18.43
Foreign exchange gain (net)	-	938.59
Miscellaneous income	75.82	47.61
Total	1,405.05	1,861.11

33 Cost of materials consumed

Raw material consumed		
Particulars	March 31, 2019	March 31, 2018
Inventories at the beginning of the year	299.34	326.07
Add: Purchases (net)	6,517.84	5,595.53
	6,817.18	5,921.60
Less: Inventories at the end of the year	274.47	299.34
Total	6,542.71	5,622.26
Packing material consumed		
Inventories at the beginning of the year	629.19	595.64
Add: Purchases (net)	2,402.34	2,231.83
	3,031.53	2,827.47
Less: Inventories at the end of the year	641.69	629.19
Total	2,389.84	2,198.28
Total cost of materials consumed	8,932.55	7,820.54

34 Changes in inventories of finished goods, stock in trade and work-in-progress

Particulars	March 31, 2019	March 31, 2018
Inventories at the beginning of the year		
Work-in progress	921.00	1,236.52
Finished goods	192.40	212.20
Stock in trade	166.74	108.19
	1,280.14	1,556.91
Less: Inventories at the end of the year		
Work-in progress	1,495.86	921.00
Finished goods	154.51	192.40
Stock in trade	51.17	166.74
	1,701.54	1,280.14
Total	(421.40)	276.77

35 Excise Duty

Particulars	March 31, 2019	March 31, 2018
Duty paid on sales	-	12.21
Total	-	12.21

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

36 Employee benefits expenses

Particulars	March 31, 2019	March 31, 2018
Salaries and wages	1,179.52	1,197.57
Contribution to provident fund and other funds	77.99	130.21
Staff welfare expenses	85.42	58.86
Total	1,342.93	1,386.64

37 Finance costs

Particulars	March 31, 2019	March 31, 2018
Interest expense on		
Borrowing from banks	24.41	51.37
Borrowing from financial institutions	0.87	2.18
Others	61.62	59.16
Total	86.90	112.71

38 Depreciation and amortisation

Particulars	March 31, 2019	March 31, 2018
Tangible assets	429.50	433.16
Intangible assets	1.58	2.76
Total	431.08	435.92

39 Other expenses

Particulars	March 31, 2019	March 31, 2018
Freezing and preservation charges	59.07	29.94
Power & fuel	530.11	443.86
Electricity	9.85	11.71
Water charges	13.59	12.56
Rent including lease rent	188.29	203.66
Repairs and maintenance to building	27.11	35.51
Repairs and maintenance to machinery	88.85	74.80
Repairs and maintenance to others	27.81	31.60
Insurance	33.73	35.22
Rates and taxes	66.90	45.16
Communication expenses	39.98	43.44
Travelling and conveyance expenses	335.16	359.92
Motor car expenses	38.18	54.30
Printing and stationery expenses	15.22	12.32
Freight and forwarding expenses	1,386.86	1,257.47
Commission and claims	327.09	204.81
Advertisement	517.68	413.05
Sales and marketing expenses	217.41	226.76
Donations	0.05	2.64
Legal and professional fees	360.47	168.57
Payment to auditor (Refer Note 39.1)	20.37	13.90
CSR expenses (Refer Note 49)	50.16	41.93
Registration and filling fees	7.42	2.58
Directors' sitting fees	15.30	18.45
Bad debts written off	1.80	-
Foreign exchange loss	99.75	-
Loss on sale of fixed assets / assets scrapped	55.01	14.03
Written back / provision for doubtful trade receivables	(0.38)	0.89
Miscellaneous expenses	195.55	214.95
Total	4,728.39	3,974.03

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

39.1 Payment to auditors

Particulars	March 31, 2019	March 31, 2018
Payment to auditor comprise		
For statutory audit	16.25	10.50
For other services	3.71	3.38
For reimbursement of expenses	0.41	0.02
Total	20.37	13.90

40 Contingent Liabilities and Commitments

a. Contingent Liabilities

Sr. No	Particulars	As at March 31, 2019	As at March 31, 2018
1.	Claims against the company not acknowledged as debts:		
a.	Income Tax Matters	289.04	289.04
b.	Service Tax Matters	463.54	463.54
c.	Legal Cases*	100.94	19.05
2.	Guarantees:		
a.	Guarantees issued by the banks (net of margin money)	29.60	5.86

*During the year the subsidiary received the notice of violation from Centre for Environmental Health (CEH), a non-profit California Corporation which has filed a law suit against ADF Foods (USA) Ltd. & certain others non-affiliate Companies as defendants ("Defendants") with the Superior Court of California, County of Alameda. The plaintiff in its complaint has alleged that the Defendant and distributors and Importers who have violated California's Proposition 65, Health & Safety Code § 25249.5, et seq. It is proposed to include ADF Foods Limited, the ultimate holding company of ADF Foods (USA) Ltd. as a defendant in the said lawsuit.

The Subsidiary is currently consulting with its legal counsel & exploring filling a consent agreement with CEH. Approximate liability expected is US\$ 130,000 (Including US\$ 30,000 attorney fees) amounting to Rs.89.89 lakhs.

Notes:

- It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.

b. Capital commitments

Rs. in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Capital commitments (net of advances)	338.91	90.04

41. Dues to Micro and Small 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. 32.48 lakhs (2017-18: Rs. 59.72 lakhs). The disclosures pursuant to MSMED Act based on the books of account are as under:

Rs. in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Dues remaining unpaid	32.48	59.72
Principal	31.75	59.55
Interest	0.73	0.17
Interest paid in terms of Section 16 of MSMED Act	Nil	Nil

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	As at March 31, 2019	As at March 31, 2018
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	0.73	0.17
Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

42. Disclosures made in terms of schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

a. Advances to Subsidiaries

Loans and advances in the nature of loans given to subsidiaries, associates, firms / companies in which directors are interested:

Rs. in lakhs

Name of the party	Relationship	Amount outstanding as at March 31, 2019	Amount outstanding as at March 31, 2018	Maximum balance outstanding during the year
ADF Foods (UK) Limited	Subsidiary	Nil	Nil	68.90

b. Deposits paid to related parties

Interest free security deposit of Rs. 10.00 lakhs (2017-18: Rs. 10.50 lakhs), paid for guest house taken on lease from a Related party.

43. Disclosures u/s 186(4) of the Companies Act, 2013

Details of investments made are disclosed under Note -5. There are no loans or guarantees given by the company.

44. Disclosures in respect of lease

The Company's significant leasing arrangements are in respect of operating leases for Commercial / Official premises. Lease expenditure for operating leases are recognised on straight line basis over the period of lease. These leasing arrangements are non-cancellable, and are renewable on periodic basis by mutual consent on mutually accepted terms. The particulars of the premises taken on operating leases are as under:

Rs. In lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
i) Not later than one year	109.66	163.54
ii) Later than one year and not later than five years	406.10	141.55
iii) Later than five years	40.33	40.83

Lease payment recognized in the Statement of Profit and Loss for the year ended is Rs. 186.33 lakhs (2017-18: Rs. 198.99).

45. Related party disclosures

List of related parties as required by Ind AS – 24, "Related Party Disclosure" are given below

Sr. No:	Related party relationship	Name of the Related Parties
1.	Direct subsidiaries	Power Brands (Foods) Private Limited (Under members' voluntary liquidation-refer note no. 50)
		ADF Foods UK Limited
		ADF Foods (India) Limited
2.	Indirect subsidiaries	ADF Holdings (USA) Limited
		ADF Foods (USA) Limited
3.	Key managerial personnel – Non Executive	Mr. Nipun C. Shah (Upto May 18, 2018)
		Mr. Yasir J. Varawala (Upto May 18, 2018)
		Mr. Jay M. Mehta (Upto September 27, 2018) & (w.e.f. February 12, 2019)
		Ms. Anjali Seth
		Mr. Naresh L. Kothari
		Mr. Ravindra Kumar Jain
		Mr. Viren A. Merchant

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Sr. No:	Related party relationship	Name of the Related Parties
4.	Key managerial personnel	Mr. Ashok H. Thakkar – Chairman (Upto May 29, 2018)
		Mr. Bimal R. Thakkar – Chairman (w.e.f. June 5, 2019) & Managing Director and Chief Executive Officer
		Mr. Bhavesh R. Thakkar – Executive Director and Chief Financial Officer (Upto May 29, 2018)
		Mr. Anish S. Jhaveri – Chief Financial Officer (w.e.f. November 2, 2018)
5.	Relative of key managerial personnel	Mr. Ashok H. Thakkar (w.e.f. May 30, 2018)
		Mr. Bhavesh R. Thakkar (w.e.f. May 30, 2018)
		Mr. Mishal A. Thakkar – Vice-President – Operations (Upto May 29, 2018)
		Mrs. Mahalaxmi R. Thakkar (Relative of Directors)
		Mr. Shivaan B. Thakkar – Manager Business & Strategy (w.e.f. February 15, 2019)

The following transactions were carried out with the related parties in the ordinary course of business

Rs. In lakhs

Particulars	Financial Year	Direct Subsidiaries	Indirect Subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Other Income	2018-19	-	-	-	-	-
	2017-18	0.04	-	-	-	0.04
Sale of goods	2018-19	49.87	147.79	-	-	197.66
	2017-18	121.58	33.64	-	-	155.22
Sale of Fixed Assets	2018-19	-	-	-	57.50	57.50
	2017-18	-	-	-	-	-
Salary	2018-19	-	-	305.79	14.73	320.52
	2017-18	-	-	182.50	18.55	201.05
Independent Director's Sitting fees	2018-19	-	-	15.30	-	15.30
	2017-18	-	-	18.45	-	18.45
Rent	2018-19	-	-	-	0.50	0.50
	2017-18	-	-	-	0.50	0.50
Investment in Preference Shares of ADF Foods (UK) Limited.	2018-19	68.90	-	-	-	68.90
	2017-18	-	-	-	-	-

Balances outstanding at the end of the year:

Rs. In lakhs

Particulars	Financial Year	Direct Subsidiaries	Indirect Subsidiaries	Key Managerial Personnel	Relatives of Key managerial personnel	Total
Non-current investments	2018-19	5,792.52	-	-	-	5,792.52
	2017-18	5,723.63	-	-	-	5,723.63
Non-Current loans (Security Deposit)	2018-19	-	-	-	10.00	10.00
	2017-18	-	-	-	10.50	10.50
Trade payable	2018-19	44.10	-	-	-	44.10
	2017-18	44.16	-	-	-	44.16
Trade receivable	2018-19	26.74	144.02	-	-	170.76
	2017-18	24.78	11.43	-	-	36.21
Short- term loans and advances	2018-19	-	-	-	-	-
	2017-18	0.04	-	-	-	0.04

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Material related party transactions as under:

Rs. In lakhs

Particulars	Name of the related parties	As at March 31, 2019	As at March 31, 2018
Sale of goods	ADF Foods (India) Limited	31.58	121.58
	ADF Foods (UK) Limited	18.29	-
	ADF Foods (USA) Limited	147.79	33.64
Investment in Preference Shares	ADF Foods (UK) Limited	68.90	-

Rs. In lakhs

Particulars	Name of the related parties	As at March 31, 2019	As at March 31, 2018
Salary	Mr. Ashok H. Thakkar*	91.13	61.23
	Mr. Bimal R. Thakkar	99.57	61.23
	Mr. Bhavesh R. Thakkar*	91.13	60.04
	Mr. Mishal A. Thakkar	13.04	18.55
	Mr. Shivaan B. Thakkar	1.69	-
	Mr. Anish S. Jhaveri	23.96	-
Non-Executive Directors Sitting Fees	Mr. Nipun C. Shah (Upto May 18, 2018)	-	3.15
	Mr. Yasir J. Varawala (Upto May 18, 2018)	-	4.20
	Mr. Jay M. Mehta (Upto September 27, 2018) & (w.e.f. February 12, 2019)	1.20	1.80
	Ms. Anjali Seth	2.55	1.20
	Mr. Naresh L. Kothari	2.70	1.80
	Mr. Ravindra Kumar Jain	4.05	3.60
	Mr. Viren A. Merchant	4.80	2.70
Sale of vehicles	Mr. Ashok H. Thakkar	15.00	-
	Mr. Bhavesh R. Thakkar	18.00	-
	Mr. Mishal A. Thakkar	24.50	-
Rent	Mrs. Mahalaxmi R. Thakkar	0.50	0.50
Non-current investments	ADF Foods (UK) Limited	5,787.52	5,718.62
Long-term loans and advances	Mrs. Mahalaxmi R. Thakkar	10.00	10.50
Trade receivable	ADF Foods (India) Limited	26.74	24.78
	ADF Foods (USA) Limited	144.02	11.43
Trade payable	Power Brands (Foods) Pvt. Ltd.	44.10	44.16
Short-term loans and advances	ADF Foods (UK) Limited	-	0.04

*Salary paid to the related parties Mr. Ashok H. Thakkar & Mr. Bhavesh R. Thakkar includes full & final settlement amount comprising of the salary components related to prior years of service. Related parties Mr. Ashok H. Thakkar & Mr. Bhavesh R. Thakkar have resigned from May 29, 2018. Salary amount of above related parties includes post-retirement benefits settlement amount paid on resignation.

Compensation to Key Managerial Personnel is as follows:

Rs. in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Short term employee benefits	0.40	19.99
Post retirement benefits	96.41	113.86
Share based payment transactions	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

46. Financial and derivative instruments – Hedge Accounting

i) Impact of hedging activities

a. Disclosure of effects of hedge accounting on financial position:

March 31, 2019

Rs. in lakhs

Types of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge foreign exchange risk foreign exchange forward contracts	8,420.12	-	213.55	-	April 2019 to March 2020	1:01	(220.41)	220.41

March 31, 2018

Rs. in lakhs

Types of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge foreign exchange risk foreign exchange forward contracts	9,638.05	-	-	(107.31)	April 2018 to March 2019	1:01	(724.89)	724.89

* The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1

b. Disclosure of effects of hedge accounting on financial performance

March 31, 2019

Rs. in lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge effectiveness recognised in profit or (loss)	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge foreign exchange risk	(220.41)	-	-	

March 31, 2018

Rs. in lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge effectiveness recognised in profit or (loss)	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge foreign exchange risk	(724.89)	(19.24)	506.59	Other income

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated Component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- the critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer Note - 20 for the details related to movement in cash flow hedging reserve.

47. Employee Benefits

a) Defined contribution plans

Amount of Rs. 65.99 lakhs (2017-18: Rs. 76.52 lakhs) representing contribution to provident fund is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

Amount of Rs. 11.90 lakhs (2017-18: Rs. 11.92 lakhs) representing contribution to Employee State Insurance scheme is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

b) Defined benefit plan

Compensated absence

Provision for compensated absences is made for outstanding leave balance at the year end at basic salary cost which can be utilized in future and are en-cashable. Amount of Rs. 34.68 lakhs (2017-18: Rs. 58.94 lakhs) has been recognised in balance sheet of which Rs. 32.32 lakhs (2017-18: Rs. 54.04 lakhs) shown under long term provision and balance Rs. 2.36 lakhs (2017-18: Rs. 4.90 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2019.

Expenses of Rs. 11.34 lakhs (2017-18: Rs. 23.99 lakhs) are recognised in the Statement of Profit and Loss.

Compensated sick leave

Provision for compensated absences is made for outstanding sick leave balance at the year end at gross salary which can be utilized in future and are non en-cashable. Amount of Rs. 11.10 lakhs (2017-18: Rs. 7.55 lakhs) has been recognised in balance sheet of which Rs. 9.66 lakhs (2017-18: Rs. 6.50 lakhs) shown under long term provision and balance Rs. 1.44 lakhs (2017-18: Rs. 1.05 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2019.

Expenses of Rs. 20.22 lakhs (2017-18: Rs. 19.14 lakhs) are recognised in the Statement of Profit and Loss.

Gratuity

Funded

The Company has offered its employees defined benefit plan in the form of Group Gratuity Scheme. Gratuity Scheme covers all qualifying employees as statutorily required under the Payment of Gratuity Act, 1972. The Company has made irrevocable contribution of funds to LIC of India.

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.

Unfunded

Amount of Rs. 124.59 lakhs (2017-18: Rs. 171.11 lakhs) has been recognised in balance sheet of which Rs. 77.78 lakhs (2017-18: Rs. 156.52 lakhs) shown under long term provision and balance Rs. 46.81 lakhs (2017-18: Rs. 14.59 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2019.

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.

Rs. In lakhs

Sr. No.	Particulars	Gratuity (funded and unfunded)	
		2018-19	2017-18
I	Present value of obligation		
	Liability at the beginning of the year	333.06	293.29
	Interest cost	24.98	21.55
	Current service cost	17.09	25.08
	Benefit paid	(164.01)	(11.88)
	Benefit payable by the Company	-	-
	Actuarial (gain) / loss on obligations	81.52	(5.01)
	Liability at the end of the year	292.64	333.06
II	Change in Plan Assets		
	Fair value of plan assets at the beginning of the year	161.95	148.72
	Interest Income	12.15	11.27
	Actual return on plan assets	-	-
	Employer's Contributions	17.41	15.11
	Benefit paid	(21.74)	(11.88)
	Re-measurement – return on assets	(1.72)	(1.27)
	Fair value of plan assets at the end of the year	168.05	161.95
III	Amount recognised in the balance sheet		
	Liability at the end of the year	292.64	333.06
	Fair value of plan assets at the end of the year	168.05	161.95
	Present value of unfunded obligations	124.59	171.11

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Sr. No.	Particulars	Gratuity (funded and unfunded)	
		2018-19	2017-18
IV	Expenses recognised in the Statement of Profit and Loss		
	Current service cost	17.09	25.08
	Interest cost	12.83	21.55
	Actual return on plan assets	-	(11.28)
	Net actuarial (gain) / loss to be recognized	-	6.29
	Expense recognised in Statement of Profit and Loss	29.92	41.64
V	Actuarial assumptions :		
	Discount rate	7.79%	7.50%
	Rate of return on plan assets	7.79%	7.50%
	Salary escalation	6.00%	6.00%
	Mortality	Indian Assured lives Mortality(2006-08) Ultimate	

The Company has partly funded the closing balance of present value of obligation to the extent of Rs. 168.05 lakhs, the balance of Rs. 161.95 lakhs is unfunded.

Sensitivity Analysis

Rs. In lakhs

Projected Benefit Obligation on Current Assumptions	292.64
Delta effect on + 1% Change in Rate of Discount	(26.26)
Delta effect on - 1% Change in Rate of Discount	30.30
Delta effect on + 1% Change in Rate of Salary Increase	30.54
Delta effect on - 1% Change in Rate of Salary Increase	(26.91)
Delta effect on + 1% Change in Rate of Employee Turnover	3.98
Delta effect on - 1% Change in Rate of Employee Turnover	(4.43)

Experience Adjustments for the current and previous four years

Rs. In lakhs

Experience	2018-19	2017-18	2016-17	2015-16	2014-15
Defined Benefit Obligation	292.64	333.06	293.29	258.87	277.67
-Plan Assets	168.05	161.95	148.71	136.24	130.21
Status [Surplus / (Deficit)]	(124.59)	(171.11)	(144.58)	(122.64)	(92.26)
Experience Adjustments of Obligation [(Gain)/Loss]	-	6.29	(0.81)	9.75	(2.49)

48. Computation of earnings per share

Rs. In lakhs

Particulars	2018-19	2017-18
Profit after tax	3,047.73	2,222.37
Weighted average number of equity shares outstanding at the end of the year	2,05,31,233	2,12,01,461
Earnings per share		
Basic	14.84	10.48
Diluted	14.84	10.48
Nominal value of Shares	10	10

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

49. The company has spent Rs. 50.16 lakhs during the financial year (Previous year Rs.41.93 lakhs) as per the provisions of section 135 of the companies Act, 2013 towards corporate social Responsibility (CSR) activities – grouped under ‘other expenses’.
- Gross amount required to be spent by the company during the year Rs. 50.06 lakhs (Previous year – Rs. 40.17 lakhs).
 - Amount spend during the year on:

Rs. In lakhs

Particulars	Amount Spent in cash	Amount yet to be paid in cash *	Total Amount
Year ending March 31, 2019			
(i) Construction/Acquisition of an asset	-	-	-
(ii) On purposes other than (i) above	50.16	-	50.16
Total CSR Expenses*	50.16	-	50.16
Year ending March 31, 2018			
(i) Construction/Acquisition of an asset	-	-	-
(ii) On purposes other than (i) above	41.93	-	41.93
Total CSR Expenses	41.93	-	41.93

*The entire amount of Rs.50.06 Lakhs that was required to be spent for CSR activities during the FY.2018-19 has been spent by the Company.

50. The Company held majority shareholding in Power Brands (Foods) Private Limited (‘PBFPL’). It presently holds 2,08,85,992 fully paid Equity Shares of Rs. 10/- each (including 20, 75,992 Equity shares acquired at Rs. 330.08 lakhs in Financial Year 2012-13). PBFPL is presently under voluntary liquidation process.

Pursuant to a special resolution passed on November 5, 2012 by its members, PBFPL went into the members’ voluntary liquidation. In the course of liquidation process, the voluntary liquidator, with the prior approval of the members vide their special resolution dated March 8, 2013, distributed PBFPL’s intangible asset - Ashoka brand and part of cash and bank balance to its Shareholders in proportion to their respective shareholding in PBFPL while retaining certain other fixed and current assets to meet its contingent and other liabilities.

By virtue of the above distribution, the Company received Ashoka brand in the financial year 2012-13 (valued at Rs. 2,935.99 lakhs by an independent valuer) in lieu of its investment in PBFPL’s equity shares of Rs. 2,211.08 lakhs. Accordingly, the Company capitalised the said brand in its books at Rs. 2,935.99 lakhs in the said financial year after adjusting the same against the investment value of Rs. 2,211.08 lakhs and carried the balance of Rs. 724.91 lakhs to the credit of the Statement of Profit and Loss as an exceptional item in that year.

During the Financial Year 2012-13, the voluntary liquidator, with the prior approval of the members vide their special resolution dated 10th November 2014, distributed PBFPL’s immovable property situated at Sewree, Mumbai and part of cash and bank balance to its Shareholders in proportion to their respective shareholding in PBFPL while retaining certain other current assets to meet with its contingent and other liabilities. The excess value of assets so received over the investment value in Equity Shares of PBFPL was accounted for in the Company’s Statement of Profit & Loss under the head exceptional item.

Consequently, the investment in Equity Shares of PBFPL stand fully realised. However, pending completion of liquidation process, the Company has not surrendered the said shares to the Voluntary liquidator and they have been shown under the head “Investment” at nil value.

51. Financial instruments – Fair values and risk management

Accounting classification and fair values

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

Rs. in lakhs

March 31, 2019	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non Current								
Trade Receivables	-	-	4.51	4.51	-	-	-	-
Loans	37.99	-	90.19	128.18	-	37.99	-	37.99
Other financial assets	-	-	35.68	35.68	-	-	-	-
Current	-	-	-	-	-	-	-	-
Trade Receivables	-	-	4,222.05	4,222.05	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

March 31, 2019	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
Cash and cash equivalents	-	-	1,234.69	1,234.69	-	-	-	-
Bank balances other than above	-	-	403.31	403.31	-	-	-	-
Loans	-	-	14.06	14.06	-	-	-	-
Other financial assets	-	213.55	582.62	800.17	-	213.55	-	213.55
Assets held for sale	14.63	-	-	14.63	-	14.63	-	14.63
	52.62	213.55	6,591.12	6,857.29	-	266.17	-	266.17
Financial Liabilities	-	-	-	-	-	-	-	-
Non-Current	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Provisions	-	-	119.76	119.76	-	-	-	-
Current	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-
Provisions	-	-	50.61	50.61	-	-	-	-
Trade payables	-	-	1,099.90	1,099.90	-	-	-	-
Other Current Financial Liabilities	-	-	264.20	264.20	-	-	-	-
Liabilities classified as held for sale	50.00	-	-	50.00	-	50.00	-	50.00
	50.00	-	1,534.47	1,584.47	-	50.00	-	50.00

Rs. in lakhs

March 31, 2018	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non-Current								
Trade receivable	-	-	4.51	4.51	-	-	-	-
Loans	70.81	-	87.45	158.46	-	70.81	-	70.81
Other financial assets	-	-	144.34	144.34	-	-	-	-
Current								
Trade receivable	-	-	3,980.30	3,980.30	-	-	-	-
Cash and cash equivalents	-	-	2420.37	2,420.37	-	-	-	-
Bank balances other than above	-	-	342.12	342.12	-	-	-	-
Loans	-	-	20.44	20.44	-	-	-	-
Other financial assets	-	-	334.26	334.26	-	-	-	-
Assets held for sale	-	-	-	-	-	-	-	-
	70.81	-	7,333.99	7,404.80	-	70.81	-	70.81

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

March 31, 2018	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities								
Non-Current								
Borrowings	-	-	2.54	2.54	-	-	-	-
Provisions	-	-	217.06	217.06	-	-	-	-
Current								
Borrowings	-	-	130.08	130.08	-	-	-	-
Trade payables	-	-	1,103.40	1,103.40	-	-	-	-
Other Current Financial Liabilities	-	107.31	409.94	517.25	-	107.31	-	107.31
Liabilities classified as held for sale	-	-	-	-	-	-	-	-
	-	107.31	1,863.02	1,970.33	-	107.31	-	107.31

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 those used for the year ended March 31, 2016.

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

1. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
2. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
3. Loans – Security Deposits have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

52. 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. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer

(i) Credit Risk

Credit risk arises from trade receivables, cash and cash equivalents and deposits with banks and financial institutions.

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. Credit risk is managed on a financial asset basis. For banks and financial institutions, only high rated banks/institutions are accepted.

Company's maximum exposure to credit risk for each class of financial asset is the carrying amount of the financial assets recognised in the statement of financial position.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

the risk of a default occurring on the asset as at the reporting date with the risk of default at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Historical trend default in case of applicable financial asset
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations
- Other applicable macroeconomic information such as regulatory changes

A default on a financial asset is when the counter party fails to make contractual payments within agreed credit terms from the date when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 4,222.05 lakhs (March 31, 2018 – Rs. 3,980.30 lakhs) 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 12 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 Note 39.

(i) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management regularly monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows to ensure it has sufficient cash to meet ongoing operational fund requirements.

Rs. in lakhs

March 31, 2019	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non-Current						
Borrowings	-	-	-	-	-	-
Current						
Borrowings	-	-	-	-	-	-
Trade payables						
a) Dues of Micro & Small Enterprises	31.75	31.75	31.75	-	-	-
b) Dues of creditors other than Micro & Small Enterprises	1068.15	1068.15	1068.15	-	-	-
Current maturities of long term borrowings	-	-	-	-	-	-
Other Financial Liabilities	264.20	264.20	264.20	-	-	-
Liabilities classified as held for sale	50.00	50.00	50.00	-	-	-
	1,414.10	1,414.10	1,414.10	-	-	-

Rs. in lakhs

March 31, 2018	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non-Current						
Borrowings	2.54	2.54	-	2.54	-	-
Current						
Borrowings	130.08	130.08	130.08	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

March 31, 2018	Contractual cash flows					
	Carrying Amount	Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Trade payables						
a) Dues of Micro & Small Enterprises	59.72	59.72	59.72	-	-	-
b) Dues of creditors other than Micro & Small Enterprises	1043.68	1043.68	1043.68	-	-	-
Current maturities of long term borrowings	7.38	7.38	7.38	-	-	-
Other Financial Liabilities	509.87	509.87	509.87	-	-	-
	1,753.27	1,753.27	1,750.73	2.54	-	-

(ii) Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, GBP and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge upto 50% of forecasted foreign currency sales for the subsequent 12 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge upto 50% of the forecasted sales.

In accordance with its risk management policies and procedures, the Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. When derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedge exposure and assesses the effectiveness of the hedged item and hedging relationship based on economic relationship.

The carrying amount of the Company's exposure to foreign currency at the end of the reporting period expressed in INR, are as follows:

a) Trade and other receivables

Rs. In lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
Foreign currency				
USD	50.57	3,496.69	41.88	2,729.01
GBP	7.72	697.89	13.35	1,231.10
EURO	-	-	0.19	15.37

b) Trade payable

Rs. In lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
Foreign currency				
USD	0.98	67.53	1.47	95.70
GBP	2.06	186.28	0.54	50.03
CAD	0.11	5.89	-	-

c) EEFC balance

Rs. In lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount (in original currency)	Amount	Amount (in original currency)	Foreign currency
Foreign currency				
USD	6.90	476.95	33.37	2,174.84
GBP	5.47	494.71	2.36	217.31

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The following significant exchange rates have been applied during the year:

Particulars	Year- end spot rate as at	
	March 31, 2019	March 31, 2018
USD / INR	69.1450	65.1700
GBP / INR	90.3700	92.2500
EUR / INR	77.6300	80.6222
CAD/ INR	51.4800	50.6300

Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Company's profit or loss before taxes as at March 31, 2019 and March 31, 2018:

Rs. In lakhs

Particulars	Impact on profit after tax	
	For the year ended March 31, 2019	For the year ended March 31, 2018
USD / INR increase by 5%	126.30	91.22
USD / INR decrease by 5%	(126.30)	(91.22)
GBP / INR increase by 5%	31.34	41.30
GBP / INR decrease by 5%	(31.34)	(41.30)
EUR / INR increase by 5%	-	0.58
EUR / INR decrease by 5%	-	(0.58)
CAD / INR increase by 5%	0.21	-
CAD / INR decrease by 5%	(0.21)	-

53. Previous year's figures have been regrouped / restated wherever necessary to confirm to current year's classification.
54. Figures have been rounded off to the nearest lakhs.

For and on behalf of the Board

Bimal R. Thakkar
Chairman, M.D. & C.E.O.
DIN: 00087404

Anish Jhaveri
Chief Financial Officer

Shalaka Ovalekar
Company Secretary
Membership No.: A15274

Place: Mumbai
Date: May 22, 2019

ADF FOODS LTD.

INDEPENDENT AUDITOR'S REPORT

To the Members of ADF Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of **ADF Foods Limited** (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies ("the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at March 31, 2019, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Our Response
I. Impairment of Indefinite-lived intangible assets	
<p>Indefinite-lived intangible assets (Brands) as at March 31, 2019 amount to Rs. 3,400.50 lakhs.</p> <p>The impairment assessment must be performed at least annually and involves the determination of the recoverable amount, being the higher of the value-in-use and the fair value less costs to dispose.</p> <p>We consider this to be a key audit matter because the recoverability assessment of such assets involves complex and subjective estimates and judgements.</p> <p>These estimates and judgements are entrenched with inherent uncertainty as they include assumptions in relation to forecasting revenue growth rates, direct costs, foreign exchange rates, discount rates and future cash flows.</p>	<p>We have assessed the valuation methodology and challenged management's analysis and assumptions around the key drivers of cash flow forecasts including discount rate, terminal growth rate, royalty rate etc. by comparing them to relevant market data and with the assistance from our in-house specialists. We also performed sensitivity analysis in respect of the above assumptions.</p> <p>In respect of Indefinite-lived intangible assets of a subsidiary, we have relied on the procedures carried out by the component auditor and their audit report on the financial statements of the subsidiary for the year ended March 31, 2019.</p> <p>We assessed the appropriateness and completeness of the related disclosures in the financial statements.</p>

2. Derivative Instruments and Hedge Accounting	
<p>The Holding Company enters into a high volume of derivative financial instrument contracts to manage its exposure to foreign currency risk. These contracts gave rise to derivative Assets of Rs. 213.55 lakhs as at March 31, 2019. These contracts are recorded at fair value and for the majority of them hedge accounting is applied, such that gains and losses arising from fair value changes are deferred in equity and recognised in the Statement of Profit or Loss when hedges mature. The high volume of contracts necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date. The valuation of hedging instruments and consideration of hedge effectiveness can involve a significant degree of both complexity and management judgement and are subject to an inherent risk of error.</p>	<p>Ensure that the entity's Hedging policy is documented, validated by adequate level of management, and communicated to all stakeholders within the entity.</p> <p>Assess the process and controls to validate hedging requests all hedging requests were duly validated by adequate level of management, and are in line with the entity's documented hedging policy.</p> <p>Verify that all derivatives documented in hedging relationships are allocated to a specific hedged risk from their inception.</p> <p>Testing Company's management's controls over derivative financial instruments and hedge accounting.</p> <p>Inspecting, on a sample basis, appropriateness of hedging documentation and contracts.</p> <p>Obtaining confirmation in respect of derivative financial instruments from counterparties.</p> <p>Re-performing the year end valuations of derivative financial instruments and calculations of hedge effectiveness; and</p> <p>We have also evaluated whether the liabilities and potential exposures were appropriately disclosed in the Financial Statements.</p>

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely Financial Highlights, Management Discussion and Analysis, Director's Report, Corporate Governance Report, but does not include the Financial Statements and our Auditor's Report thereon. The information is expected to be made available to us after the date of this auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and review the steps taken by the Management to communicate with those in receipt of the other information, if previously issued, to inform them of the revision

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

ADF FOODS LTD.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated Financial Statements.

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

- (a) Identify and assess the risks of material misstatement of the Consolidated 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.
- (b) 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 Act, 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 ability of the Group 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 Consolidated 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 Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Standalone 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 of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of three subsidiaries incorporated outside India, whose financial statements reflect total assets of Rs. 8,520.97 Lakhs as at March 31, 2019, total revenues of Rs. 4,550.41 Lakhs and net cash outflows amounting to Rs. (202.01) lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far

as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the Financial Statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India (Indian Accounting Standards 'Ind AS'). We have audited these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of the other auditors and the conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- (d) In our opinion, the aforesaid Consolidated 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 of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**".
- (g) According to information and explanations given to us and based on our examination of the records of the Company, the Holding Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other Auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 39 to the Consolidated Financial Statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2019.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
 Firm Registration Number 104607W/WI00166

FARHAD M. BHESANIA
PARTNER
 Membership Number 127355

Place: Mumbai

Date: May 22, 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para I (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Consolidated Ind AS Financial Statements for the year ended March 31, 2019.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls with reference to financial statements of ADF Foods Limited (hereinafter referred to as "the Holding Company") and its subsidiary Company as of March 31, 2019 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on "the Internal Control Over Financial Reporting criteria established by the Company, its subsidiaries, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's Internal Financial Controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System with reference to financial statements and their operating effectiveness.

Our audit of Internal Financial Controls System with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's Internal Financial Control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of Internal Financial Controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the Internal Financial Control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies have, in all material respects, an adequate Internal Financial Controls System with reference to financial statements and such Internal Financial Controls with reference to financial statements were operating effectively as at March 31, 2019 based on “the Internal Control Over Financial Reporting criteria established by the Holding Company, its subsidiary companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/WI00166

FARHAD M. BHESANIA

PARTNER

Membership No. 127355

Place: Mumbai

Date: May 22, 2019

ADF FOODS LTD.

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(All amounts are in Rupees lakhs unless stated otherwise)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	4(a)	4,726.96	4,911.64
Capital work-in-progress		147.72	23.12
Intangible assets	4(b)	2,170.58	3,089.05
Financial assets			
Trade receivables	5	4.51	4.51
Loans	6	129.83	160.27
Other financial assets	7	35.68	144.34
Deferred tax assets (net)	22	1,057.18	971.31
Income tax assets (net)	8	324.81	298.34
Other non financial assets	9	336.76	64.02
Total non-current assets		8,934.03	9,666.60
Inventories	10	3,455.47	2,362.45
Financial assets			
Trade receivables	11	4,391.21	4,295.37
Cash and cash equivalents	12	1,437.67	2,821.17
Bank balance other than above	13	403.31	342.12
Loans	14	14.49	20.80
Others financial assets	15	903.61	431.72
Other non financial assets	16	869.08	1,373.05
		11,474.84	11,646.68
Assets held - for - sale	17	14.63	-
Total current assets		11,489.47	11,646.68
Total assets		20,423.50	21,313.28
Equity and liabilities			
Equity			
Equity share capital	18	2,040.10	2,157.98
Other equity	19	15,142.36	15,283.05
Total equity		17,182.46	17,441.03
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	-	2.54
Provisions	21	120.29	217.53
Deferred tax liabilities (net)	22	893.59	782.21
Total non-current liabilities		1,013.88	1,002.28
Current liabilities			
Financial liabilities			
Borrowings	23	-	130.08
Trade payables			
a) Dues to micro, small and medium enterprises		31.75	59.72
b) Dues other than to micro, small and medium enterprises	24	1,351.43	1,322.35
Other financial liabilities	25	456.76	781.37
Other non financial liabilities	26	108.35	309.50
Provisions	27	50.62	20.56
Income tax liabilities (net)	28	178.25	246.39
		2,177.16	2,869.97
Liability classified on asset held for sale	29	50.00	-
Total current liabilities		2,227.16	2,869.97
Total Liabilities		3,241.04	3,872.25
Total equity and liabilities		20,423.50	21,313.28
Significant accounting policies	2		

The accompanying notes 1 to 53 form an integral part of the financial statements

As per our report of even date

For KALYANIWALLA & MISTRY LLP
 CHARTERED ACCOUNTANTS
 Firm Registration Number 104607W/WI00166

FARHAD M. BHESANIA
 PARTNER
 Membership Number 127355

Place: Mumbai
 Date: May 22, 2019

Signatures to the Balance Sheet and Notes to the financial statements

For and on behalf of the Board

Bimal R. Thakkar
 Chairman, M.D. & C.E.O.
 DIN: 00087404

Shalaka Ovalekar
 Company Secretary
 Membership No.: AI5274

Place: Mumbai
 Date: May 22, 2019

Anish Jhaveri
 Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees lakhs unless stated otherwise)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	30	23,143.50	20,102.47
Other income	31	1,405.38	1,856.60
Total income		24,548.88	21,959.07
Expenses			
Cost of materials consumed	32	8,932.55	7,820.54
Purchase of stock in trade		4,204.63	3,410.44
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(1,105.40)	149.50
Excise duty	34	-	12.21
Employee benefits expenses	35	1,608.05	1,638.34
Finance cost	36	87.05	112.71
Depreciation and amortisation expenses	37a)	431.19	440.68
Impairment losses	37b)	986.62	243.30
Other expenses	38	5,630.93	4,925.15
Total expenses		20,775.62	18,752.87
Profit before Tax		3,773.26	3,206.20
Tax expenses			
Current tax		1,300.58	1,029.70
Deferred tax		(60.78)	369.18
Total tax expenses		1,239.80	1,398.88
Profit for the year		2,533.46	1,807.32
Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit Plan		(83.20)	6.32
Income tax on above item		24.23	(1.84)
		(58.97)	4.48
B. Items that will be reclassified subsequently to profit or loss			
Net gain / (loss) on cash flow hedge		301.65	(724.89)
Exchange differences on translating the financial statements of foreign operation		77.93	(170.18)
Income tax on above item		(110.51)	260.65
		269.07	(634.42)
Net other comprehensive income for the year (net of tax) (A + B)		210.10	(629.94)
Total comprehensive income for the year		2,743.56	1,177.38
Earning per equity share (Nominal value per share Rs. 10/- each)			
Basic and Diluted (Rs.)	46	12.34	8.52

The accompanying notes 1 to 53 form an integral part of the financial statements

As per our report of even date

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

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

For and on behalf of the Board

Bimal R. Thakkar
Chairman, M.D. & C.E.O.
DIN: 00087404

Anish Jhaveri
Chief Financial Officer

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

Shalaka Ovalekar
Company Secretary
Membership No.: A15274

Place: Mumbai

Date: May 22, 2019

Place: Mumbai

Date: May 22, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019

(All amounts are in Rupees lakhs unless stated otherwise)

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A.	Cash Flow from Operating Activities		
	Profit before Taxation	3,773.26	3,206.20
	Adjustment for:		
	Depreciation, amortisation and impairment losses	1,417.81	683.98
	(Profit)/Loss on sale/write off of Fixed Assets	55.01	18.05
	Finance cost	87.05	112.71
	Provision for doubtful trade receivables	0.41	0.89
	Unrealised exchange loss	63.08	(71.24)
	Net (gain)/loss on sale of investments	-	(18.43)
	Interest income	(52.52)	(38.09)
	Effect of exchange rate difference	14.07	(176.24)
	Operating Profit before working capital changes	5,358.17	3,717.83
	Adjustment for:		
	(Increase) / Decrease in trade receivable	(170.88)	(851.10)
	(Increase) / Decrease in inventories	(1,093.02)	135.68
	(Increase) / Decrease in Non-current financial assets	123.27	132.49
	(Increase) / Decrease in Non-current non-financial assets	(272.73)	(28.64)
	(Increase) / Decrease in current financial assets	(253.87)	(240.99)
	(Increase) / Decrease in current Non-financial assets	503.97	(497.71)
	(Increase) / Decrease in assets held for sale	(14.63)	-
	Increase / (Decrease) in trade payable	9.62	334.89
	Increase / (Decrease) in Non-current provisions	(97.24)	33.42
	Increase / (Decrease) in current financial liabilities	(209.92)	263.27
	Increase / (Decrease) in liabilities classified on asset held for sale	50.00	-
	Increase / (Decrease) in current Non-financial liabilities	(171.09)	236.14
		3,761.65	3,235.28
	Taxes Paid (Net)	(1,395.20)	(808.27)
	Net Cash Flow from / (used in) Operating Activities (A)	2,366.45	2,427.01
B.	Cash Flow from Investing Activities		
	Purchase of fixed assets	(481.53)	(488.09)
	Proceeds from sale of fixed assets	58.84	0.40
	Withdrawal/(Investment) in fixed deposits	(57.37)	(85.49)
	Proceeds from sale of mutual funds	-	867.81
	Interest received	54.35	34.81
	Net Cash Flow from/ (used in) Investing Activities (B)	(425.71)	329.44
	C. Cash Flow from Financing Activities		
	Buyback of equity shares	(3,002.12)	-
	Repayment of short-term borrowings (Net)	(140.00)	(339.03)
	Finance cost	(87.05)	(112.71)
	Unclaimed dividend	11.01	(553.16)
	Tax on dividend	-	(107.90)
	Net cash flow from / (used in) financing activities (C)	(3,218.16)	(1,112.80)
	Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(1,277.42)	1,643.65

(All amounts are in Rupees lakhs unless stated otherwise)

Particulars	For the year ended March 31,2019	For the year ended March 31,2018
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING OF THE YEAR	2,821.17	1,091.45
Unrealised Foreign Exchange Restatement in Cash and cash Equivalents	(106.08)	86.07
Cash and Cash Equivalents - Closing Balance	1,437.67	2,821.17
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,383.50)	1,729.72
Notes:		
I. Cash and Cash Equivalents:		
(a) Cash on hand	7.34	8.03
(b) Balance with banks	1,430.22	2,813.13
(c) Cheque and draft on hand	0.11	0.01
Cash and Cash Equivalents.	1,437.67	2,821.17

- The cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standards (Ind AS) 7 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.
- Figures for the previous year have been regrouped/ restated wherever necessary to conform to current year's classification.

As per our report of even date

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Date: May 22, 2019

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

For and on behalf of the Board

Bimal R. Thakkar
Chairman, M.D. & C.E.O.
DIN: 00087404

Shalaka Ovalekar
Company Secretary
Membership No.: A15274

Place: Mumbai
Date: May 22, 2019

Anish Jhaveri
Chief Financial Officer

ADF FOODS LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in Rupees lakhs unless stated otherwise)

(a) Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
Balance at beginning of the year	21,201,461	2,120.15	21,201,461	2,120.15
Changes in equity shares during the year	(1,178,742)	(117.88)	-	-
Balance at end of the year	20,022,719	2,002.27	21,201,461	2,120.15

(b) Other Equity

Particulars	March 31, 2019	March 31, 2018
Reserves and surplus		
Capital reserves		
As per last Balance Sheet	105.00	105.00
Capital redemption reserves		
As per last Balance Sheet	79.85	79.85
Addition during the year	117.88	-
Closing balance	197.73	79.85
Securities premium		
As per last Balance Sheet	5,051.11	5,051.11
Utilised during the year	(2,884.25)	-
Closing balance	2,166.86	5,051.10
General reserve		
As per last Balance Sheet	763.97	763.97
Foreign currency translation reserve		
As per last Balance Sheet	34.00	154.08
Addition during the year (net)	55.24	(120.08)
Closing Balance	89.24	34.00
Retained earning		
As per last Balance Sheet	9,256.33	7,880.97
Add: other adjustment during the year	-	200.97
Utilised for buyback of equity shares	(117.88)	-
	9,138.45	8,081.94
Profit for the year	2,533.46	1,807.32
Add: Remeasurement of defined benefit plan	(58.97)	4.48
Less: Dividend paid	-	(529.51)
Less: Tax on dividend	-	(107.90)
Movement during the year	2,474.49	1,174.39
Closing Balance	11,612.94	9,256.33
Cash flow hedge reserve		
As per last Balance Sheet	(7.21)	506.59
Add: Change in fair value of hedging instrument	301.65	(724.89)
Less: Deferred tax	(87.82)	211.09
Closing balance	206.62	(7.21)
Total Reserves & Surplus	15,142.36	15,283.05

The accompanying notes 1 to 53 form an integral part of the financial statements.

As per our report of even date

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

FARHAD M. BHESANIA
 PARTNER
 Membership Number 127355

Place: Mumbai
 Date: May 22, 2019

Signature to the statement of changes in equity and Notes to the financial statements

For and on behalf of the Board

Bimal R. Thakkar
 Chairman, M.D. & C.E.O.
 DIN: 00087404

Shalaka Ovalekar
 Company Secretary
 Membership No.: A15274

Place: Mumbai
 Date: May 22, 2019

Anish Jhaveri
 Chief Financial Officer

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements

1 Group Overview

Description of Business

ADF Foods Limited (“the Company”) including its subsidiaries collectively referred as (“the Group”) is a public company incorporated under the provisions of the Companies Act, 1956 and domiciled in India having registered office at 83/86 G.I.D.C Industrial Estate, Nadiad, Gujarat. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in the manufacture and selling of food products like pickles, chutneys, ready to eat items, paste and sauces, frozen foods, spices etc. The Company caters mainly to international markets and domestic market.

2. Basis of Preparation of Consolidated Financial Statements

The consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The Company’s Financial Statements for the year ended March 31, 2019 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

These consolidated financial statements are presented in Indian rupees, which is the functional currency of the parent company.

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 noncurrent.

1.1 Basis of Measurement

The Ind AS Consolidated 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, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

Key Accounting Estimates and Judgements:

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

- (a) Measurement of defined benefit obligations – Refer Note no. 44
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Refer Note no. 39
- (c) Recognition of deferred tax assets – Refer Note no. 22
- (d) Impairment of Intangible asset – Refer Note no. 37

Measurement of fair values

The Group’s accounting policies and disclosures require financial instruments to be measured at fair values. The Group has an established control framework with respect to the measurement of fair values. The Group 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 asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability 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 Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Principles of consolidation:

Subsidiaries are all entities (including structured entities) over which the group has control.

The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

2 Significant Accounting Policies

2.1 Property, Plant and Equipment

2.1.1 Initial Recognition

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

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

2.1.2 Subsequent Recognition

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

2.1.3 Disposal or Retirement

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

2.1.4 Component Accounting

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

2.1.5 Depreciation

Depreciation is calculated on Straight Line Basis as per the useful lives specified in Schedule II to the Companies Act, 2013 on pro rata basis except for carboys and pallets where lower lives of 5 Years is applied based on the technical advice obtained by the company.

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

Machinery and equipment	15 Years
Furniture and fixtures	10 Years
Automobiles	08 Years
Building	30 Years
Computers	03 Years

Leasehold land under operating lease is depreciated over the leasehold period or its estimated useful life, whichever is shorter.

Freehold land is not depreciated.

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 Capital Work In Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset on completion of the expansion project or otherwise on commencement of commercial use of the asset.

2.3 Intangible Assets

2.3.1 Initial Recognition

Intangible Assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.3.2 Subsequent Recognition

Intangible Assets are carried at cost less accumulated amortisation and impairment loss, if any.

2.3.3 Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Goodwill - 5 years Software - 3 Years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Indefinite life intangibles mainly consist of brands. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not the change in useful life from indefinite to finite is made on a prospective basis.

2.3.4 Derecognition

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The Company has assessed useful life of certain intangible assets (Brands) as indefinite and hence these assets are not amortised but tested for impairment annually.

2.4 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 CENVAT/GST credits.

Raw materials, packing materials and stores: Costs includes cost of purchase, discounts and other costs incurred in bringing each product to its present location and condition.

Finish goods and work in progress: In the case of manufactured inventories and work in progress, cost includes all costs of purchases, an appropriate share of production overheads based on normal operating capacity and other costs incurred in bringing each product to its present location and condition. Finished goods valuation also includes applicable duty. Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

2.5 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.

2.6 Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment. The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

2.7 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. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

2.7.1 Financial Assets

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

2.7.1.1 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.7.1.2 Subsequent measurement

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

2.7.1.2.1 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.

2.7.1.2.2 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.

2.7.1.2.3 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. 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.

2.7.1.2.4 Financial assets as Equity Investments

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

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

2.7.1.3 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 Group 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.

2.7.1.4 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 18.

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 period 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.

2.7.2 Financial Liabilities

(i) Classification

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(ii) Initial recognition and measurement

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

(iii) Loans and borrowings

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

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

This category generally applies to loans and borrowings.

(iv) Derecognition

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

(v) Offsetting of financial instruments

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

Share Capital

Ordinary equity shares

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

2.7.3 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions. (Cash flow hedges).

The company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) **Cash flow hedges that qualify for hedge accounting**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other income.

When forward contracts are used to hedge forecast transactions, the company generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within equity.

The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/ (losses).

2.8 **Assets held for sale**

The Company classifies Current assets as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification. Assets held for sale are measured at fair value less cost to sell. Assets held for sale are no longer amortised or depreciated.

2.9 **Government Subsidy/Grants**

Grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as a deferred grant which is recognized as income in the Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

2.10 **Segment Reporting**

The Company is considered to be a single segment company – engaged in the manufacture of Processed foods. Consequently, the Company has, in its primary segment, only one reportable business segment. As per INDAS-108 'Operating Segments', if a financial report contains both the consolidated financial statements of a parent that is within the scope of Ind AS-108 as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given in the financial statements.

2.11 **Provisions, Contingent Liabilities and Contingent Assets**

2.11.1 **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11.2 **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.

2.11.3 **Contingent Assets**

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

2.12 **Revenue from Operation**

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 Group 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 sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

2.13 **Other Non-Operating Income**

2.13.1 **Export incentives**

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

2.13.2 **Interest Income**

Interest income is recognized using the effective interest rate (EIR) method.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2.13.3 Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

2.14 Employee Benefits

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

a) Short-term employee benefits

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

b) Long Term Employee Benefit Plan

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

c) Post Separation Employee Benefit Plan

i) Defined Benefit Plan

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

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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

ii) 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 as an expense in the Statement of Profit and Loss as they fall due.

2.15 Taxes

2.15.1 Current Taxes

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its branch operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

2.16 Foreign Currency Transaction and Translation

The Group's functional currency is Indian Rupee (INR) and it is also the presentation currency for the Group.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognized in other comprehensive income.

2.17 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the same is in line with inflation.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the same is in line with inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.18 Borrowings costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

2.19 Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.20 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 period.

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

3. Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Group will be using the practical expedient provided by the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Group is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements.

The Group is in the process of finalising changes to systems and processes to meet the accounting and the reporting requirements of the standard in conjunction with review of lease agreements.

The Company is currently evaluating the effect of the above amendments.

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12. The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4(a) Property, Plant and Equipment

(All amounts are in Rupees lakhs unless stated otherwise)

Particulars	Period	Land		Building	Plant & machinery	Furniture & fixture	Vehicles	Office equipment	Office premises	Electrical installation	Laboratory equipment	Computers	Leasehold improvement	Total
		Freehold	Leasehold											
Gross carrying amount as at	April 1, 2017	4.18	94.39	2,228.67	2,353.01	82.31	285.96	19.80	97.77	83.73	5.73	26.14	-	5,281.69
Additions		-	-	414.19	103.69	3.41	-	3.08	-	3.26	1.92	2.39	-	531.94
Deductions		-	-	-	(18.37)	(0.83)	(0.07)	(0.25)	-	-	(0.35)	(2.21)	-	(22.08)
Other adjustments		-	-	-	0.08	0.01	-	-	-	-	-	(0.08)	-	0.01
Closing gross carrying amount as at	March 31, 2018	4.18	94.39	2,642.86	2,438.41	84.90	285.89	22.63	97.77	86.99	7.30	26.24	-	5,791.56
Opening gross carrying amount as at	April 1, 2018	4.18	94.39	2,642.86	2,438.41	84.90	285.89	22.63	97.77	86.99	7.30	26.24	-	5,791.56
Additions		-	-	108.06	140.45	3.62	-	4.51	-	-	0.19	6.96	93.14	356.93
Deductions		-	-	-	(1.14)	(0.42)	(163.57)	(6.85)	-	-	-	(3.34)	-	(175.32)
Other adjustments		-	-	-	0.88	0.61	-	-	-	-	-	1.57	-	3.06
Closing gross carrying amount as at	March 31, 2019	4.18	94.39	2,750.92	2,578.60	88.71	122.32	20.29	97.77	86.99	7.49	31.43	93.14	5,976.23
Accumulated depreciation as at	April 1, 2017	-	1.01	95.84	257.26	13.05	51.91	5.79	1.68	8.54	1.03	9.96	-	446.07
Charge for the year		-	1.01	97.67	255.55	12.34	48.22	4.43	1.69	9.14	0.94	6.93	-	437.92
Deductions		-	-	-	(5.06)	(0.08)	-	-	-	-	-	-	-	(5.14)
Other adjustments		-	-	-	2.24	(0.02)	-	-	-	-	-	(0.03)	-	2.19
Closing accumulated depreciation	March 31, 2018	-	2.02	193.51	509.99	25.29	100.13	10.22	3.37	17.68	1.97	16.86	-	881.04
Opening accumulated depreciation as at	April 1, 2018	-	2.02	193.51	509.99	25.29	100.13	10.22	3.37	17.68	1.97	16.86	-	881.04
Charge for the year		-	1.01	111.24	255.11	11.17	20.83	4.28	1.68	9.17	0.97	5.01	9.14	429.61
Deductions		-	-	-	0.17	0.05	(56.79)	(2.84)	-	-	-	(2.06)	-	(61.47)
Other adjustments		-	-	-	0.09	-	-	-	-	-	-	-	-	0.09
Closing accumulated depreciation	March 31, 2019	-	3.03	304.75	765.36	36.51	64.17	11.66	5.05	26.85	2.94	19.81	9.14	1,249.27
Net carrying amount as at	March 31, 2018	4.18	92.38	2,449.34	1,928.42	59.60	185.77	12.41	94.40	69.31	5.34	9.38	-	4,911.64
Net carrying amount as at	March 31, 2019	4.18	91.35	2,446.19	1,813.25	52.20	58.15	8.63	92.72	60.13	4.55	11.62	84.00	4,726.96

4(b) Intangible assets

Particulars	Period	Trade marks	Software	Total
Gross carrying amount as at	April 1, 2017	3,348.52	12.56	3,361.08
Additions		-	3.49	3.49
Deductions		(0.02)	-	(0.02)
Other adjustments		(20.90)	-	(20.90)
Closing gross carrying amount as at	March 31, 2018	3,327.60	16.05	3,343.65
Opening gross carrying amount as at	April 1, 2018	3,327.60	16.05	3,343.65
Additions		-	-	-
Deductions		-	-	-
Other adjustments		72.89	-	72.89
Closing gross carrying amount as at	March 31, 2019	3,400.49	16.05	3,416.54
Accumulated amortisation and impairment as at	April 1, 2017	-	8.54	8.54
Amortisation / Impairment during the year		243.30	2.76	246.06
Deductions		-	-	-
Other adjustments		-	-	-
Closing accumulated amortisation and impairment as at	March 31, 2018	243.30	11.30	254.60

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Period	Trade marks	Software	Total
Opening accumulated amortisation and impairment as at	April 1, 2018	243.30	11.30	254.60
Amortisation during the year		-	1.58	1.58
Impairment losses		986.62	-	986.62
Deduction		-	-	-
Other adjustments		3.16	-	3.16
Closing accumulated amortisation and impairment as at	March 31, 2019	1,233.09	12.88	1,245.96
Net carrying amount as at	March 31, 2018	3,084.30	4.74	3,089.05
Net carrying amount as at	March 31, 2019	2,167.41	3.17	2,170.58

The indefinite life of intangible assets are tested for impairment and accordingly no impairment charges were identified for the FY-2018-19 onwards.

5 Non-current trade receivables

Particulars	As At March 31, 2019	As At March 31, 2018
Unsecured Considered good	4.51	4.51
Unsecured Credit Impaired	4.51	4.51
	9.02	9.02
Less: Allowances for Credit impaired	(4.51)	(4.51)
Total	4.51	4.51

6 Non-current loans

Particulars	As At March 31, 2019	As At March 31, 2018
Unsecured, considered good		
Security deposits	121.72	149.79
Loans and advances to employees	8.11	10.48
Total	129.83	160.27

7 Other non-current financial assets

Particulars	As At March 31, 2019	As At March 31, 2018
Export incentive receivable	35.68	128.51
Deposits with maturity of more than 12 months*	-	15.83
Total	35.68	144.34

* Above bank deposits are pledged as margin money

8 Income tax assets (net)

Particulars	As At March 31, 2019	As At March 31, 2018
Advance payment of income tax (Net)	324.81	298.34
Total	324.81	298.34

9 Other non-current non-financial assets

Particulars	As At March 31, 2019	As At March 31, 2018
Capital Advice		
Unsecured Considered good	326.55	59.46
Unsecured Credit impaired	-	14.63
Less: Allowances for Credit impaired	-	(14.63)
Deferred lease expenses	10.21	4.56
Total	336.76	64.02

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

10 Inventories

Particulars	As At March 31, 2019	As At March 31, 2018
(Valued at lower of cost and net realizable value)		
Raw materials	274.47	299.34
Packing materials	641.69	629.19
Work-in-progress	1,495.86	921.00
Finished goods - includes goods in transit Rs. Nil, (March 31, 2018 Rs. 53.01 lakhs)	154.51	192.40
Traded goods - includes goods in transit Rs. 147.77 lakhs, (March 31, 2018 Rs. Nil)	888.94	320.52
Total	3,455.47	2,362.45

11 Current trade receivables

Particulars	As At March 31, 2019	As At March 31, 2018
Unsecured , considered good		
Others	4,391.21	4,295.37
Unsecured Credit Impaired	0.80	0.88
	4,392.01	4,296.25
Less: Allowances for Credit impaired	(0.80)	(0.88)
Total	4,391.21	4,295.37

12 Cash and cash equivalents

Particulars	As At March 31, 2019	As At March 31, 2018
Cash on hand	7.34	8.03
Balances with banks		
in Current account	277.26	420.98
in EEFC account	971.66	2,392.15
in Fixed deposit account	181.30	-
Cheque, drafts on hand	0.11	0.01
Total	1,437.67	2,821.17

13 Bank balance other than above

Particulars	As At March 31, 2019	As At March 31, 2018
Balance with banks		
In Current account *	76.45	87.46
In Fixed deposit account **	326.86	254.66
Total	403.31	342.12

* Balance with bank in current account is on account of earmark balance for unclaimed dividend

**Deposit with original maturity of more than 3 months but less than 12 months

14 Current loans

Particulars	As At March 31, 2019	As At March 31, 2018
Unsecured, considered good		
Loans to employees	14.24	20.80
Others	0.25	-
Total	14.49	20.80

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

15 Other current financial assets

Particulars	As At March 31,2019	As At March 31,2018
Derivative instruments	213.55	-
Interest accrued on fixed deposits and others	8.89	10.72
Export incentives receivable	576.63	323.14
Other receivables	104.54	97.86
Total	903.61	431.72

16 Other current non-financial assets

Particulars	As At March 31,2019	As At March 31,2018
Unsecured, considered good		
Advance to suppliers for services	16.06	4.71
Advance to suppliers for goods	55.01	30.25
Advance to suppliers for expenses	-	0.35
Balance with government authorities	752.94	1,305.81
Prepayments	41.35	31.93
Deferred lease expenses	3.53	-
Dividend receivable	0.19	-
Total	869.08	1,373.05

17 Assets held-for - sale

Particulars	As At March 31,2019	As At March 31,2018
Land	14.63	-
Total	14.63	-

The Company purchased certain plot of land at Nadiad for the purpose of building storage facility. The Company now intends to dispose off the same as it no longer intends to utilise it for the purpose of its business,. The prospective buyer has given an advance of Rs. 50 Lakhs against the sale of above mentioned land.

18 Equity Share capital

Particulars	As At March 31,2019	As At March 31,2018
Authorised shares		
2,50,00,000 (March 31, 2018: 2,50,00,000) equity shares of Rs. 10/- each.	2,500.00	2,500.00
Issued, subscribed and fully paid		
2,12,01,461 (March 31, 2018: 2,12,01,461) equity shares of Rs. 10/- each	2,120.15	2,120.15
Less: 11,78,742 (March 31, 2018: Nil) equity shares of Rs. 10/- each buyback during the year	(117.88)	-
	2,002.27	2,120.15
Shares forfeited		
7,56,600 (March 31, 2018: 7,56,600) equity shares of Rs. 10/- each; amount originally paid up thereon @ Rs. 5 per share	37.83	37.83
Total	2,040.10	2,157.98

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	No. of shares	Amount (Rs.)
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2017	21,201,461	2,120.15
Changes during the year	-	-
As at March 31, 2018	21,201,461	2,120.15
Buy-back during the year	(1,178,742)	(117.88)
As at March 31, 2019	20,022,719	2,002.27

Of the above 7,56,600 equity shares (Rs.37.83 lakhs) is forfeited and not cancelled by the company .

The Board of Directors of the Company, at its meeting held on June 5, 2018 approved buyback of Equity Shares. The Company adopted the open market route in accordance with provision contained in SEBI (buyback of security) Regulation, 1998 and any statutory notification or re-entitlement for the time being in force.

The buyback of Equity Shares opened on July 23, 2018 and closed on September 19, 2018. As on the date of the closure of Buyback, the Company bought back an aggregate of 11,78,742 Equity Shares, utilizing a total of Rs. 29,99,12,542/- (excluding Transaction Costs) which represents 99.97% of the Maximum Buy-back size. The Equity Shares were bought back at an average price of Rs. 254.43 per Equity Share. All the shares bought back have been extinguished . The Company has adjusted an amount of Rs. 1,17,87,420/- against Retained Earnings and Rs. 28,84,25,043/- against Security premium.

(b) Terms / rights attached to equity shares

The Company has one class of Equity Shares having a par value of Rs. 10 per share. Each shareholders is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

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

Particulars	As At March 31, 2019	As At March 31, 2018
Mr. Bimal R. Thakkar		
No. of Shares	2,278,924	2,276,074
%	11.38%	10.74%
Mr. Bhavesh R. Thakkar		
No. of Shares	751,450	1,176,450
%	3.75%	5.55%
Mrs. Mahalaxmi R. Thakkar		
No. of Shares	1,958,022	1,958,022
%	9.78%	9.24%
Alpa S. Dangi		
No. of Shares	1,061,551	593,147
%	5.30%	2.80%
Mentor Capital Limited		
No. of Shares	2,779,284	Nil
%	13.88%	Nil
JM Financial Services Limited		
No. of Shares	113,000	1,365,089
%	0.56%	6.44%
Total No. of Shares	8,942,231	7,368,782
Total	44.65%	34.77%

(d) Equity shares movement during the five years preceding March 31, 2019

Particulars	From 1st April 2014 to 31st March 2019	From 1st April 2013 to 31st March 2018
Aggregate no. of equity shares bought back	1,977,281	798,539

There are no shares reserved for issue under option and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

19 Other equity

Particulars	As At March 31,2019	As At March 31,2018
Reserves and surplus		
Capital reserves		
As per last Balance Sheet	105.00	105.00
Capital redemption reserves		
As per last Balance Sheet	79.85	79.85
Addition during the year	117.88	-
Closing Balance	197.73	79.85
Security premium		
As per last Balance Sheet	5,051.11	5,051.11
Utilized during the year	(2,884.25)	-
Closing Balance	2,166.86	5,051.11
General reserve		
As per last Balance Sheet	763.97	763.97
Foreign currency translation reserve		
As per last Balance Sheet	34.00	154.08
Addition during the year (net)	55.24	(120.08)
Closing Balance	89.24	34.00
Retained earning		
As per last Balance Sheet	9,256.33	7,880.97
Add: other adjustment during the year	-	200.97
Utilised for buy back of equity shares	(117.88)	-
	9,138.45	8,081.94
Add: profit for the year	2,533.46	1,807.32
Re-measurement of defined benefit plans	(58.97)	4.48
Less: Dividend paid	-	(529.51)
Less: Tax on dividend	-	(107.90)
Movement during the year	2,474.49	1,174.39
Closing balance	11,612.94	9,256.33
Cash flow hedge reserve		
As per last Balance Sheet	(7.21)	506.59
Add: Change in fair value of hedging instrument	301.65	(724.89)
Less: Deferred tax	(87.82)	211.09
Closing balance	206.62	(7.21)
Total Reserves and Surplus	15,142.36	15,283.05

Nature of Reserves

(a) Capital reserve

The Group recognises profit and loss on purchase, sale, issue or cancellation of the group's own equity instruments to capital reserve.

(b) Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(c) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(d) Cash flow hedge reserve

The company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the company uses foreign currency forward contracts which are designated as cash flow hedges.

To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss.

(e) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

20 Non-current borrowings

Particulars	As At March 31,2019	As At March 31,2018
Secured		
Due to bank under car loan agreement (Refer Note no. 20.1)	-	2.54
Total	-	2.54

20.1 Secured by hypothecation of asset purchased, repayable in 35 installments. The loan carries interest @ 10.25% p.a.

21 Non-current provisions

Particulars	As At March 31,2019	As At March 31,2018
Provision for employee benefits (Refer Note no. 46)		
For compensated absences	32.39	54.09
For compensated sick leaves	9.66	6.50
For gratuity	78.24	156.94
Total	120.29	217.53

22 Income taxes

a) Tax expense recognised in profit and loss

Particulars	As At March 31,2019	As At March 31,2018
Current tax expense for the year	1,300.58	1,029.70
Tax expense of prior year	-	-
Net current tax expenses	1,300.58	1,029.70
Deferred Income tax liability / (asset), (net)		
Origination and reversal of temporary differences	(60.78)	369.18
Total	1,239.80	1,398.88

b) Tax expense recognised in other comprehensive income

Particulars	As At March 31,2019	As At March 31,2018
Items that will not be reclassified subsequently to profit or loss		
Re-measurements of the defined benefit plans	24.23	(1.84)
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translating the financial statements of foreign operation	(87.82)	211.09
Net gain / (loss) on cash flow hedges	(22.69)	49.56
Total	(86.28)	258.81

c) Reconciliation of effective tax rate

Particulars	As At March 31,2019	As At March 31,2018
Profit before tax	3,773.26	3,206.20
Tax using the company's domestic tax rate (March 31, 2019 - 29.12 % , March 31, 2018 - 34.61 %)	1,098.77	1,109.60
Tax effect of:		
Expenses not deductible for tax purposes	70.73	23.25
Other exemption income	-	(75.79)
Differences in tax rate *	70.30	(135.20)
Difference in tax rate of foreign jurisdiction	-	477.02
Total	1,239.80	1,398.88

* Reduced rate of 29,12% is applicable for company's which have reported a turnover of upto Rs.250 crores and the prospective rate has been used by the Company for calculating deferred tax as future tax rate is to be used.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

d) Movement in deferred tax balances

March 31, 2019

Particulars	Net Balance April 01, 2018	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2018	Deferred tax asset	Deferred tax liability
Deferred tax assets / (liabilities)						
Property, plant and equipment	(905.30)	(36.40)	-	(941.70)	0.60	(942.30)
Cash flow hedge reserve	80.86	-	(87.82)	(6.96)	-	(6.96)
Employee benefits	76.45	(20.12)	24.23	80.56	0.04	80.52
Provision for doubtful advances	5.82	(4.52)	-	1.30	-	1.30
Unused tax credit	12.72	-	-	12.72	12.72	-
Impairment of Intangible assets	73.51	169.26	-	242.77	242.77	-
Net operating loss	784.00	(65.38)	-	718.62	718.62	-
Foreign currency translation reserves	55.67	-	(22.69)	32.98	72.51	(39.53)
Others	5.37	17.93	-	23.30	9.92	13.38
Net Deferred tax assets / (liabilities)	189.10	60.77	(86.28)	163.59	1,057.18	(893.59)

March 31, 2018

Particulars	Net Balance April 01, 2017	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2018	Deferred tax asset	Deferred tax liability
Deferred tax assets / (liabilities)						
Property, plant and equipment	(995.94)	90.64	-	(905.30)	0.43	(905.73)
Cash flow hedge reserve	(130.23)	-	211.09	80.86	-	80.86
Employee benefits	77.40	0.89	(1.84)	76.45	0.04	76.41
Provision for doubtful advances	6.56	(0.74)	-	5.82	-	5.82
Unused tax credit	13.84	(1.12)	-	12.72	12.72	-
Impairment of Intangible assets	96.56	(23.05)	-	73.51	73.51	-
Net operating loss	1,284.74	(500.74)	-	784.00	784.00	-
Foreign currency translation reserves	5.91	-	49.76	55.67	95.24	(39.57)
Fair market value of mutual fund	(75.92)	75.92	-	-	-	-
Others	16.35	(10.98)	-	5.37	5.37	-
Net Deferred tax assets / (liabilities)	299.27	(369.18)	259.01	189.10	971.31	(782.21)

23 Current borrowings

Particulars	As At March 31, 2019	As At March 31, 2018
Secured loans (repayable on demand)		
From Banks	-	130.08
Total	-	130.08

Secured loan availed from banks is secured by hypothecation of the Current Assets of the Company, the whole of the immovable properties pertaining to DTA divisions situated at Plot No: 83/86, and 40, 40/1, 40/2, & 40/3 in GIDC industrial area, Nadiad including movable plant & machinery, stores, spares tools and accessories and other movable both present and future of the Company which have been provided as collateral security, ranking pari passu in favour of the Company's bankers. The said Working Capital limits are repayable on demand and the interest payable on Rupee borrowings range from 8.70 % to 9.90 % p.a. and on foreign currency borrowings is LIBOR plus margin (200 basis points).

24 Current trade payables

Particulars	As At March 31, 2019	As At March 31, 2018
Trade payables		
Total outstanding dues of creditors other than micro and small enterprises		
Others	1,351.43	1,322.35
Total	1,351.43	1,322.35

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

25 Other current financial liabilities

Particulars	As At March 31,2019	As At March 31,2018
Derivative instruments	-	107.31
Current maturity of long term borrowings	-	7.38
Employees related payables	81.89	79.44
Book overdraft	19.93	173.41
Unpaid dividend	76.45	87.46
Other liabilities	278.49	326.37
Total	456.76	781.37

26 Other current non-financial liabilities

Particulars	As At March 31,2019	As At March 31,2018
Advances from customer	51.27	4.57
Statutory dues and other dues payable	57.08	304.93
Total	108.35	309.50

27 Current provisions

Particulars	As At March 31,2019	As At March 31,2018
Provision for employee benefits (Refer Note no. 45)		
For compensated absences	2.36	4.91
For compensated sick leaves	1.44	1.05
For gratuity	46.82	14.60
Total	50.62	20.56

28 Income tax liability (net)

Particulars	As At March 31,2019	As At March 31,2018
Other provisions		
Provision for taxation (net)	178.25	246.39
Total	178.25	246.39

29 Liabilities classified on asset held for sale

Particulars	As At March 31,2019	As At March 31,2018
Advance for land	50.00	-
Total	50.00	-

30 Revenue from operations

Particulars	March 31,2019	March 31,2018
Sale of products (inclusive of excise duty)	23,143.50	20,102.47
Total	23,143.50	20,102.47

Consequent to the introduction of Good and Service Tax (GST) w.e.f July 01, 2017, Central excise, Value Added Tax(VAT), etc. have been subsumed into GST. In accordance with Indian Accounting Standard -18 on Revenue and Schedule III of the Companies Act 2013, unlike excise duties, levies like GST, VAT, etc. are not part of revenue. Accordingly, figure for the year ended March 31, 2018 is not strictly relatable to previous year.

Sale of goods includes excise duty collected from customers of Nil; (March 31, 2018 Rs. 12.21 lacs)

The Chief Operating Decision Maker (CODM) evaluates the performance of the Company based on revenue and operating income in one segment. i.e. "Processed food". Accordingly, as per Ind AS-108, the Company has only one business segment and hence disaggregation information has not been separately disclosed.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

31 Other income

Particulars	March 31,2019	March 31,2018
Interest income from		
Bank deposits	24.56	17.43
Others	27.96	20.66
Other non-operating revenue		
Export incentive	1,263.32	790.22
Liabilities no longer required written back	12.09	26.62
Unwinding of discount on security deposit	1.63	5.37
Income from investment measured at FVTPL	-	18.43
Foreign exchange gain (net)	-	928.64
Miscellaneous income	75.82	49.23
Total	1,405.38	1,856.60

32 Cost of materials consumed

Raw material consumed

Particulars	March 31,2019	March 31,2018
Inventories at the beginning of the year	299.34	326.07
Add: Purchases (net)	6,517.84	5,595.53
	6,817.18	5,921.60
Less : Inventories at the end of the year	274.47	299.34
Total	6,542.71	5,622.26

Packing material consumed

Particulars	March 31,2019	March 31,2018
Inventories at the beginning of the year	629.19	595.64
Add: Purchases (net)	2,402.34	2,231.83
	3,031.53	2,827.47
Less : Inventories at the end of the year	641.69	629.19
Total	2,389.84	2,198.28
Total cost of material consumed	8,932.55	7,820.54

33 Change in inventories of finished goods, stock in trade and work-in-progress

Particulars	March 31,2019	March 31,2018
Inventories at the beginning of the year		
Work-in progress	921.00	1,236.52
Finished goods	192.40	212.20
Stock-in-trade	320.51	134.69
	1,433.91	1,583.41
Less: Inventories at the end of the year		
Work-in progress	1,495.86	921.00
Finished goods	154.51	192.40
Stock-in-trade	888.94	320.51
	2,539.31	1,433.91
Total	(1,105.40)	149.50

34 Excise duty

Particulars	March 31,2019	March 31,2018
Duty paid on sales	-	12.21
Total	-	12.21

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

35 Employee benefits expenses

Particulars	March 31,2019	March 31,2018
Salaries and wages	1,444.49	1,449.10
Contribution to provident fund and other funds	78.14	130.38
Staff welfare expenses	85.42	58.86
Total	1,608.05	1,638.34

36 Finance costs

Particulars	March 31,2019	March 31,2018
Interest expense on		
Borrowing from banks	24.40	51.39
Borrowing from financial institution	0.87	2.18
Others	61.78	59.14
Total	87.05	112.71

37a) Depreciation and Amortisation expenses

Particulars	March 31,2019	March 31,2018
Tangible assets	429.61	437.92
Intangible assets	1.58	2.76
Total	431.19	440.68

37b) Impairment losses

Particulars	March 31,2019	March 31,2018
Intangible assets	986.62	243.30
Total	986.62	243.30

38 Other expenses

Particulars	March 31,2019	March 31,2018
Freezing and preservation charges	59.07	29.94
Power & fuel	530.11	443.86
Electricity	9.85	11.71
Water charges	13.59	12.56
Rent including lease rent	209.33	243.64
Repairs and maintenance to building	27.11	35.51
Repairs and maintenance to machinery	88.85	74.80
Repairs and maintenance to others	27.81	31.60
Insurance	86.77	89.43
Rates and taxes	71.19	49.37
Communication expenses	53.17	69.31
Travelling and conveyance expenses	348.99	370.59
Motor car expenses	38.18	54.30
Printing and stationery expenses	15.23	12.35
Freight and forwarding expenses	1,636.53	1,398.07
Commission and claims	347.00	241.77
Advertisement	683.58	805.76
Sales and marketing expenses	463.95	363.52
Donations	0.05	2.64
Legal and professional fees	413.45	189.88
Payment to auditor	66.83	62.23
CSR expenses	50.16	41.93
Registration and filling fees	7.42	2.58
Directors' sitting fees	15.30	18.45
Bad debts written off	1.80	-
Foreign exchange loss	84.25	-
Loss on sale of fixed assets / assets scrapped	55.01	18.05
Written back / provision for doubtful trade receivables	0.41	0.89
Miscellaneous expenses	225.94	250.41
Total	5,630.93	4,925.15

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

39. Contingent Liabilities and Commitments

a. Contingent Liabilities

Rs. in lakhs

Sr. No	Particulars	As at March 31, 2019	As at March 31, 2018
I.	Claims against the company not acknowledged as debts:		
a.	Income Tax Matters	289.04	289.04
b.	Service Tax Matters	463.54	463.54
c.	Legal Cases*	100.94	19.05
2.	Guarantees:		
a.	Guarantees issued by the banks (net of margin money)	29.60	5.86

*During the year the subsidiary received the notice of violation from Centre for Environmental Health (CEH), a non-profit California Corporation which has filed a law suit against ADF Foods (USA) Ltd. & certain others non-affiliate Companies as defendants ("Defendants") with the Superior Court of California, County of Alameda. The plaintiff in its complaint has alleged that the Defendant and distributors and Importers who have violated California's Proposition 65, Health & Safety Code § 25249.5, et seq. It is proposed to include ADF Foods Limited, the ultimate holding company of ADF Foods (USA) Ltd. as a defendant in the said lawsuit.

The Subsidiary is currently consulting with its legal counsel & exploring filling a consent agreement with CEH. Approximate liability expected is US\$ 130,000 (Including US\$ 30,000 attorney fees) Amounting to Rs.89.89 lakhs.

Notes:

- It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.

b. Capital commitments

Rs. in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Capital commitments (net of advances)	338.91	90.04

40. Disclosures made in terms of schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Deposits paid to related parties

Interest free security deposit of Rs. 10.00 lakhs (2017-18: Rs. 10.50 lakhs), paid for guest house taken on lease from a Related party.

41. Disclosures in respect of lease

The Company's significant leasing arrangements are in respect of operating leases for Commercial / Official premises. Lease expenditure for operating leases are recognised on straight line basis over the period of lease. These leasing arrangements are non-cancellable, and are renewable on periodic basis by mutual consent on mutually accepted terms. The particulars of the premises taken on operating leases are as under:

Rs. In lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
i) Not later than one year	118.03	180.94
ii) Later than one year and not later than five years	406.10	150.25
iii) Later than five years	40.33	40.83

Lease payment recognised in the Statement of Profit and Loss for the year ended is Rs. 207.37 lakhs (2017-18: Rs. 238.97 lakhs)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

42. Related party disclosures

List of related parties as required by Ind AS – 24, “Related Party Disclosure” are given below:

Sr. No:	Related party relationship	Name of the Related Parties
1.	Key managerial personnel	Mr. Ashok H. Thakkar – Chairman (Upto May 29, 2018)
		Mr. Bimal R. Thakkar – Chairman (w.e.f. June 5, 2019) & Managing Director and Chief Executive Officer
		Mr. Bhavesh R. Thakkar – Executive Director and Chief Financial Officer (Upto May 29, 2018)
		Mr. Anish S. Jhaveri – Chief Financial Officer (w.e.f. November 2, 2018)
2.	Relative of key managerial personnel	Mr. Ashok H. Thakkar (w.e.f. May 30, 2018)
		Mr. Bhavesh R. Thakkar (w.e.f. May 30, 2018)
		Mr. Mishal A. Thakkar – Vice-President – Operations (Upto May 29, 2018)
		Mrs. Mahalaxmi R. Thakkar (Relative of Directors)
		Mr. Shivaan B. Thakkar – Manager Business & Strategy (w.e.f. February 15, 2019)
3.	Key managerial personnel – Non Executive	Mr. Nipun C. Shah (Upto May 18, 2018)
		Mr. Yasir J. Varawala (Upto May 18, 2018)
		Mr. Jay M. Mehta (Upto September 27, 2018) & (w.e.f. February 12, 2019)
		Ms. Anjali Seth
		Mr. Naresh L. Kothari
		Mr. Ravindra Kumar Jain
		Mr. Viren A. Merchant

The following transactions were carried out with the related parties in the ordinary course of business

Rs. In lakhs

Particulars	Financial Year	Key Managerial Personnel	Relatives of Key managerial personnel	Total
Salary	2018-19	305.79	14.73	320.52
	2017-18	182.50	18.55	201.05
Independent Director's Sitting fees	2018-19	15.30	-	15.30
	2017-18	18.45	-	18.45
Sale of Fixed Assets	2018-19	-	57.50	57.50
	2017-18	-	-	-
Rent	2018-19	-	0.50	0.50
	2017-18	-	0.50	0.50

Balances outstanding at the end of the year:

Rs. In lakhs

Particulars	Financial Year	Key Managerial Personnel	Relatives of Key managerial personnel	Total
Non-Current loans (Security Deposit)	2018-19	-	10.00	10.00
	2017-18	-	10.50	10.50

Material related party transactions as under:

Rs. In lakhs

Particulars	Name of the related parties	As at March 31, 2019	As at March 31, 2018
Salary	Mr. Ashok H. Thakkar*	91.13	61.23
	Mr. Bimal R. Thakkar	99.57	61.23
	Mr. Bhavesh R. Thakkar*	91.13	60.04
	Mr. Mishal A. Thakkar	13.04	18.55
	Mr. Shivaan R. Thakkar	1.69	-
	Mr. Anish S. Jhaveri *	23.96	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	Name of the related parties	As at March 31, 2019	As at March 31, 2018
Non-Executive Directors Sitting Fees	Mr. Nipun C. Shah (Upto May 18, 2018)	-	3.15
	Mr. Yasir J. Varawala (Upto May 18, 2018)	-	4.20
	Mr. Jay M. Mehta (Upto September 27, 2018) & (w.e.f. February 12, 2019)	1.20	1.80
	Ms. Anjali Seth	2.55	1.20
	Mr. Naresh L. Kothari	2.70	1.80
	Mr. Ravindra Kumar Jain	4.05	3.60
	Mr. Viren A. Merchant	4.80	2.70
Sale of vehicle	Mr. Ashok H. Thakkar	15.00	-
	Mr. Bhavesh R. Thakkar	18.00	-
	Mr. Mishal A. Thakkar	24.50	-
Rent	Mrs. Mahalaxmi R. Thakkar	0.50	0.50
Long-term loans and advances	Mrs. Mahalaxmi R. Thakkar	10.00	10.50

*Salary paid to the related parties Mr. Ashok H. Thakkar & Mr. Bhavesh R. Thakkar includes full & final settlement amount comprising of the salary components related to prior years of service. Related parties Mr. Ashok H. Thakkar & Mr. Bhavesh R. Thakkar have resigned from May 29, 2018. Salary amount of above related parties includes post-retirement benefits settlement amount paid on resignation.

Compensation to Key Managerial Personnel is as follows:

Rs. in lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Short term employee benefits	0.40	19.99
Post retirement benefits	96.41	113.86
Share based payment transactions	-	-

43. Financial and derivative instruments – Hedge Accounting

i) Impact of hedging activities

a. Disclosure of effects of hedge accounting on financial position:

March 31, 2019

Rs. in lakhs

Types of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge foreign exchange risk foreign exchange forward contracts	8,420.12	-	213.55	-	April 2019 to March 2020	1:01	(220.41)	220.41

March 31, 2018

Rs. in lakhs

Types of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge foreign exchange risk foreign exchange forward contracts	9,638.04	-	-	(107.31)	April 2018 to March 2019	1:01	(724.89)	724.89

* The foreign exchange forward contract are denominated in the same currency as the highly probable sale therefore the hedge ratio is 1:1

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b. Disclosure of effects of hedge accounting on financial performance

March 31, 2019

Rs. in lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge effectiveness recognised in profit or (loss)	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge foreign exchange risk	(220.41)	-	-	-

March 31, 2018

Rs. in lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge effectiveness recognised in profit or (loss)	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge foreign exchange risk	(724.89)	(19.24)	506.59	Other income

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated Component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- Differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer Note - 19 for the details related to movement in cash flow hedging reserve.

44. Employee Benefits

a) Defined contribution plans

Amount of Rs. 66.05 lakhs (2017-18: Rs. 75.32 lakhs) representing contribution to provident fund is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

Amount of Rs. 11.90 lakhs (2017-18: Rs. 11.92 lakhs) representing contribution to Employee State Insurance scheme is recognised 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 absences is made for outstanding leave balance at the year end at basic salary cost which can be utilized in future and are en-cashable. Amount of Rs 34.75 lakhs (2017-18: Rs. 59.00 lakhs) has been recognised in balance sheet of which Rs 32.39 lakhs (2017-18: Rs. 54.09 lakhs) shown under long term provision and balance Rs 2.36 lakhs (2017-18: Rs. 4.91 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2019.

Expenses of Rs 11.35 lakhs (2017-18: Rs. 24.32 lakhs) are recognised in the Statement of Profit and Loss.

Compensated sick leave

Provision for compensated absences is made for outstanding sick leave balance at the year end at gross salary which can be utilized in future and are non en-cashable. Amount of Rs 11.10 lakhs (2017-18: Rs. 7.55 lakhs) has been recognised in balance sheet of which Rs. 9.66 lakhs (2017-18: Rs. 6.50 lakhs) shown under long term provision and balance Rs 1.44 lakhs (2017-18: Rs. 1.05 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2019.

Expenses of Rs. 20.22 lakhs (2017-18: Rs. 2.84 lakhs) are recognised in the Statement of Profit and Loss.

Gratuity

Funded

The Company has offered its employees defined benefit plan in the form of Group Gratuity Scheme. Gratuity Scheme covers all qualifying employees as statutorily required under the Payment of Gratuity Act, 1972. The Company has made irrevocable contribution of funds to LIC of India.

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Unfunded

Amount of Rs. 125.05 lakhs (2017-18: Rs. 171.54 lakhs) has been recognised in balance sheet of which Rs 78.24 lakhs (2017-18: Rs. 156.94 lakhs) shown under long term provision and balance Rs 46.81 lakhs (2017-18: Rs. 14.66) is shown under short term provision as given in the Actuarial report as on March 31, 2019.

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.

Rs. In lakhs

	Particulars	Gratuity (funded and unfunded)	
		2018-19	2017-18
I	Present value of obligation		
	Liability at the beginning of the year	333.49	293.74
	Interest cost	25.01	21.81
	Current service cost	17.14	25.61
	Benefit paid	(164.01)	(11.88)
	Benefit payable by the Company	-	-
	Actuarial (gain) / loss on obligations	81.47	(5.07)
	Liability at the end of the year	293.10	333.49
II	Change in Plan Assets		
	Fair value of plan assets at the beginning of the year	161.95	148.72
	Adjustment to opening balance		-
	Interest Income	12.15	11.27
	Actual return on plan assets		-
	Employer's Contributions	17.41	15.11
	Benefit paid	(21.74)	(11.88)
	Gratuity due but not paid	-	-
	Re-measurement – return on assets	(1.72)	(1.27)
	Fair value of plan assets at the end of the year	168.05	161.95
III	Amount recognised in the balance sheet		
	Liability at the end of the year	293.10	333.49
	Fair value of plan assets at the end of the year	168.05	161.95
	Present value of unfunded obligations	125.05	171.54
IV	Expenses recognised in the Statement of Profit and Loss		
	Current service cost	17.14	25.61
	Interest cost	12.87	21.81
	Actual return on plan assets	-	(11.28)
	Net actuarial (gain) / loss to be recognised	-	6.29
	Expense recognised in Statement of Profit and Loss	30.01	42.43
V	Actuarial assumptions :		
	Discount rate	7.79%	7.50%
	Rate of return on plan assets	7.79%	7.50%
	Salary escalation	6.00%	6.00%
	Mortality	Indian Assured lives Mortality(2006-08) Ultimate	

The Company has partly funded the closing balance of present value of obligation to the extent of Rs. 168.05 lakhs, the balance of Rs. 161.95 lakhs is unfunded.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Sensitivity Analysis

Rs. In lakhs

Projected Benefit Obligation on Current Assumptions	292.64
Delta effect on + 1% Change in Rate of Discount	(26.26)
Delta effect on - 1% Change in Rate of Discount	30.30
Delta effect on + 1% Change in Rate of Salary Increase	30.54
Delta effect on - 1% Change in Rate of Salary Increase	(26.91)
Delta effect on + 1% Change in Rate of Employee Turnover	3.98
Delta effect on - 1% Change in Rate of Employee Turnover	(4.43)

Experience Adjustments for the current and previous four years

Rs. In lakhs

Experience	2018-19	2017-18	2016-17	2015-16	2014-15
Defined Benefit Obligation	293.11	333.06	293.29	258.87	277.67
-Plan Assets	168.05	161.95	148.71	136.24	130.21
Status [Surplus / (Deficit)]	(125.06)	(171.11)	(144.58)	(122.64)	(92.26)
Experience Adjustments of Obligation (Gain)/Loss	-	6.29	(0.81)	9.75	(2.49)

45. Computation of earnings per share

Rs. In lakhs

Particulars	2018-19	2017-18
Profit after tax	2,533.46	1,807.32
Weighted average number of equity shares outstanding at the end of the year	2,05,31,233	2,12,01,461
Earnings per share		
Basic	12.34	8.52
Diluted	12.34	8.52
Nominal value of Shares	10	10

46. Segment Reporting

a. General Information

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

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

b. Information about Product and Services

The Group has revenue from external customer to the extent of Rs. 24,406.82 lakhs (Previous year: Rs. 20,892.69 lakhs)

c. Information about Geographical Areas

The Revenue from India is Rs. 159.53 Lakhs & from Outside India Rs. 24,247.28 lakhs (Previous year :In India – Rs. 295.93 lakhs & outside India – Rs. 20,596.76 lakhs) & The Non-currents assets other than financial instruments & deferred tax assets from India are Rs. 13,457.80 lakhs. (Previous year 2017-18 Rs. 13,154.29 lakhs and from outside India are Rs. 136.52 lakhs Previous year 2017-18 Rs. 6771.58 lakhs)

d. Information about Major Customers

There were no reportable major customers for the year ended March 31, 2019 (Previous year: Nil)

47. The Company held majority shareholding in Power Brands (Foods) Private Limited ('PBFPL'). It presently holds 2,08,85,992 fully paid Equity Shares of Rs. 10/- each (including 20,75,992 Equity shares acquired at Rs. 330.08 lakhs in Financial Year 2012-13). PBFPL is presently under voluntary liquidation process.

Pursuant to a special resolution passed on November 5, 2012 by its members, PBFPL went into the members' voluntary liquidation. In the course of liquidation process, the voluntary liquidator, with the prior approval of the members vide their special resolution dated March 8, 2013, distributed PBFPL's intangible asset - Ashoka brand and part of cash and bank balance to its Shareholders in proportion to their respective shareholding in PBFPL while retaining certain other fixed and current assets to meet its contingent and other liabilities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

By virtue of the above distribution, the Company received Ashoka brand in the financial year 2012-13 (valued at Rs. 2,935.99 lakhs by an independent valuer) in lieu of its investment in PBFPL's equity shares of Rs. 2,211.08 lakhs. Accordingly, the Company capitalised the said brand in its books at Rs. 2,935.99 lakhs in the said financial year after adjusting the same against the investment value of Rs. 2,211.08 lakhs and carried the balance of Rs. 724.91 lakhs to the credit of the Statement of Profit and Loss as an exceptional item in that year.

During the Financial Year 2012-13, the voluntary liquidator, with the prior approval of the members vide their special resolution dated 10th November 2014, distributed PBFPL's immovable property situated at Sewree, Mumbai and part of cash and bank balance to its Shareholders in proportion to their respective shareholding in PBFPL while retaining certain other current assets to meet with its contingent and other liabilities. The excess value of assets so received over the investment value in Equity Shares of PBFPL was accounted for in the Company's Statement of Profit & Loss under the head exceptional item.

Consequently, the investment in Equity Shares of PBFPL stand fully realised. However, pending completion of liquidation process, the Company has not surrendered the said shares to the Voluntary liquidator and they have been shown under the head "Investment" at nil value.

48. Financial instruments – Fair values and risk management

Accounting classification and fair values

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

Rs. in lakhs

March 31, 2019	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non Current								
Trade Receivables	-	-	4.51	4.51	-	-	-	-
Loans	37.99	-	91.84	129.83	-	37.99	-	37.99
Other financial assets	-	-	35.68	35.68	-	-	-	-
Current								
Trade Receivables	-	-	4,391.21	4,391.21	-	-	-	-
Cash and cash equivalents	-	-	1,437.67	1,437.67	-	-	-	-
Bank balances other than above	-	-	403.31	403.31	-	-	-	-
Loans	-	-	14.49	14.49	-	-	-	-
Other financial assets	-	213.55	690.06	903.61	-	213.55	-	213.55
Assets held for sale	14.63	-	-	14.63	-	14.63	-	14.63
	52.62	213.55	7068.79	7334.96	-	266.17	-	266.17
Financial Liabilities								
No-Current								
Borrowings	-	-	-	-	-	-	-	-
Provisions	-	-	120.29	120.29	-	-	-	-
Current								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	1,383.18	1,383.18	-	-	-	-
Other Current Financial Liabilities	-	-	456.76	456.76	-	-	-	-
Provisions	-	-	50.62	50.62	-	-	-	-
Liabilities classified as held for sale	50.00	-	-	50.00	-	50.00	-	50.00
	50.00	-	2,010.85	2,060.85	-	50.00	-	50.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Rs. in lakhs

March 31, 2018	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non-Current								
Trade receivables	-	-	4.51	4.51	-	-	-	-
Loans	70.81	-	89.46	160.27	-	70.81	-	70.81
Other financial assets	-	-	144.34	144.34	-	-	-	-
Current								
Trade Receivables	-	-	4,295.37	4,295.37	-	-	-	-
Cash and cash equivalents	-	-	2,821.17	2,821.17	-	-	-	-
Bank balances other than above	-	-	342.12	342.12	-	-	-	-
Loans	-	-	20.80	20.80	-	-	-	-
Other financial assets	-	-	431.72	431.72	-	-	-	-
	70.81	-	8,149.48	8,220.29	-	70.81	-	70.81
Financial Liabilities								
No- Current								
Borrowings	-	-	2.54	2.54	-	-	-	-
Provisions	-	-	217.53	217.53	-	-	-	-
Current								
Borrowings	-	-	130.08	130.08	-	-	-	-
Trade payables	-	-	1,382.07	1,382.07	-	-	-	-
Other Current Financial Liabilities	-	107.31	674.06	781.37	-	107.31	-	107.31
	-	107.31	2,406.28	2,513.59	-	107.31	-	107.31

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 those used for the year ended March 31, 2016.

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

1. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
2. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
3. Loans – Security Deposits have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

49. 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. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer

(i) Credit Risk

Credit risk arises from trade receivables, cash and cash equivalents and deposits with banks and financial institutions.

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. Credit risk is managed on a financial asset basis. For banks and financial institutions, only high rated banks/institutions are accepted.

Company's maximum exposure to credit risk for each class of financial asset is the carrying amount of the financial assets recognised in the statement of financial position.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Historical trend default in case of applicable financial asset
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations
- Other applicable macroeconomic information such as regulatory changes

A default on a financial asset is when the counter party fails to make contractual payments within agreed credit terms from the date when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 4,391.21 lakhs (March 31, 2018 – Rs. 3,980.30 lakhs) 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 11 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 Note 40.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management regularly monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows to ensure it has sufficient cash to meet ongoing operational fund requirements.

Rs. in lakhs

March 31, 2019	Contractual cash flows					
	Carrying Amount	Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non-Current						
Borrowings	-	-	-	-	-	-
Current						
Borrowings	-	-	-	-	-	-
Trade payables :-	-	-	-	-	-	-
a) Dues of Micro & Small Enterprises	31.75	31.75	31.75			
b) Dues of creditors other than Micro & Small Enterprises	1,351.43	1,351.43	1,351.43			
Current maturities of long term borrowings	-	-	-	-	-	-
Other Financial Liabilities	456.76	456.76	456.76	-	-	-
Liabilities classified as held for sale	50.00	50.00	50.00			
	1,889.93	1,889.93	1,889.93	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2018	Contractual cash flows					
	Carrying Amount	Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non-Current						
Borrowings	2.54	2.54	-	2.54	-	-
Current						
Borrowings	130.08	130.08	130.08	-	-	-
Trade payables	1,382.07	1,382.07	1,382.07	-	-	-
Current maturities of long term borrowings	7.38	7.38	7.38	-	-	-
a) Dues of Micro & Small Enterprises	59.72	59.72	59.72	-	-	-
b) Dues of creditors other than Micro & Small Enterprises	1,322.35	1,322.35	1,322.35	-	-	-
Other Financial Liabilities	773.99	773.99	773.99	-	-	-
	2,296.06	2,296.06	2,293.52	2.54	-	-

(iii) Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, GBP and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge upto 50% of forecasted foreign currency sales for the subsequent 12 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge upto 50% of the forecasted sales.

In accordance with its risk management policies and procedures, the Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. When derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedge exposure and assesses the effectiveness of the hedged item and hedging relationship based on economic relationship.

The carrying amount of the Company's exposure to foreign currency at the end of the reporting period expressed in INR, are as follows:

a) Trade and other receivables

Rs. In lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
Foreign currency				
USD	50.57	3,496.18	41.88	2,729.01
GBP	7.72	697.89	13.35	1,231.10
EURO	-	-	0.19	15.37

b) Trade payable

Rs. In lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
Foreign currency				
USD	0.98	67.53	1.47	95.70
GBP	2.06	186.28	0.54	50.03
CAD	0.11	5.89	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

c) EEFC balance

Rs. In lakhs

Particulars	As at March 31, 2019		As at March 31, 2018	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
Foreign currency				
USD	6.90	476.95	33.37	2,174.84
GBP	5.47	494.71	2.36	217.31

The following significant exchange rates have been applied during the year:

Particulars	Year- end spot rate as at	
	March 31, 2019	March 31, 2018
USD / INR	69.1450	65.1700
GBP / INR	90.3700	92.2500
EUR / INR	77.6300	80.6222
CAD / INR	51.4800	50.6300

Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Company's profit or loss before taxes as at March 31, 2019 and March 31, 2018:

Particulars	Impact on profit after tax	
	Year ended March 31, 2019	Year ended March 31, 2018
USD / INR increase by 5%	157.28	90.11
USD / INR decrease by 5%	(157.28)	(90.11)
GBP / INR increase by 5%	31.98	41.30
GBP / INR decrease by 5%	(31.98)	(41.30)
EUR / INR increase by 5%	-	0.58
EUR / INR decrease by 5%	-	(0.58)
CAD / INR increase by 5%	0.21	-
CAD / INR decrease by 5%	(0.21)	-

50. Disclosures of additional information pertaining to the parent company and subsidiaries, as required under schedule III to the Companies Act, 2013

March 31, 2019

Rs. in lakhs

Name of the Company	Net Assets (Total assets minus Total liabilities)		Share in Profit / (Loss) account		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profits	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
ADF Foods Limited	122.46	21,043.20	120.30	3,047.73	73.69	154.83	116.73	3,202.56
Indian Subsidiary								
ADF Foods (India) Limited	(0.04)	(6.55)	(1.00)	(25.27)	0.02	0.03	(0.92)	(25.24)
Foreign Subsidiaries								
Direct Subsidiary								
ADF Foods (UK) Limited	34.06	5,853.30	(0.36)	(9.17)	(0.05)	(0.10)	(0.34)	(9.27)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the Company	Net Assets (Total assets minus Total liabilities)		Share in Profit / (Loss) account		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profits	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Step down Subsidiary								
ADF Holdings (USA) Limited	11.69	2,008.09	(18.31)	(463.79)	26.34	55.34	(14.89)	(408.45)
Elimination	(68.18)	(11,715.58)	(0.63)	(16.04)	-	-	(0.58)	(16.04)
Total	100.00	17,182.46	100.00	2,533.46	100.00	210.11	100.00	2,743.55

March 31, 2018

Rs. in lakhs

Name of the Company	Net Assets (Total assets minus Total liabilities)		Share in Profit / (Loss) account		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profits	Profit/(Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
ADF Foods Limited	119.50	20,842.76	122.96	2,222.37	80.86	(509.34)	145.50	1,713.03
Indian Subsidiary								
ADF Foods (India) Limited	0.11	18.70	0.92	16.71	0.00	0.03	1.42	16.74
Foreign Subsidiaries								
Direct Subsidiary								
ADF Foods (UK) Limited	33.22	5,793.68	(0.41)	(7.32)	2.28	(14.35)	(1.84)	(21.67)
Step down Subsidiary								
ADF Holdings (USA) Limited	13.39	2,335.49	(22.47)	(406.04)	16.87	(106.28)	(43.51)	(512.32)
Elimination	(66.22)	(11,549.60)	(1.02)	(18.40)	-	-	(1.56)	(18.40)
Total	100.00	17,441.03	100.00	1,807.32	100.00	(629.94)	100.00	1,177.38

51. Details of subsidiaries

The companies considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	% of holding held by the group As at		% of holding Non-controlling Interest (NCI) As at	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
ADF Foods (India) Limited	India	100%	100%	0%	0%
ADF Foods (UK) Limited	UK	100%	100%	0%	0%
ADF Holdings (USA) Limited	USA	100%	100%	0%	0%
Power Brands (Foods) Private Limited *	India	99.99%	99.99%	0.01%	0.01%

* Under members voluntary liquidation vide special resolution passed by the members on November 5, 2012.

52. Previous year's figures have been regrouped / restated wherever necessary to confirm to current year's classification.

53. Figures have been rounded off to the nearest lakhs.

For and on behalf of the Board

Bimal R. Thakkar
Chairman, M.D. & C.E.O.
DIN: 00087404

Anish Jhaveri
Chief Financial Officer

Shalaka Ovalekar
Company Secretary
Membership No.: A15274

Place: Mumbai
Date: May 22, 2019

FORM AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries

1	Name of subsidiary	ADF Foods (India) Limited - Wholly owned subsidiary	ADF Foods (UK) Limited - Wholly owned subsidiary		ADF Holdings (USA) Limited and its' subsidiary - step down subsidiary	
2	The date since when subsidiary was acquired	7th December 2009	6th September 2002		22nd september 2010	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2018 to 31st March 2019	1st April 2018 to 31st March 2019		1st April 2018 to 31st March 2019	
4	Reporting currency and exchange rate as on the last date of the relevent financial year in the case of foreign subsidiary	Rupees	£ = INR	90.37	\$ = INR	69.145
		Rs. / lakhs	£	Rs. / lakhs	\$	Rs. / lakhs
5	Share Capital	5.00	6,292,997	5,787.52	9,515,133	5,888.56
6	Reserves & Surplus	(11.55)	(8,519)	65.78	(6,577,855)	(3,880.48)
7	Total assets	28.67	6,293,914	5,901.54	3,821,431	2,619.43
8	Total liabilities	35.22	9,436	48.24	884,153	611.35
9	Investments	-	6,279,536	5,888.56	-	-
10	Turnover	41.35	21,187	19.45	6,474,841	4,530.66
11	Profit before taxation	(25.46)	(9,947)	(9.17)	(804,597)	(562.33)
12	Provision for tax	(0.19)	-	-	(142,513)	(98.54)
13	Profit after tax	(25.27)	(9,947)	(9.17)	(662,084)	(463.79)
14	Proposed dividend	-	-	-	-	-
15	% of share holding	100%	100%	100%	100%	100%

Power Brands (Foods) Pvt. Ltd. (PBFPL), 99.99% subsidiary of Company, has gone for voluntary liquidation vide Special Resolution passed by its' Members' on 5th November, 2012.

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W100166

For and on behalf of the Board

Bimal R. Thakkar
Chairman, M.D. & C.E.O.
DIN: 00087404

Anish Jhaveri
Chief Financial Officer

FARHAD M. BHESANIA
Partner
Membership Number 127355

Shalaka Ovalekar
Company Secretary
Membership No.: A15274

Place: Mumbai
Date: May 22, 2019

Place: Mumbai
Date: May 22, 2019



ADF FOODS LIMITED

CIN: L15400GJ1990PLC014265

83/86, GIDC Industrial Estate, Nadiad 387001, Gujarat; Tel.: 0268-2551381/2 Fax. : 0268-2565068

E-mail: info@adf-foods.com; Website: www.adf-foods.com

PROXY FORM

Twenty Ninth Annual General Meeting - Wednesday, 25th September, 2019 at 12.00 noon

Name of Member(s) :

Registered Address :

E-mail Id :

Folio No./ DP Id/Client Id :

I/We being member(s) holding number of Shares of the above named Company hereby appoint:

[1] Name:..... Address:

E-mail Id: Signature:; or failing him

[2] Name:..... Address:

E-mail Id: Signature:; or failing him

[3] Name:..... Address:

E-mail Id: Signature:

As my/our proxy to vote for me/us on my/our behalf at the Twenty Ninth Annual General Meeting of the Company to be held on Wednesday, 25th September, 2019 at 12.00 noon and at any adjournment thereof in respect of the Resolutions as indicated below:

Item No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent the Resolution (AGAINST)
1.	Adoption of Audited Annual Financial Statements, Report of the Board of Directors and Auditors for the financial year ended 31 st March, 2019.			
2.	Re-appointment of Mr. Bimal R. Thakkar (DIN: 00087404) as Director liable to retire by rotation.			
3.	Re-appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants as the Statutory Auditors of the Company.			
4.	Approval for making structural changes in remuneration of Mr. Bimal Thakkar, Chairman, Managing Director & CEO.			
5.	Re-appointment of Mr. Viren A. Merchant (DIN: 00033464) as Independent Director of the Company.			
6.	Re-appointment of Mr. Ravinder Kumar Jain (DIN: 00652148) as Independent Director of the Company.			
7.	Appointment of Mr. Jay Mehta (DIN: 00152072) as a Non-Executive Non-Independent Director.			
8.	Approval for renewal of Related Party Contracts.			
9.	Reclassification of shareholding of Mr. Ashok H. Thakkar and Mr. Mishal A. Thakkar from 'Promoter & Promoter Group' category to 'Public' category.			

Signed thisday of 2019

Signature of Shareholder:

Affix
Revenue
Stamp

.....
Signature 1st Proxy holder

.....
Signature 2nd Proxy holder

.....
Signature 3rd Proxy holder

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.



CSR Initiatives

At ADF we believe that our business is a part of the community where it operates and constantly seeks out opportunities to improve the environment, and to contribute positively to the well-being of communities in which we operate. The Company believes that its investments must result in long-term sustainable growth as well as economic and social progress of the rural and urban poor.

Education Support Program

Medical Aid

Women Empowerment

Support to Disabled People

Animal Welfare

Courier / Registered Post / Speed Post



IF UNDELIVERED PLEASE RETURN TO:

ADF Foods Ltd.,83/86 G.I.D.C Industrial Estate, Nadiad 387001,Gujarat, India.
Visit us at www.adf-foods.com