

KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To The Members of ADF FOODS (INDIA) LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **ADF Foods (India) Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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



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Balance Sheet as at March 31, 2018

(All amounts are in Rupees, except unless stated otherwise)

Particulars	Note No.	As at	As at	As at
		March 31, 2018	March 31, 2017	April 1, 2016
Assets				
I. Non-current assets				
Property, plant and equipment	3	206,182	313,669	421,156
Financial assets:				
Loans	4(a)	25,000	25,000	25,000
Deferred tax assets (net)	5	1,310,911	1,461,148	1,390,931
Total non-current assets		1,542,093	1,799,817	1,837,087
II. Current assets				
Inventories	6	343,741		
Financial assets:				
Investments	7	-	-	15,000
Trade receivables	8	2,732,567	390,822	-
Loans	4(b)	35,500	-	20,000
Cash and cash equivalents	9	450,133	367,908	744,267
Others	10	-	19,733	-
Other current assets	11	99,996	105,050	131,025
Income tax assets (net)	12	71,351	100,000	304,000
Total current assets		3,733,288	983,513	1,214,292
Total assets		5,275,381	2,783,330	3,051,379
Equity and liabilities				
III. Equity				
Equity share capital	13	500,000	500,000	500,000
Other equity	14	1,369,166	(304,343)	(113,381)
Total equity		1,869,166	195,657	386,619
IV. Non-current liabilities				
Provisions	15(a)	47,137	40,033	29,128
Total non-current liabilities		47,137	40,033	29,128
V. Current liabilities				
Financial liabilities:				
Trade payables	16	2,938,454	2,195,545	2,213,693
Others	17	347,766	319,773	334,624
Provisions	15(b)	1,135	4,176	5,635
Other current liabilities	18	71,723	28,146	81,680
Total current liabilities		3,359,078	2,547,640	2,635,632
Total equity and liabilities		5,275,381	2,783,330	3,051,379
Accounting policies	2			

The accompanying notes 1 to 36 form an integral part of financial statements

As per our report of even date

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

FARHAD M BHESANIA
 PARTNER
 Membership Number 127355

Place: Mumbai
 Date: May 18, 2018

Signatures to the Balance Sheet and Notes to Financial statements

For and on behalf of the Board

Bimal R. Thakkar
 Director
 DIN: 00087404

Bhaves R. Thakkar
 Director
 DIN: 00939805

Place: Mumbai
 Date: May 18, 2018

ADF Foods (India) Limited

Statement of profit and loss for the year ended March 31, 2018
(All amounts are in Rupees, except unless stated otherwise)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	19	18,551,255	21,790,302
Other income	20	93,700	115,479
Total income		18,644,955	21,905,781
Expenses			
Purchase of stock in trade	21	13,428,081	19,444,292
Changes in inventories of traded goods	22	(343,741)	
Employee benefits expenses	23	238,152	222,364
Depreciation expenses	24	107,487	107,487
Other expenses	25	2,965,443	2,414,307
Total expenses		16,395,422	22,188,450
Profit before Tax		2,249,533	(282,669)
Tax expenses			
Current tax		541,590	-
Prior year's tax adjustment		-	(20,219)
Deferred tax		36,551	(69,364)
Profit for the year ended		578,141	(89,583)
Other Comprehensive Income		1,671,392	(193,086)
A(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit plans		2,861	2,861
Income tax relating to items that will not be reclassified to profit or loss		(744)	(737)
Other Comprehensive income for the year ended		2,117	2,124
Total comprehensive income for the year ended		1,673,509	(190,962)
Earning per equity share [Nominal value per share Rs. 10/- each] Basic and Diluted	29	33.43	(3.86)

The accompanying notes 1 to 36 form an integral part of these 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 18, 2018

Signature to statement of Profit & Loss account and Notes to the Financial Statements

For and on behalf of the Board


Bimal R. Thakkar
Director
DIN: 00087404


Bhavesh R. Thakkar
Director
DIN: 00939805

Place: Mumbai
Date: May 18, 2018

ADF Foods (India) Limited.

Statement Of Changes In Equity For The Year Ended March 31, 2018

(a) Equity Share Capital

Particulars	As at March 31st, 2018		As at March 31st, 2017		As at April 1st, 2016	
	No. of Shares	Rs. in lacs	No. of Shares	Rs. in lacs	No. of Shares	Rs. in lacs
Balance at beginning of the year	50,000	500,000	50,000	500,000	50,000	500,000
Changes in equity shares during the year	-	-	-	-	-	-
Balance at end of the year	50,000	500,000	50,000	500,000	50,000	500,000

(b) Other Equity

Particulars	March 31st, 2018	March 31st, 2017	As at April 1st, 2016
Retained earning			
Opening balance	(304,343)	(113,381)	(113,381)
Profit for the year	1,671,392	(193,086)	-
Balance at March 31st, 2017	1,367,050	(306,467)	(113,381)
Other Comprehensive income	2,117	2,124	-
Balance at March 31st, 2018	1,369,166	(304,343)	(113,381)

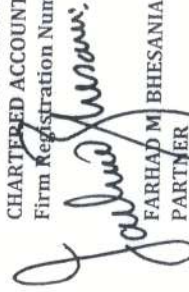
The accompanying notes 1 to 36 form an integral part of these financial statements

Signature to statement of change in equity and Notes to the Financial Statements

As per our report of even date

For and on behalf of the Board

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W/100166


FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Date: May 18, 2018


Bimal R. Thakkar
Director
DIN: 00087404


Bhavesh R. Thakkar
Director
DIN: 00939805

Place: Mumbai
Date: May 18, 2018

ADF Foods (India) Limited
Cash Flow Statement for the year ended 31st March, 2018

(All amounts are in Rupees, except per share data and unless stated otherwise)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
A. Cash Flow from Operating Activities		
Profit before Taxation	2,249,533	(282,669)
Adjustment for:		
Items that will not be reclassified subsequently to profit and loss	2,862	2,861
Depreciation and amortisation	107,487	107,487
Interest income	(1,039)	(45,937)
Operating Profit before working capital changes	2,358,843	(218,258)
Adjustment for:		
(Increase) / Decrease in trade receivable	(2,341,745)	(390,822)
(Increase) / Decrease in inventories	(343,741)	-
(Increase) / Decrease in current investments	-	15,000
(Increase) / Decrease in current financial assets	(15,767)	20,000
(Increase) / Decrease in other current assets	5,054	25,975
Increase / (Decrease) in trade payable	742,909	(18,149)
Increase / (Decrease) in non current non financial liabilities	7,104	10,905
(Decrease) / Increase in current financial liabilities	27,993	(14,851)
(Decrease) / Increase in current non financial liabilities	40,536	(54,993)
Taxes Paid (Net)	481,186	(625,193)
Net Cash Flow from / (used in) Operating Activities (A)	(400,000)	222,629
	81,186	(402,564)
B. Cash Flow from Investing Activities		
Interest received	1,039	26,205
Net Cash Flow from / (used in) Investing Activities (B)	1,039	26,205
Net increase / (decrease) in Cash and Cash Equivalents (A+B)	82,225	(376,359)
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING OF THE YEAR	367,908	744,267
Cash and Cash Equivalents - Closing Balance	450,133	367,908
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	82,225	(376,359)
Notes:		
(a) Cash on hand	33,128	49,880
(b) Balance with banks	417,005	318,028
Cash and Cash Equivalents.	450,133	367,908

2. The cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (IND AS) 7 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.

3. Figures for the previous year have been regrouped / restated wherever necessary to 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

FARHAD M. BHESANIA
PARTNER

Membership Number 127355

Place: Mumbai

Date: May 18, 2018

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

For and on behalf of the Board

Bimal R. Thakkar

Bimal R. Thakkar
Director
DIN: 00087404

Bhavesh R. Thakkar

Bhavesh R. Thakkar
Director
DIN: 00939805

Place: Mumbai

Date: May 18, 2018

ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

1 Company Overview

Description of Business

ADF Foods (India) Limited ("the Company") is a company incorporated under the provisions of the Companies Act, 2013. The company is wholly own subsidiary of ADF Foods Limited. ("the holding company") which is domiciled in India having registered office at 83/86 G.I.D.C Industrial Estate, Nadiad, Gujarat.

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

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

The Financial Statements of the company are approved by the Board of Directors on May 18, 2018.

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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company's Financial Statements for the year ended March 31, 2018 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Indian Generally Accepted Accounting Practices (IGAAP), including Accounting Standards (ASs) specified under section 133 of the Companies Act, 2013 read with rule 7 of Companies (Accounts) Rules, 2014, as amended, to the extent applicable.

These financial statements are the Company's first Ind AS financial statements and are covered by Ind AS 101, First-time adoption of Indian Accounting Standards. An explanation of how the transition to Ind AS has affected the Company's equity, financial position, financial performance and its cash flows is provided in Note 9.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the 'date of transition to Ind AS'.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

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 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 28
- (b) Measurement and likelihood of occurrence of provisions and contingencies - Note 30

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.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

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 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.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

2.1.4 Component Accounting

The Company identifies and determines cost of each component of an asset separately, if the component has a materially different useful life as compared to entire asset and its cost is significant of the total cost.

2.1.5 Depreciation

Depreciation is calculated on Straight Line Basis as per the useful lives specified in Schedule II to the Companies Act, 2013 on pro rata basis or up to the date of assets has been sale or discarded as the case may be.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at each financial year end and adjusted prospectively, if appropriate.

Transition to IND AS

Property, Plant and Equipment were carried on historical cost less accumulated depreciation and impairment loss, if any in the balance sheet as on March 31, 2016 prepared in accordance with Indian GAAP. The Company has elected to regard those values as deemed cost at the date of the transition i.e. April 1, 2016 as permitted under Ind AS 101.

2.2 Inventories:

Inventories are valued at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs are computed on the weighted average basis and are net of CENVAT/GST credits.

2.3 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand, and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flow, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

2.4 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

2.4.1 Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

2.4.1.1 Initial recognition and measurement

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

2.4.1.2 Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

2.4.1.2.1 Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

2.4.1.2.2 Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

2.4.1.2.3 Financial assets at fair value through profit or loss

Financial assets which are not classified in any of the above categories are subsequently fair valued through profit or loss. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

2.4.1.2.4 Financial assets as Equity Investments

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at 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.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

2.4.1.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4.1.4 Impairment

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 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.

2.4.2 Financial Liabilities

(i) Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost.

(ii) Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

(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.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

2.5 Provisions, Contingent Liabilities and Contingent Assets

2.5.1 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.

2.5.2 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.

2.5.3 Contingent Assets

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

2.6 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

However, sales tax/ value added tax (VAT)/Central sales tax (CST)/GST is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

2.6.1 Sale of goods

Revenue from the domestic sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

2.6.2 Other Income

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

2.7 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 (Continued)

i) **Defined Benefit Plan** : Gratuity, as per payment of gratuity Act, 1972

- 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.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

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: Provident fund as per Provident fund Act, 1952

Defined contribution plans are Employee Provident Fund scheme for 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.

2.8 Taxes

2.8.1 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.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

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.

2.9 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.



ADF Foods (India) Limited

Notes to the Financial Statements for the year ended March 31, 2018

Standard issued but not yet effective

Ind AS 115 - Revenue from Contracts with Customers

As per notification dated March 28, 2018, the Ministry of Corporate Affairs amended the Companies (Indian Accounting Standards) Amendments Rules, 2018, notifying "Ind AS-115 relating to Revenue from Contracts with Customers" and related amendments to other standards on account of notification of Ind AS 115. The effective date of adoption of this standard is annual periods beginning on or after April 01, 2018 onwards. The Company is currently evaluating the effect of the above amendments.

Ind AS 21- The effect of Changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment assets or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is currently evaluating the effect of the above amendments.



ADF Foods (India) Limited
Notes forming part of the financial statements

(All amounts are in Rupees, except per share data and unless stated otherwise)

	Amount
3 Property, Plant and Equipment	Vehicles
Gross carrying amount	421,156
Deemed cost as at April 1, 2016	-
Additions	-
Deductions	-
Closing balance as at March 31, 2017	421,156
Opening gross carrying amount	421,156
Additions	-
Deductions	-
Closing balance as at March 31, 2018	421,156
Opening accumulated depreciation as at April 1, 2016	-
Depreciation for the year	107,487
Deductions	-
Closing balance as at March 31, 2017	107,487
Opening accumulated depreciation as at April 1, 2017	107,487
Depreciation for the year	107,487
Deductions	-
Closing balance as at March 31, 2018	214,974
Net carrying amount as at April 1, 2016	421,156
Net carrying amount as at March 31, 2017	313,669
Net carrying amount as at March 31, 2018	206,182

4(a) Non-current loans

	Amount	Amount	Amount
Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good			
Security deposits	25,000	25,000	25,000
Total	25,000	25,000	25,000

4(b) Current loans

	Amount	Amount	Amount
Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured, considered good			
Advance to employees	35,500	-	20,000
Total	35,500	-	20,000

(5) Income Taxes
(a) Amounts recognised in statement of profit and loss

Particulars	March 31, 2018	March 31, 2017
Current income tax		
Current tax on profit for the year	541,590	
Prior year's tax adjustment	-	(20,219)
Total current tax expenses	541,590	(20,219)
Deferred income tax (net)		
Decrease / (increase) in deferred tax assets	36,551	(69,364)
Total deferred tax expenses / (benefit)	36,551	(69,364)
Income tax expenses reported in the Statement of profit and loss	578,141	(89,583)



(b) Tax expense recognised in other comprehensive income:

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Items that will not be reclassified subsequently to profit or loss		
Re-measurements of defined benefit plans	(744)	(737)
Total	(744)	(737)

(c) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate

Particulars	March 31, 2018	March 31, 2017
Profit from continuing operations before income tax expenses	2,249,533	(282,669)
Indian rate rate	25.75%	25.75%
Tax at the India tax rate	579,256	(72,787)
Expenses not deductible for tax purposes	30,587	51,832
Other exemption income	(13,178)	(68,627)
Differences in tax rate *	737	-
Others	(55,812)	-
Closing balance as at	541,590	(89,583)

d) Movement in deferred tax balances

Particulars	Net Balance April 01, 2017	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2018	Current year	
					Deferred tax asset	Deferred tax liability
Deferred tax assets / (liabilities)						
Property, plant and equipment	20,272	14,710	-	34,982	34,982	-
Employee benefits	55,638	(52,750)	744	3,632	3,632	-
MAT Credit entitlement	1,385,238	(112,941)	-	1,272,297	1,272,297	-
Net Deferred tax assets / (liabilities)	1,461,148	(150,981)	744	1,310,911	1,310,911	-

Previous year

Particulars	Net Balance April 01, 2016	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2017	Deferred tax asset	Deferred tax liability
Deferred tax assets / (liabilities)						
Property, plant and equipment	7,282	12,990	-	20,272	20,272	-
Employee benefits	-	54,902	737	55,638	55,638	-
MAT Credit entitlement	1,383,649	1,589	-	1,385,238	1,385,238	-
Net Deferred tax assets / (liabilities)	1,390,931	69,481	737	1,461,148	1,461,148	-

6 Inventories (Valued at lower of cost and net realized value)

Particulars	Amount	Amount	Amount
	March 31, 2018	March 31, 2017	April 01, 2016
Stock in trade	343,741	-	-
Total	343,741	-	-



ADF Foods (India) Limited
Notes forming part of the financial statements

(All amounts are in Rupees, except per share data and unless stated otherwise)

7 Current Investments

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Others			
National saving certificate	-	-	15,000
Total current investments	-	-	15,000

8 Trade receivables
Current trade receivables

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Unsecured unless otherwise stated (Considered good)			
Others	2,732,567	390,822	-
Total receivables	2,732,567	390,822	-

9 Cash and cash equivalents

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Balance with banks			
in Current account	417,005	318,028	706,763
Cash on hand	33,128	49,880	37,504
Total	450,133	367,908	744,267

10 Other current financial assets

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Interest accrued	-	19,733	-
Total	-	19,733	-

11 Other current assets

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Unsecured, considered good			
Balance with government authorities	82,603	87,702	97,168
Prepaid expenses	17,393	17,348	33,857
Total	99,996	105,050	131,025

12 Income tax assets (net)

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Advance payment of income tax (Net)	71,351	100,000	304,000
Total	71,351	100,000	304,000

13 Share capital

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Authorised			
1,00,00,000 (Previous year 2017: 1,00,00,000, Previous year 2016: 1,00,00,000) equity shares of Rs. 10/- each fully paid	100,000,000	100,000,000	100,000,000
Issued, subscribed and fully paid			
50,000 (Previous year 2017: 50,000, Previous year 2016: 50,000) equity shares of Rs. 10/- each	500,000	500,000	500,000
Total Issued, subscribed and fully paid	500,000	500,000	500,000



Notes forming part of the financial statements

(All amounts are in Rupees, except per share data and unless stated otherwise)

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

	No. of shares	Rs.
Equity shares of Rs. 10 each issued, subscribed and fully paid		
As at April 1, 2016	50,000	500,000
Changed during the year	-	-
as at March 31, 2017	50,000	500,000
Changed during the year	-	-
as at March 31, 2018	50,000	500,000

(b) Terms / rights attached to equity shares

The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shareholding information:

	Amount	Amount	Amount
Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Equity shares held by:			
ADF Foods Limited	50,000	50,000	50,000
Total	50,000	50,000	50,000

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

	Amount	Amount	Amount
Particulars	March 31, 2018	March 31, 2017	April 01, 2016
ADF Foods Limited			
No. of Shares	50,000	50,000	50,000
%	100.00%	100.00%	100.00%

14 Other equity

	Amount	Amount	Amount
Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Reserves and surplus			
Retained earning			
Opening balances	(304,343)	(113,381)	(113,381)
Add: profit for the year	1,671,392	(193,086)	-
Movement during the year	1,671,392	(193,087)	-
Items of other comprehensive income recognized directly in retained earnings:			
Opening balance	-	-	-
Re-measurement loss on defined benefit plans	2,861	2,861	-
Tax on movement during the year	(744)	(737)	-
Net surplus in the statement of profit and loss	2,117	2,124	-
Total Reserves and Surplus	1,369,166	(304,343)	(113,381)



Notes forming part of the financial statements

(All amounts are in Rupees, except per share data and unless stated otherwise)

15(a) Non-current liabilities - provisions**Non current provision**

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Provision for employee benefits			
For compensated absences	5,254	5,417	796
For gratuity	41,883	34,616	28,332
Total	47,137	40,033	29,128

15(b) Current liabilities - provisions

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Provision for employee benefits			
For compensated absences	428	3,577	2,487
For gratuity	707	599	3,148
Total	1,135	4,176	5,635

16 Trade payables

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Dues to micro and small enterprises	-	-	-
Others			
Related party (ADF Foods Limited)	2,477,504	1,825,470	1,873,913
Others	460,950	370,075	339,780
Total	2,938,454	2,195,545	2,213,693

17 Other financial liabilities

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Others	347,766	319,773	334,624
Total	347,766	319,773	334,624

18 Other current liabilities

Particulars	Amount	Amount	Amount
	March 31,2018	March 31,2017	April 01,2016
Statutory dues and other liabilities	71,723	28,146	81,680
Total	71,723	28,146	81,680



ADF Foods (India) Limited
Notes forming part of the financial statements

(All amounts are in Rupees, except per share data and unless stated otherwise)

19	Revenue from operations	For the year ended	
		March 31,2018	March 31,2017
	Sale of products	18,551,255	21,790,302
	Total	18,551,255	21,790,302

20	Other income	For the year ended	
		March 31,2018	March 31,2017
	Other interest income	1,039	45,938
	Liabilities no longer required written back	92,661	-
	Miscellaneous income	-	69,541
	Total	93,700	115,479

21	Purchase of stock in trade	For the year ended	
		March 31,2018	March 31,2017
	Purchases of stock in trade	13,428,081	19,444,292
	Total	13,428,081	19,444,292

22	Change in inventories of finished goods, work-in-progress and traded goods	For the year ended	
		March 31,2018	March 31,2017
	Particulars		
	Inventories at the beginning of the year		
	Traded goods	-	-
		-	-
	Less: Inventories at the end of the year		
	Traded goods	343,741	-
		343,741	-
	Total	(343,741)	-

23	Employees' benefit expenses	For the year ended	
		March 31,2018	March 31,2017
	Salaries and wages	221,916	204,671
	Contribution to provident fund and other funds	16,236	14,996
	Staff welfare expenses	-	2,697
	Total	238,152	222,364

24	Depreciation	For the year ended	
		March 31,2018	March 31,2017
	Depreciation expenses	107,487	107,487
	Total	107,487	107,487

25	Other expenses	For the year ended	
		March 31,2018	March 31,2017
	Repairs and maintenance to others	-	250
	Insurance	17,557	20,514
	Rates and taxes	27,602	34,456
	Travelling and conveyance expenses	1,481	1,755
	Printing and stationery expenses	2,973	-
	Freight and forwarding expenses	1,153,528	615,900
	Sales commission and claims	821,100	549,848
	Sales and marketing expenses - domestic	305,667	455,314
	Legal and professional fees	96,450	115,750
	Payment to auditor (for other services)	450,000	450,000
	Miscellaneous expenses	89,085	170,520
	Total	2,965,443	2,414,307



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

26. Dues to Micro, Small and Medium enterprises

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

(Amount in Rs.)			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues remaining unpaid	Nil	Nil	Nil
Principal	Nil	Nil	Nil
Interest	Nil	Nil	Nil
Interest paid in terms of Section 16 of MSMED Act	Nil	Nil	Nil
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year but without adding the interest specified under the MSMED Act	Nil	Nil	Nil
Amount of interest accrued and remaining unpaid	Nil	Nil	Nil
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	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

27. Related party transactions

(A) Related parties and their relationship:

Sr. No	Category and related parties	Names
1	Holding company	ADF Foods Limited
2	Fellow Subsidiaries	ADF Foods (UK) limited
3	Fellow Subsidiaries	ADF Holdings (USA) Limited
4	Fellow Subsidiaries	ADF Foods (USA) Limited
5	Key Managerial Personnel	Ashok. H. Thakkar Bimal .R. Thakkar Bhavesh. R. Thakkar

(B) Transactions with related parties: (Amount in Rs.)

Particulars	Financial Year	Holding company
Purchase of goods	2017-18	*1,21,57,950
	2016-17	1,94,44,292
Balance payable at the year end	2017-18	24,77,504
	2016-17	18,25,470

* The given transaction is net of tax

28. Disclosure under Indian Accounting Standards (Ind AS)19 "Employee Benefits":

The Company has classified various employee benefits as under:

Defined contribution plans

The Company has recognized Rs. 6,000 (*previous year: Rs. 8,400*) in the Statement of Profit and Loss towards contribution to Provident Fund and Employees' Pension Scheme, 1995 for the year.

Defined benefit plan

a. Compensated absence

Provision for compensated absence is made at basic salary cost for outstanding leave balance at the year end which can be utilized in future and are en-cashable. Amount of Rs 5,682 (Previous year: Rs 6,298) has been recognized in balance sheet of which Rs. 5,254 (Previous year: Rs 5,418) shown under long term provision and balance Rs. 428 (Previous year Rs. 880) is shown under short term provision as given in the Actuarial report as on March 31, 2018.

Expenses of Rs. (3,312) (Previous year: Rs 5,711) are recognized in the Statement of Profit and Loss.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

b. Gratuity as per Payment of Gratuity Act, 1972

Unfunded

Valuation in respect of Gratuity has been carried out by an independent actuary, as at the reporting date, based on the following assumptions:

The amounts recognized in the financial statements are as under:

		(Amount in Rs.)	
Particulars		Gratuity	
		2017-18	2016-17
I	Present value of obligation		
	Opening Balance of present value of Obligation	35,215	31,480
	Interest cost	2,641	2,518
	Current service cost	5,324	5,031
	Benefit paid	-	-
	Actuarial (gain) / loss	(590)	(3,814)
	Closing Balance of present value of Obligation	42,590	35,215
II	Change in Plan assets		
	Opening Balance of present value of Plan Assets	-	-
	Expected return on Plan assets	-	-
	Contributions	-	-
	Benefit paid	-	-
	Actuarial (gain) / loss on Plan Assets	-	-
	Closing Balance of Fair value of plan assets net of pending transfer	-	-



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

	Particulars	Gratuity	
		2017-18	2016-17
III	Amount Recognised in the Balance Sheet		
	Closing Balance of Present Value of Obligation	42,590	35,215
	Closing Balance of Fair value of plan assets net of pending transfer	-	-
	Unfunded Liabilities recognized in the Balance Sheet	42,590	35,215
IV	Expenses Recognised in Profit and Loss Account		
	Current service cost	5,324	5,031
	Interest cost	2,641	2,518
	Expected return on plan assets	-	-
	Net actuarial (gain) / loss to be recognized	-	-
	Expenses recognized in Profit and Loss Account	7,965	7,549
V	Experience adjustments		
	On Plan Liabilities	(590)	(3,814)
	On Plan Assets	-	-
	Total Experience Adjustments	(590)	(3,814)
V	Actuarial assumptions :		
	Discount rate	7.50%	7.50%
	Rate of return on plan assets	7.50%	7.50%
	Salary escalation	6.00%	6.00%
	Mortality	Indian Assured lives Mortality(2006-08) Ultimate	

29. Computation of earnings per share

(Amount in Rs.)

	2017-18	2016-17
Net profit / (Loss) as per statement of profit and loss	16,73,509	(1,90,962)
Weighted average number of equity shares outstanding during the period	50,000	50,000
Basic and diluted earnings per share (Rs)	33.43	(3.82)
Nominal value per share (Rs)	10	10



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

30. Contingent liability and capital commitments (Amount in Rs.)

	2017-18	2016-17
Claims against the Company not acknowledged as debt	Nil	Nil
Capital commitments	Nil	Nil

31. Segment reporting

The Company is operating in the business of trading of food specialty products and has mainly domestic sales. For management purposes, the Group has only one reportable segment namely, "Processed Food". The 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. Hence, the financial statements are reflective of the information required by Indian Accounting Standard 108 as prescribed in Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.

32. Domestic Transfer Pricing

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

33. 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



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

(Amount in Rs.)

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								
Loans	-	-	25,000	25,000	-	-	-	-
Current								
Trade Receivables	-	-	27,32,567	27,32,567	-	-	-	-
Cash and cash equivalents	-	-	4,50,133	4,50,133	-	-	-	-
Bank balances other than above	-	-	-	-	-	-	-	-
Loans	-	-	35,500	35,500	-	-	-	-
	-	-	32,43,200	32,43,200	-	-	-	-
Financial Liabilities								
Non Current								
Provisions	-	-	47,137	47,137	-	-	-	-
Current								
Trade payables	-	-	29,38,454	29,38,454	-	-	-	-
Other Current Financial Liabilities	-	-	3,47,766	3,47,766	-	-	-	-
	-	-	33,33,357	33,33,357	-	-	-	-



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

(Amount in Rs.)

March 31, 2017	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								
Loans	-	-	25,000	25,000	-	-	-	-
Current								
Trade Receivables	-	-	3,90,822	3,90,822	-	-	-	-
Cash and cash equivalents	-	-	3,67,908	3,67,908	-	-	-	-
Other financial assets	-	-	19,733	19,733	-	-	-	-
	-	-	8,03,463	8,03,463	-	-	-	-
Financial Liabilities								
Non Current								
Provisions	-	-	40,033	40,033	-	-	-	-
Current								
Trade payables	-	-	21,95,545	21,95,545	-	-	-	-
Other Current Financial Liabilities	-	-	3,19,773	3,19,773	-	-	-	-
	-	-	25,55,351	25,55,351	-	-	-	-



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

(Amount in Rs.)

April 01, 2016	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								
Loans	-	-	25,000	25,000	-	-	-	-
Current								
Investments	-	-	15,000	15,000	-	-	-	-
Cash and cash equivalents	-	-	7,44,267	7,44,267	-	-	-	-
Loans	-	-	20,000	20,000	-	-	-	-
	-	-	8,04,267	8,04,267	-	-	-	-
Financial Liabilities								
Non Current								
Provisions	-	-	29,128	29,128	-	-	-	-
Current								
Trade payables	-	-	22,13,693	22,13,693	-	-	-	-
Other Current Financial Liabilities	-	-	3,34,624	3,34,624	-	-	-	-
	-	-	25,77,445	25,77,445	-	-	-	-

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:



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

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.

34. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

Credit risk

The Company is exposed to credit risk, which is the risk that arises when a counter party defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company's business is such that it has only a single customer. The Company manages its credit risk by continuous monitoring of the ageing of its receivables. The carrying amount of financial assets represents the maximum credit exposure. Based on prior experience and an assessment of the current economic environment, management believed there is no credit risk provision required.

Liquidity risk

The Company manages liquidity risk by continuously monitoring the forecasted and actual cash flows. It matches its outflows to its inflows, thereby ensuring that it does not have any operational cash shortfalls which need to be funded.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. There are two types of market risks, namely, currency risk and interest rate risk. Exposure to currency risk related primarily to the Company's operating activities when transactions are denominated in a different currency from the Company's functional currency. The Company does not have a significant exposure to currency risk. The Company has no exposure to interest rate risk as it has neither any interest bearing investments nor borrowings.

Capital Management

The Company's capital management objective is to

-> ensure that the Company will be able to continue as a going concern.

-> maintain strong capital base so as to maintain creditor and market confidence and to sustain future development of the business.

The board of directors monitors the return on capital employed.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

35. First time adoption of Ind AS

The financial statements are prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

In preparing these Ind AS financial statements, the group has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the group in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

A.1 Ind AS optional exemptions

A1.3. Deemed cost

The Company has elected to continue with the carrying value of all of its Property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment in accordance with the stipulation of Ind AS 101 "First time Adoption of Indian Accounting standards".

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires the group to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

I. Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016

II. Reconciliation of Total Comprehensive income for the year ended March 31, 2017

III. Adjustments to Statement of Cash Flows for the year ended March 31, 2017

i. Reconciliation of Equity

Particulars	As at 31st March, 2017	As at 1st April, 2016
Total Equity as per Indian GAAP	(3,04,343)	(1,13,381)
Total Equity as per Ind AS	(3,43,343)	(1,13,381)



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended March 31, 2018

ii. Reconciliation of Comprehensive Income

Particulars	As at 31st March, 2017
As per Indian GAAP	(193,086)
Actuarial loss on employee defined benefit plan recognised in other comprehensive income	2,861
Deferred tax impact of above adjustments	(737)
Profit after tax as per Ind AS	(195,210)

iii. Adjustment to cash flow

There were no material differences between the Statement of Cash Flows presented under Ind AS and previous GAAP.

- Notes to reconciliation:-
 - Other comprehensive income

Both under Indian GAAP and Ind AS the Company recognised costs related to post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, actuarial gains and losses are charged to profit or loss, however in Ind AS the actuarial gains and losses are recognised through other comprehensive income.

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

For and on behalf of the Board


Bimal R. Thakkar

Director

DIN: 00087404


Bhavesh R. Thakkar

Director

DIN: 00939805

Place: Mumbai

Date: May 18, 2018

