

# From Strength to Strength

*Celebrating 30 years of ADF*



# #WeCare

As the world continues to battle against the outbreak of COVID-19, ADF Foods Ltd. remains committed to the safety & well-being of the society. Ensuring the supply of our products globally is our top priority. According to the Centres for Disease Control, there is no evidence linking to the spread of COVID-19 to food. Nevertheless, we are taking active measures & precautions to minimise the risk & spread of the virus. Make nutrition and health your priority.

## STAY SAFE, STAY HEALTHY

### Plant Operations with Safety Measures



- Strict adherence to Social Distancing norms at the manufacturing plants and in transport vehicles
- Regular cleaning and disinfection of factory premises and machines
- Personal Protection Equipment (masks, gloves, headgears) to the staff and workers

## Initiatives across the Globe

- Distributed Badamazza milk drink to frontline policemen and the less fortunate in Nadiad, Gujarat
- Distributed Ashoka Badamazaa drink and cooked meals to the health workers at JFK Hospital, USA
- Collaborated with UK's - 'Inspired by HOPE' team, a non-profit organization and distributed our Ashoka Ready meals



# COMPANY SNAPSHOTS

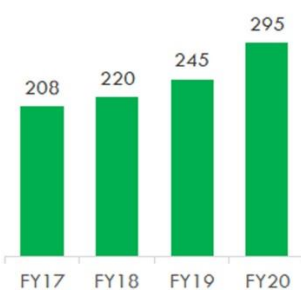


ADF is the leading manufacturer and exporter of processed food across the globe with product offering across all categories such as ready-to-eat and ready to cook food, frozen food, condiment powders, cooking pastes, flavored milk and meal accompaniments like pickles, chutneys and sauces.

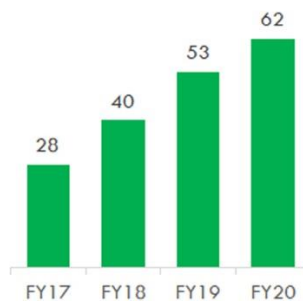


## Consolidated Financial Performance

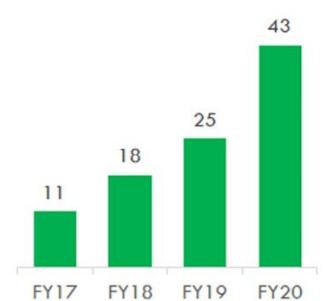
**Total Income (Rs Cr)**



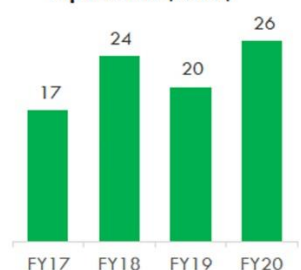
**EBITDA (Rs Cr)**



**PAT (Rs Cr)**



**Cash Flow from Operations (Rs Cr)**



**EBITDA Margin (%)**



**PAT Margin (%)**



## New Product launches in FY 2020

Bullet Naan (Masala Naan),  
Tandoori Lachha Naan,  
Malaysian style Plain Paratha



Veg Spring Rolls,  
Cheese Samosa,  
Vegetable Samosa



Dipping Sauces with a new variant  
called Chatpata Achari Dipping Sauce  
under the ambient range, and new  
variants of chutney



**#Khana  
Is  
Ready**

'Khana Is Ready' is an online marketing campaign launched by us in February, 2020. Currently, the campaign is being run on facebook and will be used across all media shortly. This initiative aims at making people's meals simpler, healthier, and more convenient.

Follow us on:



# Chairman's message

Dear Shareholders,

I hope you and your family are safe and well.

We are enduring the most extraordinary times that none of us could have predicted at the start of this year. We pray and hope that the situation normalizes, sooner than later.

Commenting on the results, I am extremely happy with the company's performance in the last year, and we look back at the year 2019-20 with a sense of accomplishment and gratitude. On a consolidated basis, total income grew at 20% to reach ₹ 295 crores. Operating profit for the period was ₹ 62 crores, compared to ₹ 53 crores in FY19, up by 18% year-on-year, with robust margin of 21%. Consolidated PAT stood at ₹ 43 crores with PAT margin of 14.5%. On a standalone basis, total income for the year stood at ₹ 204 crores. Operating profit was ₹ 48 crores with margin of 23.4%. We reported profit after tax of ₹ 31 crores. Our cash conversion continues to be strong with a cash and bank balance (including investments) of ₹ 54 crore as on 31st March 2020.

Our last quarter was, by no means, undisturbed. The Company took the maintenance shutdown of its Nadiad factory for 7 days. In addition, as you are aware, towards the end of the year, operations were impacted due to the COVID-19 Pandemic which led to shut down of both manufacturing facilities at Nadiad and Nasik with effect from 24th March 2020. In the absence of these events, our performance would have presumably been much better.

We started off FY20 with considerable enthusiasm and drive. We continued to widen our product range with focus on premium products. The Company has also entered into a new business segment wherein it acts as a distribution agent of food products for a Fortune 500 FMCG global firm in the US and UK markets. This new vertical gives us a wider product portfolio to offer the retailers who stock our products as well as it enables us to use the retail network of the FMCG major for our own products. This vertical contributed ₹ 32 crores to revenues in FY20. We are confident that this business would supplement our core business very well going forward.

Our team continues to be our biggest asset. We have strengthened the senior management team with the appointment of Mr. Devang Gandhi as Chief Operating Officer. We have also made valuable additions to our Board of Directors by appointing Mr. Chandir Gidwani and Ms. Deepa Harris as independent directors and I welcome the new members to the ADF family and look forward to their guidance and inputs.



**Bimal Thakkar**  
Chairman

We at ADF truly believe in giving back to all our stakeholders and the larger community. The two interim dividends declared during the F.Y. 2019-20 bring the total dividend to ₹ 3 per share (30%) on equity shares of face value ₹ 10/- each.

Your Company strives to improve the lives of millions around the world through our CSR efforts. We undertook various CSR activities such as education aid for physically challenged students, financial aid towards medical treatment for the underprivileged, and food expenses for those in need. In addition, we helped bolster women empowerment through the establishment of vocational training centres and the supply of women hygiene products.

We are also taking initiatives on the environmental sustainability front. We have moved towards zero discharge in both our factories and are installing solar power panels at both factories for captive power consumption.

The new year has its set of issues and is challenging. However, we remain committed and resolute in our work. In the medium run, we will focus on scaling up our operations to maximize the availability of our products to meet consumer needs, while following the health and safety guidelines provided by the government authorities. With the strength of our product portfolio, strong industry demand drivers, resilient business model, and strong financials, we are determined to emerge stronger.

As we navigate these uncertain times together, we look ahead to your continued support. I hope that you and your family remain safe and well in these difficult times.

**Best wishes**

**Bimal Thakkar**  
Chairman

## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Bimal R. Thakkar Mr. Jay M. Mehta Mr. Viren A. Merchant Mr. Ravinder Kumar Jain Mr. Naresh L. Kothari Mr. Chandir G. Gidwani Ms. Deepa Misra Harris	Chairman, Managing Director & CEO Director Director Director Director Director Director
<b>SENIOR MANAGEMENT</b>	Mr. Devang Gandhi Mr. Anish Jhaveri Mr. Shardul Doshi Mr. Raj Roop Singh Mr. Maneck Katpitia	COO CFO Vice President - Finance Vice President - Manufacturing Vice President - International Operations & Supply Chain
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	Ms. Shalaka Ovalekar	
<b>COUNTRY MANAGERS</b>	Mr. Upinder Thakur Mr. Bharat Sareen Mr. Apurva Patel Mr. Masud Sethi Mr. Savio Almeida	UK UK USA Canada GCC, Levant Countries, Asia Pacific & Africa
<b>STATUTORY AUDITORS</b>	M/s. Kalyaniwalla & Mistry LLP Chartered Accountants	
<b>INTERNAL AUDITORS</b>	M/s. RMJ & Associates LLP, Mumbai	
<b>SOLICITORS</b>	M/s. D S K Legal	
<b>BANKERS</b>	State Bank of India Bank of Baroda HDFC Bank Ltd.	
<b>REGISTERED OFFICE</b>	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	
<b>CORPORATE IDENTITY NUMBER [CIN]</b>	L15400GJ1990PLC014265	
<b>CORPORATE OFFICE</b>	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	
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	<b>LINK INTIME INDIA PRIVATE LIMITED</b> (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

Company Information.....	1
Notice.....	2
Directors' Report .....	15
Management Discussion and Analysis Report .....	53
Report on Corporate Governance & Auditor's Certificate thereon .....	59
Business Responsibility Report.....	92
Independent Auditors' Report on Standalone Financial Statements .....	101
Standalone Balance Sheet.....	110
Standalone Profit & Loss Account.....	111
Standalone Cash Flow Statement.....	112
Standalone Statement of Changes in Equity.....	114
Notes on Standalone Financial Statements including Notes on Significant Accounting Policies .....	115
Independent Auditor's Report on the Consolidated Financial Statements .....	160
Consolidated Balance Sheet .....	168
Consolidated Profit & Loss Account .....	169
Consolidated Cash Flow Statement .....	170
Consolidated Statement of Changes in Equity .....	172
Notes on Consolidated Financial Statements including Notes on Significant Accounting Policies .....	173
Form AOC - 1 .....	218
E-mail Registration-Cum-Consent Form .....	219

## 30<sup>th</sup> Annual General Meeting

Wednesday, 5<sup>th</sup> August, 2020 at 11.00 a.m.

Through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

## NOTICE OF THE 30<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **Thirtieth Annual General Meeting** of the Members of **ADF FOODS LIMITED** will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") on Wednesday, August 5, 2020 at 11:00 a.m. 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 31<sup>st</sup> March, 2020;
  - b) The Audited Standalone and Consolidated Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2020;
  - c) The Audited Standalone and Consolidated Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2020;
  - 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 confirm the payment of the first interim dividend of ₹ 1.50/- per equity share and second interim dividend of ₹ 1.50/- per equity share aggregating to ₹ 3/- per equity share of ₹ 10/- each for the Financial Year 2019-20.
- (3) To appoint a Director in place of Mr. Jay M. Mehta (DIN: 00152072), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

- (4) 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 149,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 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 Regulations 16, 25 & 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Chandir G. Gidwani (DIN: 00011916), who was appointed as an Additional Director in the category of 'Non-Executive Independent Director' with effect from February 7, 2020 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 Independent Director of the Company for a period upto February 6, 2025, not liable to retire by rotation."

- (5) 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 149,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 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 Regulations 16, 25 & 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Deepa Misra Harris (DIN: 00064912), who was appointed as an Additional Director in the category of 'Non-Executive Independent Director' with effect from March 25, 2020 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 Independent Director of the Company for a period upto March 24, 2025, not liable to retire by rotation."

## NOTES

1. **In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC or OAVM without the physical presence of the Members at a common venue. In compliance with the relevant provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and these aforesaid MCA Circulars, the AGM of the Company is being held through VC/OAVM.**
2. **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. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

**Institutional/ Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to [scrutinizer@adf-foods.com](mailto:scrutinizer@adf-foods.com) with a copy marked to the Company at [csasst@adf-foods.com](mailto:csasst@adf-foods.com) and to its RTA at [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in)**
3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. At the Twenty-Ninth AGM held on September 25, 2019, the Members approved the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Registration No. 104607W/W100166) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the AGM to be held for the Financial Year 2023-24. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the Thirtieth AGM.
5. 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.
6. The relevant details of Directors seeking appointment under Item No. 4 and 5 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.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 30<sup>th</sup> July, 2020 to Wednesday, 5<sup>th</sup> August, 2020 (both days inclusive).
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM i.e. August 5, 2020. Members seeking to inspect such documents can send an e-mail to [csasst@adf-foods.com](mailto:csasst@adf-foods.com).



9. 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.
10. Members are hereby informed that dividends for the Financial Years 2012-13, 2013-14, 2014-15, 2016-17 and 2019-20 (two Interim Dividends) 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, dividend pertaining to the financial year 2011-12 (Final) amounting to ₹ 10,11,704/- 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
2012-13	Final	₹ 1.50	31 <sup>st</sup> July, 2013	31 <sup>st</sup> August, 2020
2013-14	Final	₹ 1.50	24 <sup>th</sup> September, 2014	24 <sup>th</sup> October, 2021
2014-15	Final	₹ 1.50	30 <sup>th</sup> September, 2015	30 <sup>th</sup> October, 2022
2016-17	Final	₹ 2.50	23 <sup>rd</sup> August, 2017	23 <sup>rd</sup> September, 2024
2019-20 (1 <sup>st</sup> Interim)	Interim	₹ 1.50	11 <sup>th</sup> November, 2019	17 <sup>th</sup> December, 2026
2019-20 (2 <sup>nd</sup> Interim)	Interim	₹ 1.50	7 <sup>th</sup> February, 2020	14 <sup>th</sup> March, 2027

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

In view of the outbreak of COVID-19 pandemic in India, the Company is unable to send individual notices to those shareholders who have not claimed their dividend for seven (7) consecutive years or more in accordance with the IEPF Rules. However, once the normalcy returns, the Company shall arrange to send letters to the Members whose dividend amounts from the year 2012-13 remained unpaid/ unclaimed as per the Company's records requesting such shareholders to claim the same before being transferred to the IEPF Authority. The Company has uploaded the details of such Members and their shares due for transfer to the IEPF Authority on its website [www.adf-foods.com](http://www.adf-foods.com) under the heading "IEPF Transfer List" to enable such Members to verify the details of their 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".

11. 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.
12. 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.

13. 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.
14. 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, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
15. Members who would like to ask any questions on the Financial Statements are requested to send their questions through email on [co\\_secretary@adf-foods.com](mailto:co_secretary@adf-foods.com) at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
16. 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.
17. **Shareholders who have not got their e-mail address registered or wish to update a fresh e-mail address may do so by submitting the attached E-mail Registration-Cum Consent Form duly filled and signed alongwith a self-attested scanned copy of their PAN Card and AADHAAR Card to the Company at the e-mail address [csasst@adf-foods.com](mailto:csasst@adf-foods.com) consenting to send the Annual Report and other documents in electronic form.**
18. 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 Notice and Annual Report 2019-20 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).  
  
As per the MCA General Circular 20/2020 dated 5<sup>th</sup> May, 2020, the Annual Report 2019-20 will be sent through electronic mode to only those Members whose e-mail IDs are registered with the Registrar and Share Transfer Agent of the Company/ Depository Participant.  
  
Members may also note that the Notice of the 30<sup>th</sup> Annual General Meeting and the Annual Report 2019-20 will be available on the Company's website [www.adf-foods.com](http://www.adf-foods.com); websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.
19. 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.
20. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register their e-mail 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.
21. Since the AGM will be held through VC/OAVM, the Route map of the Venue of the AGM is not annexed to this Notice.

## 22. 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 (LIPL), 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 30<sup>th</sup> 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 (LIPL).

The facility for e-voting shall also 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 e-voting.

- II. The Member(s) who have cast their vote by remote e-voting prior to the Annual General Meeting, may also attend/participate in the Annual General Meeting through VC/OAVM but shall not be entitled to cast their vote again.
- III. The remote e-voting period commences on Saturday, 1<sup>st</sup> August, 2020 and ends on Tuesday, 4<sup>th</sup> August, 2020. 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, 29<sup>th</sup> July, 2020, 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 LIPL 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 e-voting at the 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 LIPL. 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 LI IPL:

<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 shared in the mail sent by LI IPL 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 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 LI IPL: <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 LI IPL.

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.

6. 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.

7. 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'.

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 e-mail to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call on 022-49186175.

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, August 1, 2020 and ends on Tuesday, August 4, 2020. 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, July 29, 2020 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Pvt. Ltd. for voting thereafter.

**Instructions for Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the Scrutiniser during the Meeting, the Members who have not exercised their vote through the remote e-voting can cast their vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered e-mail ID) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

4. 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'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Members who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the Meeting.

Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the Meeting.

In case the Members have any queries or issues regarding e-voting, you can write an e-mail to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or Call on 022-49186175.

#### **V. Instructions for Members for attending the AGM through InstaMeet (VC/OVAM):**

Instructions for Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- 1) Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.
- 2) Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Members with > 2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors, etc. may be allowed to the Meeting without restrictions of first come first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the Meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
- 3) Members will be provided with InstaMeet facility wherein they shall register their details and attend the Annual General Meeting as under:
  1. Open the internet browser and launch the URL for InstaMeet <https://instameet.linkintime.co.in> and register with your following details:
    - a. Demat Account No.: Enter your 16 digit Demat Account Number or Folio Number registered with the Company
    - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
    - c. Mobile No.
    - d. Email ID
  2. Click "Go to Meeting"

**Note:**

Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the Members have any queries or issues regarding e-voting, they can write an e-mail to instameet@linkintime.co.in or Call on 022-49186175.

**Instructions for Members to register themselves as Speakers during Annual General Meeting:**

Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, e-mail id, mobile number at csasst@adf-foods.com from July 30, 2020 (9:00 a.m. IST) to August 1, 2020 (5:00 p.m. IST).

Members who would like to ask questions, may send their questions in advance mentioning their name, demat account number/ folio number, e-mail id, mobile number at csasst@adf-foods.com. The same will be replied by the Company suitably.

**Note:**

Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the Meeting.

**VI. Other Instructions**

Mr. Sanjay S. Risbud, Practicing Company Secretary has been appointed as Scrutinizer for the purpose of remote e-voting and e-voting at the AGM. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

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, May 11, 2020

**Regd. Office :**

83/86 GIDC Industrial Estate, Nadiad 387 001, 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 A15274**

## **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. 4 and 5 of the Notice.

### **Item No. 4: Appointment of Mr. Chandir G. Gidwani as a Non-Executive Independent Director**

The Board of Directors appointed Mr. Chandir G. Gidwani as an Additional Director in the category of Non-Executive Independent Director of the Company with effect from February 7, 2020, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Chandir G. Gidwani will hold office up to the date of the ensuing Annual General Meeting.

The Company has received from Mr. Chandir G. Gidwani, (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & 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, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. Chandir G. Gidwani fulfils the conditions specified under the Companies Act, 2013 and Rules framed thereunder for appointment as an Independent Director and he is independent of the management.

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.

Presently, Mr. Chandir Gidwani does not hold any shares in the Company.

Mr. Chandir G. Gidwani is not related to any other Directors of the Company.

No Board Meetings were held from the date of appointment of Mr. Chandir G. Gidwani i.e. 7<sup>th</sup> February, 2020 till 31<sup>st</sup> March, 2020.

Mr. Chandir G. Gidwani's appointment as an Independent Director of the Company would be upto 6<sup>th</sup> February, 2025. During the tenure, he shall be paid remuneration by way of sitting fees for the Meetings of the Board and its Committees as may be decided by the Board from time to time.

The Board considers that the association of Mr. Chandir G. Gidwani would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Chandir G. Gidwani as an Independent Director.

In compliance with provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Mr. Chandir G. Gidwani as Independent Director is now being placed before the Members for their approval. The copy of the draft letter of appointment and the terms and conditions of appointment of Mr. Chandir G. Gidwani, shall be open for inspection in electronic mode during business hours between 11.00 a.m. and 1.00 p.m. on all working days, excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting. Members can inspect the same by sending an e-mail to [csasst@adf-foods.com](mailto:csasst@adf-foods.com).

The letter containing the terms and conditions of appointment of Independent Director is also available on the Company's website: [www.adf-foods.com](http://www.adf-foods.com).

Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 4 of the accompanying Notice for approval by the Members.

Except Mr. Chandir G. Gidwani, being an appointee, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in the Resolution set out in Item No. 4.



**Item No. 5: Appointment of Ms. Deepa Misra Harris as a Non-Executive Independent Director**

The Board of Directors appointed Ms. Deepa Misra Harris as an Additional Director in the category of Non-Executive Independent Director of the Company with effect from March 25, 2020, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Deepa Misra Harris will hold office up to the date of the ensuing Annual General Meeting.

The Company has received from Ms. Deepa Misra Harris, (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Ms. Deepa Misra Harris fulfils the conditions specified under the Companies Act, 2013 and Rules framed thereunder for appointment as an Independent Director and she is independent of the management.

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.

Presently, Ms. Deepa Misra Harris does not hold any shares in the Company.

Ms. Deepa Misra Harris is not related to any other Directors of the Company.

No Board Meetings were held from the date of appointment of Ms. Deepa Misra Harris i.e. 25<sup>th</sup> March, 2020 till 31<sup>st</sup> March, 2020.

Ms. Deepa Misra Harris's appointment as an Independent Director of the Company would be upto 24<sup>th</sup> March, 2025. During the tenure she shall be paid remuneration by way of sitting fees for the Meetings of the Board and its Committees as may be decided by the Board from time to time.

The Board considers that the association of Ms. Deepa Misra Harris would be of immense benefit to the Company and it is desirable to continue to avail the services of Ms. Deepa Misra Harris as an Independent Director.

In compliance with provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Ms. Deepa Misra Harris as Independent Director is now being placed before the Members for their approval. The copy of the draft letter of appointment and the terms and conditions of appointment of Ms. Deepa Misra Harris, shall be open for inspection in electronic mode during business hours between 11.00 a.m. and 1.00 p.m. on all working days, excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting. Members can inspect the same by sending an e-mail to [csasst@adf-foods.com](mailto:csasst@adf-foods.com).

The letter containing the terms and conditions of appointment of Independent Director is also available on the Company's website: [www.adf-foods.com](http://www.adf-foods.com).

Accordingly, the Board recommends the Ordinary Resolution as set out at Item No. 5 of the accompanying Notice for approval by the Members.

Except Ms. Deepa Misra Harris, being an appointee, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in the Resolution set out in Item No. 5.

## ANNEXURE TO ITEM NOS. 4 AND 5 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 and the terms of proposed remuneration of the Directors are given herein below:

Particulars	Mr. Chandir Gidwani	Ms. Deepa Misra Harris
<b>Director Identification Number</b>	00011916	00064912
<b>Age</b>	55 years	61 years
<b>Date of Birth</b>	3 <sup>rd</sup> July, 1964	26 <sup>th</sup> October, 1958
<b>Date of Appointment on Board</b>	7 <sup>th</sup> February, 2020	25 <sup>th</sup> March, 2020
<b>Qualifications</b>	Master's degree in Commerce from the Bombay University and Chartered Accountant.	Graduation degree in English (Delhi University) and a Master's degree in English and Mass Communications.
<b>Experience/Expertise</b>	<p>Mr. Chandir Gidwani is the Chairman Emeritus &amp; Founder of Centrum Capital Ltd. CENTRUM is an integrated India based financial services group, listed on the Bombay Stock Exchange, having market capitalization/valuation of USD 500 million (approx.). The group has interests across Investment Banking &amp; Corporate Advisory, Infrastructure &amp; Project Funding, NBFC Housing Finance, Micro Credit, Equity Broking, Real Estate, Foreign Exchange &amp; Travel, Wealth Management Services &amp; Private Equity.</p> <p>Mr. Gidwani is a member of various Industry associations e.g. FICCI, CII, etc. and also on the board of many leading companies.</p> <p>Apart from Financial Services businesses at Centrum he also runs a proprietary investing business focused on mid-sized Indian companies called Business Match, having investments across sectors like real estate, hospitality, health care, oil &amp; gas services, EPC, telecom services, etc.</p>	<p>Ms. Deepa Misra Harris is a unique luxury hospitality and brand specialist with proficiency in Branding, Marketing, Sales and Public Relations. She has a proven track record of delivering double digit growth and escalating brands to leadership positions. With over 30 years of experience in the high-end luxury hospitality category, she has been a significant success driver for India's original luxury brand, The Taj Group of Hotels.</p> <p>As the Head of Sales &amp; Marketing for Taj Hotels, Palaces, Resorts, Safaris, Deepa led the way across 4 brands and 127 hotels worldwide, serving as revenue and brand custodian.</p> <p>Deepa is an experienced marketing professional with stints in Indian and International markets having launched new products and hotels in the US, UK, Middle East &amp; Africa.</p> <p>In mid-2015, she founded BrandsWeLove (www.brandswelove.org) - a Branding &amp; Marketing Consultancy.</p>
<b>Terms and Conditions of appointment or re-appointment along with remuneration</b>	Mr. Chandir Gidwani appointed as Independent Director for a period of 5 years with effect from February 7, 2020. He will be entitled to Sitting Fees for attending the Meetings of Board and Committees thereof.	Ms. Deepa Misra Harris appointed as Independent Director for a period of 5 years with effect from March 25, 2020. She will be entitled to Sitting Fees for attending the Meetings of Board and Committees thereof.
<b>The last drawn remuneration</b>	Not Applicable	Not Applicable
<b>Shareholding in the Company</b>	Nil	Nil
<b>Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company</b>	Mr. Chandir Gidwani is not related with any other Director, Manager and Key Managerial Personnel of the Company.	Ms. Deepa Misra Harris is not related with any other Director, Manager and Key Managerial Personnel of the Company.
<b>The Number of Meetings of the Board attended during the year</b>	Nil	Nil

<b>Particulars</b>	<b>Mr. Chandir Gidwani</b>	<b>Ms. Deepa Misra Harris</b>
<b>Other Directorships</b>	<ul style="list-style-type: none"> <li>• Centrum Capital Limited</li> <li>• Rap Media Limited</li> <li>• Nanikrami Agro Private Limited</li> <li>• Maurya Sugar Limited</li> <li>• Casby Global Air Private Limited</li> <li>• Club 7 Holidays Limited</li> <li>• Sonchajyo Investments and Finance Private Limited</li> <li>• Centrum Capital Advisors Limited</li> <li>• Centrum Alternative Investment Managers Limited</li> <li>• Gurudaya Estates Private Limited</li> <li>• Begonia Ventures Private Limited</li> <li>• Business Match Services (India) Private Limited</li> <li>• JBCG Advisory Services Private Limited</li> <li>• P &amp; M Infrastructures Limited</li> <li>• Centrum Fiscal Private Limited</li> <li>• Royale Thrill Ventures Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• TCPL Packaging Limited</li> <li>• Prozone Intu Properties Limited</li> <li>• PVR Limited</li> <li>• Jubilant Foodworks Limited</li> <li>• Taj Safaris Limited</li> <li>• Concept Hospitality Private Limited</li> </ul>
<b>Memberships/Chairmanship of Committees of other companies</b>	<p><b>Member:</b></p> <ol style="list-style-type: none"> <li>1. <b>Nomination &amp; Remuneration Committee</b> Centrum Capital Limited Rap Media Limited</li> <li>2. <b>Shareholder's Grievance/ Stakeholder's Relationship Committee</b> Centrum Capital Limited</li> <li>3. <b>Audit Committee</b> Rap Media Limited</li> </ol> <p><b>Chairmanship:</b></p> <ol style="list-style-type: none"> <li>1. <b>Corporate Social Responsibility Committee</b> Centrum Capital Limited</li> <li>2. <b>Shareholder's Grievance/ Stakeholder's Relationship Committee</b> Rap Media Limited</li> </ol>	<p><b>Member:</b></p> <ol style="list-style-type: none"> <li>1. <b>Audit Committee</b> Prozone Intu Properties Limited PVR Limited Jubilant Foodworks Limited</li> <li>2. <b>Nomination &amp; Remuneration Committee</b> PVR Limited Taj Safaris Limited</li> <li>3. <b>Corporate Social Responsibility Committee</b> Prozone Intu Properties Limited PVR Limited Jubilant Foodworks Limited</li> </ol> <p><b>Chairmanship:</b></p> <ol style="list-style-type: none"> <li>1. <b>Nomination &amp; Remuneration Committee</b> Prozone Intu Properties Limited</li> <li>2. <b>Shareholder's Grievance/ Stakeholder's Relationship Committee</b> Prozone Intu Properties Limited</li> </ol>

## DIRECTORS' REPORT

Dear Shareholders,

ADF Foods Limited

Your Directors have pleasure in presenting the Thirtieth Annual Report together with the Audited Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2020.

### A. FINANCIAL RESULTS:

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2020 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	18,208.81	18,749.90	27,282.24	23,143.50
Other Income	2,175.69	1,405.05	2,180.50	1,405.38
<b>Total Income</b>	<b>20,384.50</b>	<b>20,154.95</b>	<b>29,462.74</b>	<b>24,548.88</b>
<b>Total Expenditure</b>				
Cost of materials consumed	8,180.85	8,932.55	8,180.85	8,932.55
Purchase of Stock-in-trade	747.01	654.87	8,644.83	4,204.63
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(47.47)	(421.40)	(1,918.82)	(1,105.40)
Employee benefits expense	1,511.84	1,342.93	1,764.49	1,608.05
Financial cost	133.41	86.90	133.42	87.05
Depreciation and amortization	551.60	431.08	552.71	431.19
Impairment losses	-	-	35.53	986.62
Other expenses	5,220.95	4,728.39	6,538.43	5,630.93
<b>Total expenses</b>	<b>16,298.19</b>	<b>15,755.32</b>	<b>23,931.44</b>	<b>20,775.62</b>
<b>Profit before exceptional and extraordinary items and tax</b>	<b>4,086.31</b>	<b>4,399.63</b>	<b>5,531.30</b>	<b>3,773.26</b>
<b>Exceptional Items</b>	<b>(32.51)</b>	<b>-</b>	<b>(32.51)</b>	<b>-</b>
<b>Profit before tax</b>	<b>4,053.80</b>	<b>4,399.63</b>	<b>5,498.79</b>	<b>3,773.26</b>
Current tax	981.94	1,290.69	1,003.45	1,300.58
Deferred tax	(75.29)	61.21	217.86	(60.78)
Prior year's tax adjustment		-		-
<b>Total tax expenses</b>	<b>906.65</b>	<b>1,351.90</b>	<b>1,221.31</b>	<b>1,239.80</b>
Prior Period adjustments (Net off)	-	-	-	-
<b>Net Profit (+) / Loss (-)</b>	<b>3,147.15</b>	<b>3,047.73</b>	<b>4,277.48</b>	<b>2,533.46</b>
Less: share of minority interest	-	-	-	-
<b>Profit/loss for the period after minority interest</b>	<b>3,147.15</b>	<b>3,047.73</b>	<b>4,277.48</b>	<b>2,533.46</b>
<b>Net other comprehensive income for the year</b>	<b>(333.98)</b>	<b>154.83</b>	<b>(313.35)</b>	<b>210.10</b>
<b>Total comprehensive income for the year</b>	<b>2,813.17</b>	<b>3,202.56</b>	<b>3,964.13</b>	<b>2,743.56</b>
<b>EPS (Basic)</b>	<b>15.72</b>	<b>14.84</b>	<b>21.36</b>	<b>12.34</b>
<b>EPS (Diluted)</b>	<b>15.72</b>	<b>14.84</b>	<b>21.36</b>	<b>12.34</b>

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

### FINANCIAL PERFORMANCE

The Standalone total income for the financial year ended 31<sup>st</sup> March, 2020 stood at ₹ 20,384.50 Lakhs as against the corresponding figures of previous financial year which stood at ₹ 20,154.95 Lakhs. The Consolidated total income for the financial year ended 31<sup>st</sup> March, 2020 stood at ₹ 29,462.74 Lakhs as against the corresponding figures of previous financial year which stood at ₹ 24,548.88 Lakhs representing growth of 20%.

The Standalone Profit Before Tax (PBT) for the financial year ended 31<sup>st</sup> March, 2020 stood at ₹ 4,053.80 Lakhs as against the corresponding figures of previous financial year which stood at ₹ 4,399.63 Lakhs. The Consolidated Profit Before Tax (PBT) for the financial year ended 31<sup>st</sup> March, 2020 stood at ₹ 5,498.79 Lakhs as against the corresponding figures of previous financial year which stood at ₹ 3,773.26 Lakhs representing growth over 45%.

## **B. BUSINESS DEVELOPMENT:**

During the year under review, the Company launched new products under Ashoka brand like Frozen Chutneys, Bullet Naan (Masala Naan), Tandoori Lachha Naan, Veg Spring Rolls, Cheese Samosa, Vegetable Samosa, Malaysian style Plain Paratha and extended its current product line of Dipping Sauces with a new variant called Chatpata Achari Dipping Sauce under the ambient range.

In addition to the business of prepared ethnic food, the Company has also entered into a new business segment wherein it acts as a distribution agent of food products for a Fortune 500 FMCG global firm in the US and UK markets. This new vertical gives us a wider product portfolio to offer the retailers who stock our products as well as it enables us to use the retail network of the FMCG firm for our own products. This vertical contributed ₹ 32.21 crores to revenues in FY 2019-20. We are confident that this business would supplement our core business very well going forward.

Last year, the Company initiated a Capex of ₹ 20 crore for expansion of premium product capacities in both the facilities, setting up an Effluent Treatment Plant (ETP) with zero liquid discharge at Nasik facility and installation of solar panels in both the facilities for captive consumption. A large part of Capex has been committed during the financial year 2019-20 with enhanced product capacities and automation of Chutney and Pickle lines. ETP with zero liquid discharge has been commissioned at Nasik plant. The Solar power project in Nasik has gone on stream and has started generating power and the excess units are being exported back to the MSEB grid.

## **C. COVID-19 UPDATES:**

In light of the unprecedented situation owing to the spread of COVID-19, the Company is facing slowdown in the production which is likely to continue for a couple of months. Though there is no significant reduction in demand, the capacity to fulfill the orders has been reduced mainly on account of limited manpower and logistics challenges caused by lockdown restrictions.

The Company is taking necessary steps to ensure smooth functioning. The Work From Home facility has been extended to most of the employees. The Government directives regarding health and safety of the workforce at the factories are strictly followed. Adequate stock of important ingredients is maintained. Purchases from alternate local suppliers have been facilitated and efforts are being made to ensure timely dispatches of the finished goods.

Although there are uncertainties due to the COVID-19 pandemic, the Company remains cautiously optimistic and is determined to emerge stronger with the strength of product portfolio, strong industry demand drivers, resilient business model and strong financials.

## **D. 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 this Report.

## **E. SHARE CAPITAL:**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2020 was ₹ 20.02 Crore. During the year under review, the Company has not issued or allotted any securities.

## F. DIVIDEND:

During the year under review, the Company paid to the shareholders, two Interim Dividends of ₹ 1.50/- (Rupee One and Paise Fifty only) per Equity Share of the face value of ₹ 10/- (Rupees Ten only) each in the month of December, 2019 and March, 2020 respectively.

The total Dividend for the financial year 2019-20 is ₹ 3/- (Rupee Three only) per Equity Share of the face value of ₹ 10/- (Rupees Ten only) each as against no dividend for the previous financial year 2018-19.

## G. TRANSFER TO RESERVES:

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

## 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 31<sup>st</sup> March, 2020. Power Brands (Foods) Pvt. Ltd., 100% Wholly Owned Subsidiary of the Company, is undergoing Voluntary Liquidation vide Special Resolution passed by the Members on 5<sup>th</sup> November, 2012. Hence, the annual financial statements as on 31<sup>st</sup> March, 2020 of the said Subsidiary are not required to be prepared. 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 statements of the Subsidiaries are set out in the prescribed form AOC-1 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 be accessed on the Company's website [www.adf-foods.com](http://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
Ms. Anjali Seth	Independent Director	Retirement upon completion of tenure w.e.f. 9 <sup>th</sup> March, 2020 (close of business hours).
Mr. Chandir G. Gidwani	N.A.	Appointed as an Additional Director in the category of 'Non-Executive Independent Director' w.e.f. 7 <sup>th</sup> February, 2020.
Ms. Deepa Misra Harris	N.A.	Appointed as an Additional Director in the category of 'Non-Executive Independent Director' w.e.f. 25 <sup>th</sup> March, 2020.

In the opinion of the Board, Mr. Chandir Gidwani and Ms. Deepa Misra Harris, Independent Directors who were appointed during the year possess integrity, expertise and experience (including the proficiency).

### 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**

Five meetings of the Board of Directors of the Company were held during the year. The detail of the 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 of the Board 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) Shareholders' Grievance/ Stakeholders' Relationship 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, 2020, 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, 2020;
- 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 3<sup>rd</sup> March, 2020 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 except Mr. Chandir G. Gidwani and Ms. Anjali Seth, to whom leave of absence was granted.

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 Programme 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 and through a Corporate Presentation. 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](http://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, effectiveness of Internal Financial Controls, Subsidiary Companies 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 Programme 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](http://www.adf-foods.com) and is available under the web link: <http://www.adf-foods.com/wp-content/uploads/2020/04/Familiarization-Programme-2019-20.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 Requirements) 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) as prescribed under Section 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 Requirements) 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 at Annexure A & 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 at Annexure B 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 31<sup>st</sup> March, 2020.

Whistle Blower Policy of the Company is displayed on the Company's website [www.adf-foods.com](http://www.adf-foods.com) and is available under the web link: <http://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-1.pdf>

**o Nomination and Remuneration Policy**

The Nomination and 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](http://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 environment of the Company was undertaken during the year under review which covered verification of entity level controls, process level controls 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.

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	<a href="http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf">http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf</a>
2	Nomination and Remuneration Policy	<a href="http://www.adf-foods.com/wp-content/uploads/2016/01/Nomination-and-Remuneration-Policy1-3.pdf">http://www.adf-foods.com/wp-content/uploads/2016/01/Nomination-and-Remuneration-Policy1-3.pdf</a>
3	Insider Trading Code 2015	<a href="http://www.adf-foods.com/wp-content/uploads/2019/04/Insider-Trading-Code-1.pdf">http://www.adf-foods.com/wp-content/uploads/2019/04/Insider-Trading-Code-1.pdf</a>
4	Code of Practices & Procedures for Fair Disclosure of UPSI	<a href="https://www.adf-foods.com/wp-content/uploads/2020/07/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf">https://www.adf-foods.com/wp-content/uploads/2020/07/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf</a>
5	ADF Whistle Blower Policy	<a href="http://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-1.pdf">http://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-1.pdf</a>
6	Related Party Transactions Policy	<a href="http://www.adf-foods.com/wp-content/uploads/2017/03/Related-Party-Transaction-Policy.pdf">http://www.adf-foods.com/wp-content/uploads/2017/03/Related-Party-Transaction-Policy.pdf</a>
7	ADF Material Subsidiary Policy	<a href="http://www.adf-foods.com/wp-content/uploads/2019/04/Policy-for-Determining-Material-Subsidiary.pdf">http://www.adf-foods.com/wp-content/uploads/2019/04/Policy-for-Determining-Material-Subsidiary.pdf</a>
8	ADF CSR Policy	<a href="http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-CSR-Policy-1.pdf">http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-CSR-Policy-1.pdf</a>
9	ADF Familiarization Programme	<a href="http://www.adf-foods.com/wp-content/uploads/2020/04/Familiarization-Programme-2019-20.pdf">http://www.adf-foods.com/wp-content/uploads/2020/04/Familiarization-Programme-2019-20.pdf</a>
10	ADF Board Diversity Policy	<a href="http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Board-Diversity-Policy.pdf">http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Board-Diversity-Policy.pdf</a>
11	ADF Sexual Harassment Policy	<a href="http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Sexual-Harassment-policy.pdf">http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Sexual-Harassment-policy.pdf</a>
12	Preservation of Documents	<a href="http://www.adf-foods.com/wp-content/uploads/2016/01/Preservation-of-Documents.pdf">http://www.adf-foods.com/wp-content/uploads/2016/01/Preservation-of-Documents.pdf</a>
13	ADF Archival Policy	<a href="http://www.adf-foods.com/wp-content/uploads/2016/05/ADF-Archival-Policy.pdf">http://www.adf-foods.com/wp-content/uploads/2016/05/ADF-Archival-Policy.pdf</a>

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 and Redressal) Act,

2013. The Company did not receive any such complaints during the year.

The Prevention of Sexual Harassment Policy of the Company is displayed on the Company's website [www.adf-foods.com](http://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 2019-20, no complaints were received and pending to be resolved pertaining to the sexual harassment.

#### **M. PARTICULARS OF EMPLOYEES:**

##### **o Key Managerial Personnel (KMP)**

Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO, Mr. Devang Gandhi, Chief Operating Officer (appointed w.e.f. 10<sup>th</sup> August, 2019), Mr. Anish S. Jhaveri, Chief Financial Officer and Ms. Shalaka Ovalekar, Company Secretary & Compliance Officer are the KMPs of the Company as on date of this Report.

##### **o Employees**

There were no employees drawing remuneration exceeding the monetary ceiling of ₹ 1.02 Crores per annum or ₹ 8.50 Lakhs per month during the financial year 2019-20, if employed for a part of the year, as 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 was 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 as Annexure VI to this Report.

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](http://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>

**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 2019-20.

**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 2011-12 (Final) amounting to ₹ 10,11,704/- 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 2019-20, there were 314 shareholders holding 44,685 equity shares of ₹ 10/- each 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-link:

<http://www.adf-foods.com/wp-content/uploads/2020/01/Details-of-Shares-Transferred-to-IEPF-2019.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 three Members viz. Mr. Viren Merchant, Independent Director, Mr. Jay M. Mehta, Non-Executive Non-Independent Director and Mr. Bimal R. Thakkar, Chairman, Managing Director and CEO.

During the Financial Year 2019-20, the Company was required to spend an amount of ₹ 64,58,147/- on the CSR activities pursuant to Section 135 of the Companies Act, 2013.

During the year, the Company had spent an amount of ₹ 59,78,550/- towards various meaningful CSR activities in the areas such as education for underprivileged and disabled, food and medical expenses of poor people, women empowerment, animal protection, environment protection through tree plantation, etc.

An amount of ₹ 4,79,597/- remained to be unspent due to COVID-19 lockdown announced by the Government w.e.f. 24<sup>th</sup> March, 2020. The Company will spend the said amount towards CSR activities within the stipulated time limit.

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. BUSINESS RESPONSIBILITY REPORT:**

A Business Responsibility Report as per Regulation 34 of the Listing Regulations, detailing the various initiatives taken by the Company on the environmental, social and governance front forms part of this Annual Report as Annexure C.

**T. 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 31<sup>st</sup> March, 2020 forms part of this Report as Annexure V.

**U. 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.

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 had appointed Keyul M. Dedhia & Associates, Company Secretary in Practice (C.P. No. 8618), to undertake the Secretarial Audit of the Company for the Financial Year 2019-20. 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 certain observations. The summary of the observations along with the Company's explanation is as under:

Sr. No.	Observation	Company's explanation
1	Delay in issuance of public notice through newspaper advertisement for informing the shareholders regarding the due date of transfer of shares to Investor Education and Protection Fund [IEPF] pursuant to the provisions of Section 124 of the Companies Act, 2013 and rules made thereunder.	There was a 20 days delay in publication of the notice on account of certain technical reasons. However, there was no delay in sending similar communication to the concerned shareholders on one to one basis and the shares were transferred to IEPF within the statutory time limit.
2	Unspent amount of ₹ 4.80 lakhs towards Corporate Social Responsibility for the financial year 2019-20 pursuant to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.	The marginal amount out of total CSR budget of ₹ 64.58 lakhs for the FY 2019-20 remained to be spent on account of sudden lockdown towards end of March, 2020. However, the Company will spend the said amount for its ongoing projects during FY 2020-21.

Sr. No.	Observation	Company's explanation
3	Delay in disclosure of <i>inter-se</i> transfer by Mr. Bhavesh Thakkar, Promoter of the Company under Regulation 29 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.	There was an inadvertent delay of 65 days in reporting <i>inter-se</i> transfer transaction by one of the Promoters, Mr. Bhavesh Thakkar. The onus of the disclosure lies on the individual Promoter. Though there was a delay in reporting under Regulation 29 of SEBI (SAST) Regulations, 2011, the necessary pre and post transaction intimations were given to the Stock Exchanges within the statutory time limit by the said Promoter under Regulation 10 of SEBI (SAST) Regulations, 2011.

Keyul M. Dedhia & Associates have been re-appointed as the Secretarial Auditors of the Company for the FY. 2020-21.

o **Internal Audit**

The Company had appointed RMJ & Associates LLP, Chartered Accountants, Mumbai (Registration No. AAM 0182) to conduct Internal Audit of Nasik, Nadiad and Mumbai Divisions of the Company for the Financial Year 2019-20.

RMJ & Associates LLP have been re-appointed as the Internal Auditors of the Company for all divisions across the organization for the FY. 2020-21.

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.

**V. 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.

**W. 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.

**X. 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 Nasik, Maharashtra.

**Y. 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.

**Z. 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.

**AA. 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.

**BB. 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, May 11, 2020

**Regd. Office:**

83/86, GIDC Industrial Estate, Nadiad 387 001, Gujarat

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

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

CIN: L15400GJ1990PLC014265

## ANNEXURE - I

### 1. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made thereunder, 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. Bimal R. Thakkar	NA

- (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. Bimal R. Thakkar - Chairman, Managing Director & CEO	NA
Mr. Anish S. Jhaveri - CFO	7%
Ms. Shalaka Ovalekar - Company Secretary	14%
**Mr. Devang Gandhi - COO	**NA

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

\*There is a change in the remuneration structure of Mr. Bimal Thakkar w.e.f. 1<sup>st</sup> May, 2019. As the fixed remuneration is changed to commission based variable remuneration, the remuneration for FY 2018-19 and 2019-20 are not comparable. Further, the ratio of remuneration of Mr. Bimal Thakkar to median remuneration is not determined as the median remuneration being fixed in nature cannot be compared to the commission based variable remuneration of Mr. Bimal Thakkar.

\*\* Mr. Devang Gandhi was appointed as the COO w.e.f. 10<sup>th</sup> August, 2019 and was not entitled to increment till 31<sup>st</sup> March, 2020.

- (iii) **The percentage increase in the median remuneration of employees in the financial year: 10%**
- (iv) **The number of permanent employees on the payroll of Company: 271**
- (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 the fixed salaries of employees other than managerial personnel in 2019-20 was 10%.

There was a change in the remuneration structure of Mr. Bimal Thakkar, Chairman, Managing Director & CEO w.e.f. 1<sup>st</sup> May, 2019. Accordingly, fixed managerial remuneration was paid to him only for the month of April, 2019. There was no percentile increase in the fixed managerial remuneration paid to the Chairman & Managing Director (CMD) for the month of April, 2019.

For the rest of the financial year 2019-20, the CMD received remuneration as commission within the statutory limit of 5% of net profit of the Company calculated pursuant to provisions of Sections 197 and 198 of the Companies Act, 2013. Due to change in the remuneration structure of the CMD, his remuneration being variable in nature can't be compared with fixed salaries of other employees.

- (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 9<sup>th</sup> August, 2014 and approved by the Board of Directors in their meeting on 11<sup>th</sup> August, 2014. The said Policy was amended by the Board of Directors in their meeting held on 22<sup>nd</sup> May, 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 1<sup>st</sup> April, 2014.

#### Constitution of the Nomination and Remuneration Committee:

The Board has changed the nomenclature of Remuneration Committee constituted on 8<sup>th</sup> May, 2002 by renaming it as Nomination and Remuneration Committee on 28<sup>th</sup> 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) 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 KMP's.

### **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 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 ₹ 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, 2020

*[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: L15400GJ1990PLC014265

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.

We would like to state that due to nation-wide lockdown ordered by the Government of India in view of COVID-19 global pandemic, we have not been able to physically verify the records of the Company for the purpose of our current audit and have instead placed our reliance solely on the contents of electronically signed/ scanned copies of the records, documents, papers, information, explanation provided to us by the Company and its officers and agents in electronic form.

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, 2020 ('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, 2020, 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, 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, 2018 **(Not applicable to the Company during the Audit period);** 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 review, 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. ***The Company has given public notice through newspaper advertisement for informing its shareholders regarding the due date of transfer of shares to Investor Education and Protection Fund [IEPF] on June 27, 2019 for the proposed transfer of shares due on September 8, 2019, which is less than three months before the due date of transfer of shares in non-compliance of the provisions of Section 124 of the Companies Act, 2013 and rules made thereunder.***

**We further report that,** the Company has unspent amount for the financial year ended March 31, 2020 in the amount to be spent towards Corporate Social Responsibility activities as per provisions of Section 135 of the Companies Act, 2013 and rules made thereunder.

**We further inform that,** Mr. Bhavesh Thakkar, Promoter of the Company has transferred 5,01,000 [2.50%] Equity Shares of the Company to Mr. Krish Thakkar, son of Mr. Bhavesh Thakkar on December 27, 2019 by way of gift. However, the disclosure under Regulation 29 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 for the said transfer of shares was submitted to Stock Exchange(s) on February 25, 2020 by him with delay of 55 [fifty five] 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.

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 Officers, 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 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:

- a. Mr. Ashok Thakkar and Mr. Mishal Thakkar re-classified from Promoter and Promoter Group to Public category.

**For Keyul M. Dedhia & Associates**

**Company Secretaries**

Unique ICSI Code Number: S2009MH120800

**Keyul M. Dedhia**

**Proprietor**

FCS No: 7756 COP No: 8618

UDIN: F007756B000227415

**May 11, 2020, 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: L15400GJ1990PLC014265

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**

Unique ICSI Code Number: S2009MH120800

**Keyul M. Dedhia**

**Proprietor**

FCS No: 7756 COP No: 8618

UDIN: F007756B000227415

**May 11, 2020, 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)  
Mr. Bimal R. Thakkar      Member (Chairman, Managing Director & CEO)  
Mr. Jay M. Mehta          Member (Non-Independent Director) - inducted w.e.f. 01.06.2019

3. Average net profit of the Company for last three financial years: ₹ 3,229.20 Lakhs.
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 64.58 Lakhs

During the FY 2019-20, the Company was required to spend ₹ 64.58 Lakhs towards CSR.

5. Details of CSR spend for the financial year:

- a. Total amount spent for the financial year: ₹ 59.78 Lakhs
- b. Amount unspent, if any: ₹ 4.80 Lakhs

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 (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads	Cumulative Expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (Break-up is inclusive of overhead expense)
				(in ₹)	(in ₹)		
1	Aid to the centres imparting education for visually challenged and deaf students	Promoting education for disabled	Mumbai	3,36,000	3,36,000	11,49,000	Through implementing agency viz. South Indian Education Society – ₹ 2,36,000/- The Stephen's High School for the Deaf and Aphasic – ₹ 1,00,000/-
2	Sponsoring school fees of poor students	Education	Mumbai, Nasik and Nadiad	17,68,200	17,68,200	60,56,645	Through implementing agency viz. Premadan- ₹ 4,00,000/- Samanway Samajik Sanstha- ₹ 3,67,400/- Nirant Vividh Seva Trust- ₹ 6,00,800/- Archana Educational Trust- ₹ 2,00,000/- RA Foundation – ₹ 2,00,000/-

Sr. No.	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount Outlay( bud get) project or programs wise	Amount spent on the projects or programs Sub heads (1)Direct expenditure (2) Overheads	Cumulative Expenditure upto to the reporting period	Amount spent: Direct or through implementing agency (Break-up is inclusive of overhead expense)
				(in ₹)	(in ₹)	(in ₹)	
3	Sponsoring food expenses of residential care centre for disabled and poor people	Eradication of hunger	Mumbai	10,50,000	10,50,000	36,34,015	Through implementing agency viz. Cuddles Foundation – ₹ 2,00,000/- Cheshire Home- ₹ 6,00,000/- Premadan- ₹ 2,50,000/-
4	Education Distribution of women hygiene products Education	Women empowerment	Mumbai, Nasik, Nadiad and Porbunder	13,90,000	13,90,000	20,45,500	Through implementing agency viz. ADAPT- ₹ 60,000/- Dev Foundation- ₹ 3,30,000/- Arya Kanya Vidyalaya Trust – ₹ 10,00,000/-
5	IDA (In Defense of Animals)	Animal Welfare	Mumbai	1,00,000	1,00,000	6,50,000	Through implementing agency viz. IDA
6	Donation for medical purpose	Health	Mumbai	10,24,350	10,24,350	63,13,845	Through implementing agency viz. Abhi Educational & Charitable Foundation – ₹ 5,97,600/- Aditya Eye Jyot - ₹ 4,00,000/- Nirant Vividh Seva Trust – ₹ 26,750/-
7	Financial aid to underprivileged people	Eradication of poverty	Nadiad	1,00,000	1,00,000	3,30,000	Nirant Vividh Seva Trust
8	Protection of environment	Environmental Protection	Tamil Nadu	2,10,000	2,10,000	2,10,000	Isha Outreach
	<b>Total Direct expenses of projects &amp; programs (A)</b>				<b>₹ 57,78,550</b>		
	<b>Overheads Expenses (B)</b>				<b>₹ 2,00,000</b>		
	<b>Total (A) + (B)</b>				<b>₹ 59,78,550</b>		

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

The marginal amount out of total CSR budget of ₹ 64.58 Lakhs for the FY 2019-20 remained to be spent on account of sudden lockdown towards end of March, 2020. However, the Company will spend the said amount for its ongoing projects during FY 2020-21.

7. 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**

**Jay M. Mehta**  
**Director & Member of**  
**CSR Committee**  
**DIN:00152072**

Date: 11<sup>th</sup> May, 2020  
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. 1<sup>st</sup> 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, one Non-Executive Independent Director 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. Mr. Bimal R. Thakkar, Member [Chairman & Managing Director]; and
3. 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 hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, Tribes, other backward classes, minorities and women;
9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
10. Rural development projects;
11. Slum area development

Explanation - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

12. Disaster management, including relief, rehabilitation and reconstruction activities.

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

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 31<sup>st</sup> March, 2020

[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 - 387 001, 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	34
2	Can Food & Ready to eat	20051000	8
3	Frozen Foods	20049000	42

#### 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. has undergone Voluntary Liquidation vide Special Resolution passed by the Members on 5<sup>th</sup> November, 2012.

**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 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	62,38,351	-	62,38,351	31.16	62,88,248	-	62,88,248	31.41	0.25
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,38,399	-	2,38,399	1.19	6,18,915	-	6,18,915	3.09	1.90
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>64,76,750</b>	<b>-</b>	<b>64,76,750</b>	<b>32.35</b>	<b>69,07,163</b>	<b>-</b>	<b>69,07,163</b>	<b>34.50</b>	<b>2.15</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>64,76,750</b>	<b>-</b>	<b>64,76,750</b>	<b>32.35</b>	<b>69,07,163</b>	<b>-</b>	<b>69,07,163</b>	<b>34.50</b>	<b>2.15</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	-	5,100	5,100	0.03	-	3,000	3,000	0.01	(0.02)
b) Banks / FI	37,030	500	37,530	0.19	20,719	500	21,219	0.11	(0.08)
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) Foreign Portfolio Investors	35,500	3,300	38,800	0.19	-	3,300	3,300	0.02	(0.17)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>	<b>72,530</b>	<b>8,900</b>	<b>81,430</b>	<b>0.41</b>	<b>20,719</b>	<b>6,800</b>	<b>27,519</b>	<b>0.14</b>	<b>(0.27)</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	53,35,460	12,000	53,47,460	26.71	67,83,715	11,900	67,95,615	33.94	7.23
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	33,14,629	7,64,051	40,78,680	20.37	28,56,357	6,79,851	35,36,208	17.66	(2.71)
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	28,83,883	-	28,83,883	14.40	16,35,338	-	16,35,338	8.17	(6.23)
c) Others (specify)									
i) NRI (Repat)	1,95,909	100	1,96,009	0.98	1,71,300	100	1,71,400	0.86	(0.12)
ii) NRI (Non Repat)	31,771	-	31,771	0.16	45,805	-	45,805	0.23	0.07
iii) Clearing member	1,08,999	-	1,08,999	0.54	46,742	-	46,742	0.23	(0.31)
iv) Independent Directors/relative	1,18,500	-	1,18,500	0.59	1,30,369	-	1,30,369	0.65	0.06
v) Other Directors/relatives	1,00,000	-	1,00,000	0.50	1,03,000	-	1,03,000	0.51	0.01

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
vi) NBFC	15,523	-	15,523	0.08	-	-	-	-	(0.08)
vii) Trusts	-	-	-	-	-	-	-	-	-
viii) HUF	2,21,523	-	2,21,523	1.11	2,17,684	-	2,17,684	1.09	(0.02)
ix) IEPF	3,62,191	-	3,62,191	1.81	4,05,876	-	4,05,876	2.03	0.22
<b>Sub-total (B)(2)</b>	<b>1,26,88,388</b>	<b>7,76,151</b>	<b>1,34,64,539</b>	<b>67.25</b>	<b>1,23,96,186</b>	<b>6,91,851</b>	<b>1,30,88,037</b>	<b>65.37</b>	<b>(1.88)</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1,27,60,918</b>	<b>7,85,051</b>	<b>1,35,45,969</b>	<b>67.65</b>	<b>1,24,16,905</b>	<b>6,98,651</b>	<b>1,31,15,556</b>	<b>65.50</b>	<b>(2.15)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,92,37,668</b>	<b>7,85,051</b>	<b>2,00,22,719</b>	<b>100.00</b>	<b>1,93,24,068</b>	<b>6,98,651</b>	<b>2,00,22,719</b>	<b>100.00</b>	-

### (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2019)			Shareholding at the end of the year (as on 31.03.2020)			% 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	22,78,924	11.38	Nil	22,78,924	11.38	Nil	0.00
2	Mahalaxmi Ramesh Thakkar	19,58,022	9.78	Nil	19,58,022	9.78	Nil	0.00
3	Bhavesh Ramesh Thakkar	7,51,450	3.75	Nil	2,50,450	1.25	Nil	(2.50)
4	Bimal Ramesh Thakkar HUF	5,95,246	2.97	Nil	5,95,246	2.97	Nil	0.00
5	Bhavesh R Thakkar HUF	Nil	Nil	Nil	Nil	Nil	Nil	0.00
6	Parul Bimal Thakkar	3,21,257	1.59	Nil	3,80,806	1.90	Nil	0.31
7	Priyanka Bhavesh Thakkar	3,01,000	1.50	Nil	3,01,000	1.50	Nil	0.00
8	H J Thakkar Property Investment Limited	2,38,399	1.19	Nil	6,18,915	3.09	Nil	1.90
9	Mishal Ashok Thakkar*	21,098	0.11	Nil	NA	NA	NA	(0.11)
10	Ashok H. Thakkar*	11,354	0.06	Nil	NA	NA	NA	(0.06)
11	Krish Bhavesh Thakkar <sup>®</sup>	Nil	Nil	Nil	5,01,000	2.50	Nil	2.50
12	Shivaan Bimal Thakkar <sup>#</sup>	3,000	0.01	Nil	11,500	0.07	Nil	0.06
13	Sumer Bimal Thakkar <sup>#</sup>	2,000	0.01	Nil	11,300	0.06	Nil	0.05
	<b>Total</b>	<b>64,81,750</b>	<b>32.35</b>	<b>Nil</b>	<b>69,07,163</b>	<b>34.50</b>	<b>Nil</b>	<b>2.15</b>

\* Mishal Ashok Thakkar and Ashok H. Thakkar were re-categorized into Public category from Promoter category w.e.f. December 9, 2019.

<sup>®</sup> Krish Bhavesh Thakkar was categorized into Promoter category pursuant to transfer of shares as a gift from Bhavesh R. Thakkar.

<sup>#</sup> Shivaan Bimal Thakkar and Sumer Bimal Thakkar were categorized into Promoter category from June, 2019 onwards.



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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2019		Change in the shareholding during the year		Shareholding at the end of the year as on 31.03.2020	
		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	Bimal R. Thakkar	22,78,924	11.38	Nil	Nil	22,78,924	11.38
2	Bimal Thakkar HUF	5,95,246	2.97	Nil	Nil	5,95,246	2.97
3	Bhavesh R. Thakkar <sup>®</sup>	7,51,450	3.75	(5,01,000)	(2.50)	2,50,450	(1.25)
4	Bhavesh Ramesh Thakkar HUF	Nil	Nil	Nil	Nil	Nil	Nil
5	Ashok H. Thakkar*	11,354	0.06	NA	NA	NA	NA
6	Mishal A. Thakkar*	21,098	0.11	*7,868	*0.04	NA	NA
7	Mahalaxmi R. Thakkar	19,58,022	9.78	Nil	Nil	19,58,022	9.78
8	Parul B. Thakkar**	3,21,257	1.60	59,549	0.30	3,80,806	1.90
9	Priyanka B. Thakkar	3,01,000	1.50	Nil	Nil	3,01,000	1.50
10	H J Thakkar Property Investment Ltd.***	2,38,399	1.19	3,80,516	1.90	6,18,915	3.09
11	Shivaan Bimal Thakkar <sup>#</sup>	3,000	0.01	8,500	0.05	11,500	0.06
12	Sumer Bimal Thakkar <sup>^</sup>	2,000	0.01	9,300	0.05	11,300	0.06
13	Krish Bhavesh Thakkar <sup>®</sup>	Nil	Nil	5,01,000	2.50	5,01,000	2.50

<sup>®</sup> During the year, 5,01,000 shares of the Company were transferred as a gift from Bhavesh R. Thakkar to Krish Bhavesh Thakkar.

\* Mishal Ashok Thakkar and Ashok H. Thakkar were re-categorized into Public category from Promoter category on December 09, 2019. 7,868 shares were acquired by Mr. Mishal Thakkar on May 31, 2019 through stock market purchases. The acquisitions made by him till the categorization in Promoter category are taken into consideration for the purpose of above Table.

\*\* During the year, 59,549 shares were acquired by Parul B. Thakkar through stock market purchases.

\*\*\* During the year, 3,80,516 shares were acquired by H J Thakkar Property Investment Ltd. through stock market purchases.

<sup>#</sup> During the year, 8,500 shares were acquired by Shivaan Bimal Thakkar through stock market purchases.

<sup>^</sup> During the year, 9,300 shares were acquired by Sumer Bimal Thakkar through stock market purchases.

**(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 01.04.2019		Change in the shareholding during the year		Shareholding at the end of the year as on 31.03.2020	
		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.	Authum Investment and Infrastructure Ltd.	-	0.00	44,94,052	22.44	44,94,052	22.44
2.	Top Class Capital Markets Pvt. Ltd.	7,86,535	3.93	(1,88,968)	(0.94)	5,97,567	2.99
3.	Dar's Business Finance Pvt. Ltd.	-	0.00	4,54,603	2.27	4,54,603	2.27
4.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	3,62,191	1.81	43,685	0.22	4,05,876	2.03
5.	Ebony Advisors LLP	4,00,000	2.00	(11,000)	(0.06)	3,89,000	1.94
6.	Lashit Sanghvi	2,83,750	1.42	-	-	2,83,750	1.42
7.	Ashwin Kedia	2,50,000	1.25	-	-	2,50,000	1.25
8.	Mishal Ashok Thakkar	21,098	0.11	1,18,368	0.59	1,39,466	0.70
9.	IND Finance and Securities Trust Pvt. Ltd.	1,00,000	0.50	-	-	1,00,000	0.50
10.	Sanand Properties Pvt. Ltd.	1,43,191	0.71	(50,574)	(0.25)	92,617	0.46

Note:

**1. Authum Investment and Infrastructure Ltd.**

Increase: Acquired 68,996 shares on 22.11.2019; 31,17,130 shares on 10.01.2020; 14,022 shares on 31.01.2020; 32,985 shares on 07.02.2020; 36,281 shares on 14.02.2020; 17,314 shares on 21.02.2020; 5,300 shares on 28.02.2020; 63,996 shares on 13.03.2020; 10,93,504 shares on 20.03.2020; 93,214 shares on 27.03.2020.

**Reason: Market Purchase**

Decrease: Sold 18,402 shares on 24.01.2020; 5,115 shares on 06.03.2020; 25,173 shares on 31.03.2020.

**Reason: Market Sale**

**2. Top Class Capital Markets Pvt. Ltd.**

Decrease: Sold 90,000 shares on 29.11.2019; 90,000 shares on 06.12.2019; 8,968 shares on 27.03.2020.

**Reason: Market Sale**

**3. Dar's Business Finance Pvt. Ltd.**

Increase: Acquired 3,181 shares on 31.05.2019; 1,66,108 shares on 07.06.2019; 9,774 shares on 14.06.2019; 3,696 shares on 21.06.2019; 1,036 shares on 29.06.2019; 8,123 shares on 05.07.2019; 23,082 shares on 12.07.2019; 2,566 shares on 02.08.2019; 9,016 shares on 16.08.2019; 15,991 shares on 23.08.2019; 20,442 shares on 30.08.2019; 20,007 shares on 06.09.2019; 15,075 shares on 13.09.2019; 44,546 shares on 20.09.2019; 1400 shares on 27.09.2019; 9,400 shares on 04.10.2019; 15,488 shares on 11.10.2019; 13,023 shares on 18.10.2019; 7,812 shares on 25.10.2019; 14,304 shares on 01.11.2019; 42,603 shares on 08.11.2019; 44,049 shares on 15.11.2019.

**Reason: Market Purchase**

Decrease: Sold 36,119 shares on 14.02.2020.

**Reason: Market Sale**

**4. Investor Education and Protection Fund Authority Ministry of Corporate Affairs**

Increase: Transferred 44,685 shares on 22.11.2019

**Reason: Transfer to Demat Account of IEPF**

Decrease: Transferred 100 shares on 05.07.2019; 100 shares on 30.09.2019; 100 shares on 18.10.2019; 100 shares on 01.11.2019; 100 shares on 06.12.2019; 100 shares on 20.12.2019; 200 shares on 27.12.2019; 100 shares on 24.01.2020; 100 shares on 07.02.2020.

**Reason: Transfer from Demat Account of IEPF to respective Shareholders/ Claimant's Demat Account.**

**5. Ebony Advisors LLP**

Decrease: Sold 11,000 shares on 12.04.2019.

**Reason: Market Sale**

**6. Mishal Ashok Thakkar**

Increase: Acquired 7,868 shares on 31.05.2019; 1,06,392 shares on 20.03.2020; 4,108 shares on 27.03.2020.

**Reason: Market Purchase**

**7. Sanand Properties Pvt. Ltd.**

Decrease: Sold 5,000 shares on 20.09.2019; 3,224 shares on 27.09.2019; 9,696 shares on 22.11.2019; 7,535 shares on 29.11.2019; 14,443 shares on 06.12.2019; 1,176 shares on 13.12.2019; 3,000 shares on 27.12.2019; 500 shares on 07.02.2020 and 6,000 shares on 14.02.2020.

**Reason: Market Sale**

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2019		Change in the shareholding during the year		Shareholding at the end of the year as on 31.03.2020	
		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. Bimal R. Thakkar, Chairman, Managing Director & CEO	22,78,924	11.38	Nil	Nil	22,78,924	11.38
2.	Mr. Viren A. Merchant, Independent Director	50,000	0.25	Nil	Nil	50,000	0.25
3.	Mr. Ravinder Kumar Jain, Independent Director <sup>®</sup>	50,000	0.25	1,869	0.01	51,869	0.26
4.	Mr. Naresh Kothari, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
5.	Mr. Jay M. Mehta, Non-Independent Director	50,000	0.25	Nil	Nil	50,000	0.25
6.	Ms. Anjali Seth, Independent Director <sup>#</sup>	Nil	Nil	Nil	Nil	Nil	Nil
7.	Mr. Chandir G. Gidwani, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
8.	Ms. Deepa Misra Harris, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
9.	Ms. Shalaka Ovalekar, Company Secretary	Nil	Nil	Nil	Nil	Nil	Nil
10.	Mr. Anish Jhaveri, Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil
11.	Mr. Devang Gandhi, COO	Nil	Nil	Nil	Nil	Nil	Nil

<sup>®</sup> Mr. Ravinder Kumar Jain purchased 1,869 equity shares on 5<sup>th</sup> September, 2019. The transaction was carried out through Market purchase.

<sup>#</sup> Ms. Anjali Seth retired from directorship of the Company w.e.f. 9<sup>th</sup> March, 2020 pursuant to completion of her tenure as an Independent Director.

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	12,096.34	-	12,096.34
• Reduction	-	9,785.75	-	9,785.75
<b>Net Change</b>	-	<b>2,310.59</b>	-	<b>2,310.59</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	2,310.59	-	2,310.59
ii) Interest due but not paid	-	5.83	-	5.83
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	<b>2,316.42</b>	-	<b>2,316.42</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sr. No.	Particulars	Name of Director
		<b>Mr. Bimal R. Thakkar, Chairman, Managing Director &amp; CEO</b>
1.	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	8,04,300 2,00,437 -
2.	Stock Option	NIL
3.	Sweat Equity	NIL
4.	Commission from the subsidiary company On account payment on monthly basis Annual Commission as a percentage of net sales of the subsidiary - as % of profit - others, specify	1,09,81,355 75,46,000
5.	**Others, please specify Gratuity Other benefits	1,19,31,923 6,11,500
	Total (A)	3,20,75,515
	**Amount considered for determining eligibility under Section 197 of the Companies Act, 2013	1,95,32,092
	Ceiling as per the Act	₹ 2,02,13,364 (5% of Net Profit calculated under Section 198 for FY2019-20)

\*\* Gratuity and other benefits such as Leave encashment, prior period LTA, medical paid to Mr. Bimal Thakkar during the FY 2019-20 forms part of prior years of service. These components were paid to Mr. Bimal Thakkar during the financial year 2019-20 on account of change in his remuneration structure. However, the same are not considered for determining eligibility under Section 197 of the Companies Act, 2013.

### B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Viren Merchant	Mr. Ravinder Kumar Jain	Ms. Anjali Seth*	Mr. Naresh Kothari	
1.	Independent Directors					
	- Fee for attending board/ committee meetings	5,80,000	6,50,000	4,20,000	3,30,000	19,80,000
	- Commission	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (1)	5,80,000	6,50,000	4,20,000	3,30,000	19,80,000
		<b>Mr. Jay Mehta</b>	-	-	-	-
2.	Other Non-Executive Directors					
	- Fee for attending board/ committee meetings	3,50,000	Nil	Nil	Nil	3,50,000
	- Commission	Nil	Nil	Nil	Nil	Nil
	- Others, please specify	Nil	Nil	Nil	Nil	Nil
	Total (2)	3,50,000	Nil	Nil	Nil	3,50,000
	Total (B)=(1+2)					23,30,000
	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 as the same comprises of sitting fees paid to the independent directors for attending board and committee meetings.			

\* Ms. Anjali Seth retired from the Board of Directors of the Company w.e.f. March 9, 2020.

**C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD:**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Details of KMP			
		Devang Gandhi Chief Operating Officer*	Anish Jhaveri Chief Financial Officer	Shalaka Ovalekar Company Secretary	Total
1	Gross salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	46,19,384	62,64,756	31,97,642	1,40,81,782
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
	(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	NIL	NIL	NIL	NIL
	<b>Total</b>	<b>46,19,384</b>	<b>62,64,756</b>	<b>31,97,642</b>	<b>1,40,81,782</b>

\*Mr. Devang Gandhi has been appointed as the Chief Operating Officer of the Company w.e.f. August 10, 2019.

**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)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment					
Compounding					

**For and on Behalf of the Board of Directors**

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

Mumbai, May 11, 2020

**Regd. Office:**

83/86, GIDC Industrial Estate, Nadiad 387 001, Gujarat

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

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

CIN: L15400GJ1990PLC014265

## 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 2019-20.
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 2019-20 (₹)
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 ₹ 50 crore per annum.	Duration of Contract is from 01 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2020.	27 <sup>th</sup> July, 2016	28 <sup>th</sup> September, 2016	58,27,180
ADF Foods UK Ltd.	100% Subsidiary	Share application money  Investment in Optionally Convertible Preference Shares	NA	25 <sup>th</sup> July, 2018	NA	3,58,08,750 8,21,67,500
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 ₹ 50 crore per annum	Duration of Contract is from 01 <sup>st</sup> April, 2017 to 31 <sup>st</sup> March, 2020.	27 <sup>th</sup> July, 2016	28 <sup>th</sup> September, 2016	19,99,440
Shivaan B. Thakkar	Person in place of profit	Employment contract.  Basic: ₹ 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.	Duration of Contract is for a period of three years with effect from 15 <sup>th</sup> February, 2019	12 <sup>th</sup> February, 2019	NA	13,75,280

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 2019-20 (₹)
		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.				
Mahalaxmi R. Thakkar	Relative of Directors	Lease of bungalow at Nadiad Rent – ₹ 50,000/- per annum and Interest Free Refundable Security Deposit of ₹ 10,50,000/-	Duration of Contract is for 99 years w.e.f. from 1 <sup>st</sup> April, 2007.	12 <sup>th</sup> August, 2015	30 <sup>th</sup> September, 2015	50,000

**For and on Behalf of the Board of Directors**

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

Mumbai, May 11, 2020

**Regd. Office:**

83/86, GIDC Industrial Estate, Nadiad 387 001, Gujarat

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

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

CIN: L15400GJ1990PLC014265

## ANNEXURE - VII

### ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

**Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earning 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 31<sup>st</sup> March, 2020.**

#### 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:	2019-20	2018-19
<b>1</b>	<b>Electricity</b>		
a	Purchased Units (KWH)	4,268,954	3,967,970
	Total Amount (₹)	35,964,979	31,618,246
	Average Rate/Unit (₹)	8.42	7.97
<b>B</b>	<b>Own Generation</b>		
i	Through Diesel Generator	N.A.	N.A.
	Units (KWH)	-	-
	Units/ Lt. of Diesel	-	-
	Cost/Unit (₹)	-	-
ii	Through Steam Turbine/Generator	N.A.	N.A.
<b>2</b>	<b>Agro waste &amp; Fire Wood</b>		
	Quantity (kgs)	1,763,374	1,580,661
	Total Amount (₹)	8,768,533	7,272,526
	Average Rate/KL (₹)	4.97	4.60
<b>3</b>	<b>Fuel Furnace Oil + Light Diesel</b>		
	Quantity (K.L.)	299,996	384,637
	Total Amount (₹)	10,553,813	14,120,712
	Average Rate/KL (₹)	35.18	36.71
<b>4</b>	<b>Others/internal Generation</b>	N.A.	N.A.
<b>(B)</b>	<b>Consumption per unit of production:</b>		
	Products (with details)	<p><b>Unit, Electricity, Furnace oil, Agro waste, Coal (specify quantity)</b></p> <p>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.</p>	



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

## 1. Specific areas in which R&amp;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&amp;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.

(Amount in ₹)

<b>Expenditure on R&amp;D</b>	<b>2019-20</b>	<b>2018-19</b>
(a) Capital	117,483	19,300
(b) Recurring	112,585	89,343
<b>(c) Total</b>	<b>230,068</b>	<b>108,643</b>
(d) Total R&D expenditure as a percentage of total turnover	0.01%	0.01%

**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:**

(₹ in Lakhs)

	<b>2019-20</b>	<b>2018-19</b>
Total Foreign Exchange Earned	17,295.72	17,860.55
Total Foreign Exchange Used	1,977.42	1,204.29

**For and on Behalf of the Board of Directors**

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

Mumbai, May 11, 2020

## ANNEXURE A

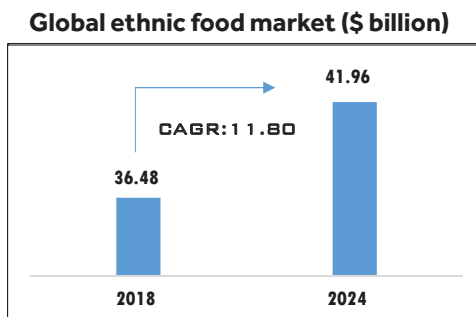
### MANAGEMENT DISCUSSION AND ANALYSIS

ADF Foods Limited (ADF) is a leading global player in the prepared ethnic food market. The Company is primarily engaged in manufacturing and exporting of ready-to-eat food, ready-to-cook food, frozen food, frozen vegetables, and meal accomplishments like pickles, sauces and pastes. ADF has a portfolio of well established brands and an international presence in 50+ countries with 180+ distributors across Europe, USA, Canada, Middle East, Asia, Australia, New Zealand and other countries. The Company has established a strong position in the growing processed food industry through customer centric approach and continuous innovations.

#### 1. Industry Overview

##### Global Ethnic Food Market:

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. The global ethnic food market was valued at \$36.48 billion in 2018, and is projected to register a Compound Annual Growth Rate (CAGR) of 11.8%, to reach \$41.96 billion in 2024 (*Source: Modor Intelligence*).



The rising trend in the global ethnic food market is attributed to the increasing migration among the world population for personal and professional purposes. The migrant consumers are therefore looking for more innovative and experimental food choices which are authentic, convenient, ready to eat as well as healthy. The ethnic food manufacturers are focusing on the convenience factor, authentic food tastes, cuisine and health variants like gluten/vegan etc., and packaging formats of the products.

Amongst the international cuisines, Asian (Indian, Chinese), Middle Eastern and Mexican cuisines are the most preferred ones.

##### UK Ethnic Food Market:

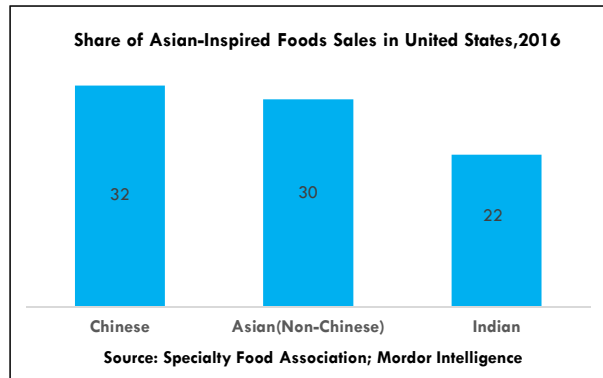
The UK Ethnic Food market was valued at £1.6 billion in 2013, recording robust 32% growth between 2008-13 (*Source: World Food Association*). The market is continuing to grow at 5-6% every year backed by a variety of factors – increasing preference for Ready-To-Eat (RTE), new product developments, an increasingly multicultural Britain, and improved offerings by supermarkets. The UK ethnic food market benefits from strong demand as six in ten adults (60%) enjoy eating foreign food (*Source: Mintel*).

Indian food remains the largest segment in the market ahead of Chinese. Indians are the largest ethnic minority in the UK which ranks sixth in the world in the Indian diaspora. There are approximately 1.5 million Indians living in the UK and are the largest foreign-born population group in the UK.

### US Ethnic Food Market:

The US Ethnic Food market was estimated at \$12.5 billion in 2018, having grown from \$11 billion in 2013, a CAGR of ~3% (Source: Statista). An increasingly diverse population and more frequent home cooking has helped the ethnic food market to continue to grow.

The ethnic foods market in the U.S. does have a variety of offerings. The largest segment of the ethnic foods market is Mexican/ Hispanic foods. The popularity of ethnic foods is also being driven by the Asian and Indian food segments, which are growing faster than market average.



### Industry Trends:

There are several important dynamics affecting the Ethnic Food Industry, including:

- Evolving consumer tastes and preferences offering opportunities for innovations:

Consumers demand healthy and authentic food alternatives with fewer artificial ingredients. In addition, many ethnic food offerings are becoming more mainstream as consumers show a greater willingness to try new flavours and cuisines. Changes in consumer preferences create opportunities for new and innovative products and for unique food-away-from-home destinations.

- Strong preference of convenience RTE food by millennials:

According to a research, millennials, the largest living generation, are poised to have more spending power than baby boomers. 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 optimise the ease of consumption.

- Emerging importance of a balanced healthy 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 2014 (Source: Rise of the Vegan).

## 2. Company Overview

ADF is a market leader in the prepared ethnic food segment with products spanning across ready-to-eat food, ready-to-cook food, frozen food, frozen vegetables and meal accomplishments like pickles, chutneys, sauces and cooking pastes. The Company had also forayed in baked snacks and flavoured milk drinks segments. Export contributes more than 95% of revenues across countries including US, Canada, Europe, Australia, Middle East and Asia. ADF's brands include Ashoka, Truly Indian, Camel, Aeroplane, Soul, Nate's and PJ's Organics.

### ADF's Product Portfolio

						
Ready to eat food	Ready to eat food	Meal accompaniments	Meal accompaniments	Ready to eat Food	Ready to eat Burritos	Meal accompaniments
Frozen snacks & vegetables	Papad (poppadum)	Cooking pastes	Cooking pastes			Cooking pastes
Meal accompaniments	Meal accompaniments		Curry powders			Cooking sauces
Flavoured drink milk	Cooking pastes		Cooking sauces			Ready to cook food
Cooking pastes	Cooking sauces					
Mango pulps and mango slices	Organic ready to eat and organic cooking sauces					

The Company has been continuously endeavouring towards catering to changing consumer needs by developing newer products under different categories. The Company has a dedicated team of professionals engaged in understanding the developments and bringing out innovative products. This year, the Company has launched new products under Ashoka brand like Frozen Chutneys, Bullet Naan (Masala Naan), Tandoori Lachha Naan, Veg Spring Rolls, Cheese Samosa, Vegetable Samosa, Malaysian style Plain Paratha and extended its current product line of Dipping Sauces with a new variant called Chatpata Achari Dipping Sauce under the ambient range.

This year ADF added a new business vertical of 'Agency Distribution'. Under this, the Company would act as distribution agent of food products for a Fortune 500 FMCG global firm across the US and UK markets. This new vertical gives the Company a wider product portfolio to offer to its distributors as well as enables it to tap the existing network of the FMCG global firm for its own products. The segment contributed ₹ 32.21 Crores to Revenue in FY20.

This year, the Company strengthened its senior management team with appointment of Mr. Devang Gandhi as Chief Operating Officer and Ms. Purvi Dwivedi as General Manager-Accounts. In addition, ADF appointed Independent Directors - Mr. Chandir Gidwani w.e.f. 7<sup>th</sup> February, 2020 and Ms. Deepa Harris w.e.f. 25<sup>th</sup> March, 2020.

The Company has two state of the art manufacturing plants located in Nasik, Maharashtra and Nadiad, Gujarat. The Nasik plant is spread across 10,100 sq. meters of area. The Nadiad facility is built in an area of 15,000 sq. meters. Both are HACCP (Hazard Analysis and Critical Control Point) and BRC (British Retail Consortium) accredited and ISO 22000:2005 certified.

Last year, the Company initiated a Capex of ₹ 20 crore for expansion of premium product capacities in both the facilities, setting up an Effluent Treatment Plant (ETP) with zero liquid discharge at Nasik facility and installation of solar panels in both the facilities for captive consumption. A large part of Capex has been committed during the current year (FY'20) with enhanced product capacities and automation of Chutney and Pickle lines. ETP with zero liquid discharge has been commissioned at Nasik plant. The Solar power project in Nasik has gone on stream and has started generating power and the excess units are being exported back to the MSEB grid.

Towards the end of the year, your Company's operations were impacted due to the COVID-19 Pandemic. As per the directions issued by the Central Government, both manufacturing plants at Nasik and Nadiad were

shut down w.e.f. 24<sup>th</sup> March, 2020. Thereafter, the Company obtained permissions from the Government and local authorities to restart manufacturing operations at both the plants, our food products being in the nature of essential goods. Accordingly, both the factories have become partially operational from 1<sup>st</sup> April, 2020. The overall impact on the business cannot be ascertained at present.

### 3. Financial Highlights

#### FINANCIAL PERFORMANCE

On a Standalone basis for the year ended March 31, 2020, total income for the Company increased by 1.14% over the last year to ₹ 2.30 crores. EBIDTA reduced by 2.97% over the previous FY to ₹ 1.46 crores. During the Fiscal 2020, the Company's PAT was ₹ 31.47 crores, up from ₹ 30.48 crores in the previous year, a year-on-year growth of 3.26%.

On a Consolidated basis, the Company's total income for FY2019-20 stood at ₹ 294.63 crores with a year-on-year increase of 20.02%. The EBIDTA also grew by 18.47% over the previous FY to ₹ 9.75 crores. PAT for the year ended March 31, 2020 stood at ₹ 42.77 crores with an increase of 68.84% as compared to ₹ 25.33 crores in the previous year.

₹ in Crores	Standalone		Consolidated	
	FY 2018-19	FY 2019-20	FY 2018-19	FY 2019-20
Total Income	201.55	203.85	245.49	294.63
EBIDTA	49.18	47.71	52.78	62.53
EBIDTA Margin	24.40%	23.41%	21.46%	21.22%
Interest	0.87	1.33	0.87	1.33
PAT	30.48	31.47	25.33	42.77
PAT Margin	15.12%	15.44%	10.32%	14.52%
Working Capital Management	84.00	83.22	87.77	118.69
ROE	14.50%	13.60%	14.70%	20.92%
ROCE	19.39%	18.24%	18.60%	27.71%
EPS	14.84	15.72	12.34	21.36

#### DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

Particulars	March 2020	March 2019
Debtors Turnover	86 Days	82 days
Inventory Turnover	3.31 times	3.50 times
Interest Coverage Ratio	31.63 times	51.63 times
Current Ratio	2.77 times	5.80 times
Debt Equity Ratio	-	-
Operating Profit Margin (%)	23.17%	23.93%
Net Profit Margin (%)	17.28%	16.25%

**Debtors Turnover Ratio:** The change in ratio is on account of minor slowdown in collections due to lock down at various places.

**Inventory Turnover Ratio:** The ratio has declined due to higher inventory with lower cost of goods sold. Due to national lock down, the Company was unable to dispatch goods since third week of March which resulted in higher inventory levels at the year end.

**Interest Coverage Ratio:** The interest cost has gone up due to short term working capital loan obtained during the year.

**Current Ratio:** Current ratio changed on account of short term working capital loan obtained during the year.

**Debt-Equity Ratio:** Not applicable to the Company.

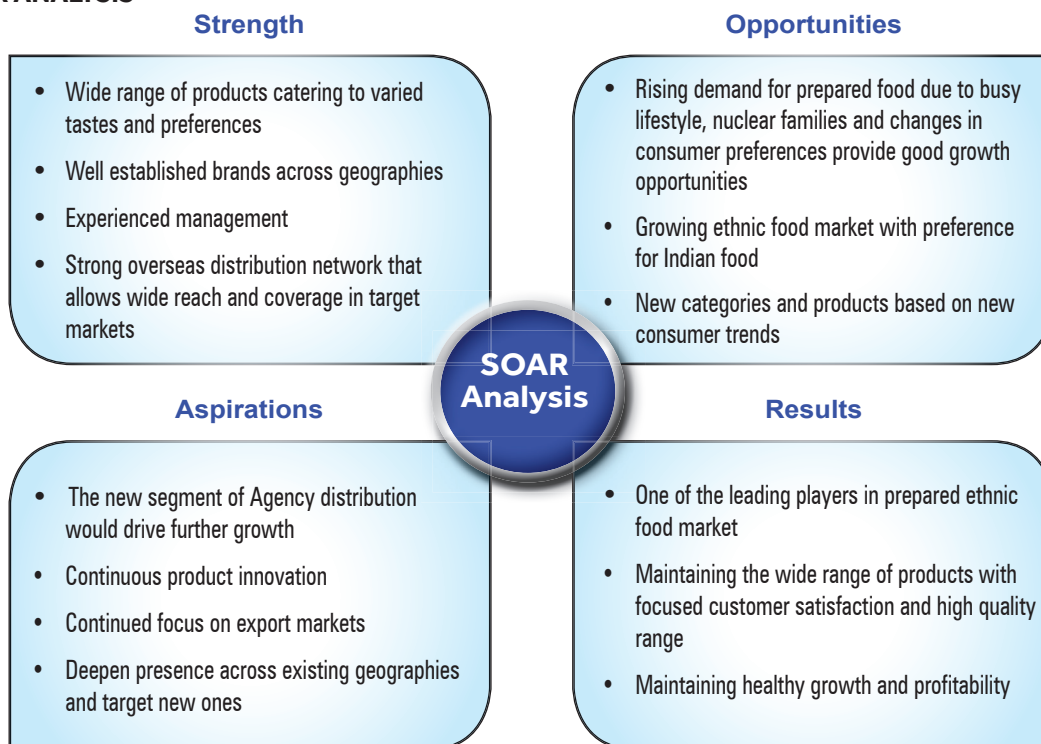
**Operating Profit Margin:** During the year, the Company has changed its product mix thereby focusing on higher yielding products, still there is reduction in operating margin mainly due to higher expenditure.

**Net Profit Margin:** Improved due to reduction in income tax rate.

**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 2019-20, the Company's Return on Consolidated Net Worth was 27.71% as against 18.60% in the previous FY resulting in an increase of 9.11% over the previous year. The said increase was mainly on account of growth in Profit After Tax.

**4. SOAR ANALYSIS**



**5. Risk and Mitigation**

The Company continuously works towards de-risking its business by adopting preventive measures. Your Company has well established Business Risk Management System which enables detection and monitoring of the business risks on a continuous basis. However, there are certain potential risks being more industry oriented and the management strongly feels that the same could be mitigated by having systematic decisions and measures. These industry oriented risks are as listed below:

- **Foreign Exchange Rate Fluctuation:** The Company being engaged in exports, derives approximately 95% of its revenue from export sales. An appreciation of the Indian Rupee can adversely impact the Company's exports.

**Mitigation:** The Company manages this financial risk through a managed hedge programme where a significant portion of the projected sales are hedged by booking of forward contracts.

- **Variation in Raw Material Prices:** Raw Material is a very crucial cost for the Company's products. Any increase in the prices of core raw materials would adversely affect the Company's operating results.

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

- **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 its market share.

- **COVID-19 uncertainty:** Due to global lockdown for the purpose of containment of wide spread of Corona Virus (COVID-19) disease, there is a potential risk of business slowdown. The impact of the same cannot be ascertained at present.

**Mitigation:** Your Company is continuously monitoring the situation and working on various measures to minimise the business interruptions.

## 6. INTERNAL CONTROL SYSTEMS & 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 system implemented by the Company strikes 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.

## 7. MATERIAL DEVELOPMENT IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The Company believes in the overall development and continuous growth of its employees. The Company continues to provide its employees the ideal workplace where they can give optimum results. This has resulted into team spirit and team work. 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 271 employees as on 31<sup>st</sup> March, 2020.

## 8. 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 its business and other incidental factors.

## ANNEXURE B

### 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 2019-20 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 31<sup>st</sup> March, 2020, the total strength of the Board of Directors of the Company was 7 (Seven) Directors comprising of one Executive Promoter Director, one Non-Executive Non-Independent Director and five Non-Executive Independent Directors. The Non-Executive 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 31<sup>st</sup> March, 2020 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. Bimal R. Thakkar	Promoter/ Chairman, Managing Director & CEO	5	4	Yes	3	1	2
Mr. Jay M. Mehta	Non-Executive Non- Independent Director	5	5	No	3	Nil	2
Mr. Viren A. Merchant	Non-Executive Independent Director	5	3	Yes	1	Nil	Nil
Mr. Ravinder Kumar Jain	Non-Executive Independent Director	5	5	Yes	1	1	1
Ms. Anjali Seth <sup>^</sup>	Non-Executive Independent Director	5	5	No	N.A.	N.A.	N.A.
Mr. Naresh Kothari	Non-Executive Independent Director	5	4	Yes	3	Nil	1
Mr. Chandir G. Gidwani <sup>#</sup>	Non-Executive Independent Director	5	Nil	N.A.	7	1	3
Ms. Deepa Misra Harris <sup>§</sup>	Non-Executive Independent Director	5	Nil	N.A.	5	1	4

<sup>^</sup>Ms. Anjali Seth retired as an Independent Director of the Company with effect from March 9, 2020 (close of business hours) upon completion of her tenure of five years w.e.f. March 10, 2015.

<sup>#</sup>Mr. Chandir G. Gidwani was appointed as an Additional Director (Non-Executive and Independent) on the Board of the Company w.e.f. February 7, 2020. No Board Meetings were held post his appointment.

<sup>§</sup>Ms. Deepa Misra Harris was appointed as an Additional Director (Non-Executive and Independent) on the Board of the Company w.e.f. March 25, 2020. No Board Meetings were held post her appointment.



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/ she 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 Saurashtra Cement Limited	Independent Director
2.	Mr. Jay M. Mehta	Gujarat Sidhee Cement Limited Saurashtra Cement Limited	Executive Vice-Chairman and Managing Director
3.	Mr. Ravinder K. Jain	Delta Corp Limited	Independent Director
4.	Mr. Naresh Kothari	AGC Networks Limited B L Kashyap and Sons Limited	Non-Executive Non-Independent Director
5.	Mr. Chandir G. Gidwani	Centrum Capital Limited Rap Media Limited	Non-Executive Non-Independent Director
6.	Ms. Deepa Misra Harris	TCPL Packaging Limited Prozone Intu Properties Limited PVR Limited Jubilant Foodworks Limited	Independent Director

Disclosure of the number of equity shares of the Company held by Non-Executive Directors as on 31<sup>st</sup> March, 2020:

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	51,869
4.	Mr. Naresh Kothari	Nil
5.	Mr. Chandir G. Gidwani	Nil
6.	Ms. Deepa Misra Harris	Nil

\* In addition to the above, Mr. Viren Merchant holds 28,500 shares as a 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 mission, business operations, growth strategies and financial position by having one to one meeting with the Managing Director and through Corporate Presentation.

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, effectiveness of Internal Financial 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/2020/04/Familiarization-Programme-2019-20.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 31<sup>st</sup> March, 2020:

Non-Executive Directors are eligible for only sitting fees not exceeding the limits prescribed under the Companies Act, 2013. The Non-Executive Directors were paid sitting fees @ ₹ 50,000/- for attending every Meeting of the Board, Independent Directors Meeting, Audit Committee Meeting and Nomination and Remuneration Committee Meeting and ₹ 20,000/- for attending Meetings of other Board Committees viz. CSR Committee and Shareholders' Grievance/ Stakeholders' Relationship Committee.

Name of Non-Executive Director	Sitting fees paid for attending meetings of the Board and Committees (in ₹)
Mr. Jay M. Mehta	3,50,000
Mr. Viren A. Merchant	5,80,000
Mr. Ravinder K. Jain	6,50,000
Ms. Anjali Seth	4,20,000
Mr. Naresh L. Kothari	3,30,000

The details of remuneration paid to the Managing Director/ Whole Time Director during the financial year ended 31<sup>st</sup> March, 2020 are as under:

Sr. No.	Director	Inter-se relationship between Directors	Period of employment contract, Notice period.	Stock options	Salary (₹)	Other Perquisite (₹)	Commission from ADF Holdings (USA) Ltd.	Total (₹)
1	Mr. Bimal R. Thakkar Chairman, Managing Director & CEO	Not related to any Directors	1 <sup>st</sup> October, 2018 till 30 <sup>th</sup> September, 2023  Notice Period: 3 months	Nil	8,04,300	1,27,43,860*	1,85,27,355	3,20,75,515

\*Other perquisites include Gratuity amounting to ₹ 1,19,31,923/- and other benefits amounting to ₹ 6,11,500/- which comprises of Leave Encashment, prior period LTA and medical. Though these perquisites were paid to Mr. Bimal Thakkar during the financial year 2019-20 on account of change in his remuneration structure, the same relate to prior years of service. Hence, the same are not considered for determining eligibility under Section 197 of the Companies Act, 2013.

**NOTES:**

- (i) All appointments of Directors are non-contractual except those of Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO. Appointment of Mr. Bimal R. Thakkar is for five years with effect from 1<sup>st</sup> October, 2018. His earlier term was from 1<sup>st</sup> October, 2017 to 30<sup>th</sup> 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 31<sup>st</sup> March, 2020.

**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, 5 meetings of the Board of Directors were held on the following dates:

May 22, 2019, June 19, 2019, August 10, 2019, November 11, 2019 and February 7, 2020.

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 means. 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 3<sup>rd</sup> March, 2020 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
- 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, if any.

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

The brief summary of the competencies of the Directors is as under:

In the table below, the specific areas of focus or expertise of individual Board Members have been highlighted. However, the absence of a mark against a Member's name does not necessarily mean the member does not possess the corresponding qualification or skill.

Name of the Director	Industry knowledge/ experience			Technical skills			Governance Competencies			Behaviour competencies	
	Overall business management	Knowledge of Food sector	Global business	Sales and Marketing experience	Monitoring risk management systems	Strategy development and implementation	Financial literacy	Compliance focus	Director's performance management	Integrity and high ethical standards	Leadership
Bimal Thakkar	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Viren Merchant	✓			✓	✓	✓	✓		✓	✓	✓
Ravinder Jain	✓			✓		✓	✓		✓	✓	✓
Jay Mehta	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Naresh Kothari	✓		✓	✓		✓	✓		✓	✓	✓
Chandir Gidwani	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓
Deepa Misra Harris	✓	✓	✓	✓		✓			✓	✓	✓

### 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.

### 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, Shareholders' Grievance/ Stakeholders' Relationship 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 13<sup>th</sup> 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 31<sup>st</sup> March, 2020 was as under:

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

The Company Secretary acts as the Secretary to the Committee. The Chief Financial Officer, Chief Operating Officer, General Manager - Accounts, 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 22, 2019, August 08, 2019, November 11, 2019 and February 07, 2020.

The attendance of each Audit Committee Member during the FY 2019-20 is given hereunder:

Sr. No.	Name of the 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 25, 2019.

#### **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.

• **SHAREHOLDERS' GRIEVANCE/ STAKEHOLDERS' RELATIONSHIP COMMITTEE**

**A. Composition & Meetings:**

The Shareholders' Grievance/ Stakeholders' Relationship Committee was constituted on 2<sup>nd</sup> 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 Shareholders' Grievance/ Stakeholders' Relationship Committee in the Board Meeting held on 28<sup>th</sup> May, 2014.

The composition of the Shareholders' Grievance/ Stakeholders' Relationship Committee as on 31<sup>st</sup> March, 2020 was as under:

Sr. No.	Name of the Director	Category	Chairman/ Member
1.	Mr. Viren A. Merchant	Independent Director	Chairman
2.	Mr. Bimal R. Thakkar	Executive Director	Member
3.	Mr. Naresh L. Kothari	Independent Director	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 22, 2019, August 10, 2019, November 11, 2019 and February 7, 2020.

The attendance of each member is given hereunder:

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

**B. The terms of reference of the Shareholders' Grievance/ Stakeholders' Relationship 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 31<sup>st</sup> March, 2020. 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, 2020.

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 8<sup>th</sup> 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 was renamed as Nomination & Remuneration Committee in the Board Meeting held on 28<sup>th</sup> May, 2014.

The composition of the Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2020 was as under:

Sr. No.	Name of the Director	Category	Chairman/ Member
1.	Mr. Viren A. Merchant	Independent Director	Chairman
2.	Mr. Ravinder Kumar Jain	Independent Director	Member
3.	Mr. Jay Mehta**	Non-Executive Non-Independent Director	Member

During the year, three Meetings of the said Committee were held on May 22, 2019, August 10, 2019 and February 7, 2020.

The attendance of each member is given hereunder:

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

\*Ms. Anjali K. Seth retired from the Board of Directors of the Company w.e.f. March 9, 2020.

\*\* Mr. Jay M. Mehta has been inducted as a Member of the Committee w.e.f. June 1, 2019.

Also, the Nomination & Remuneration Committee passed a Circular Resolution on March 12, 2020 for appointment of Ms. Deepa Misra Harris as an Additional Director.

**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](http://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, Company Secretary 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 28<sup>th</sup> 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 one Non-Executive Independent Director, one Non-Executive Non-Independent Director and the Managing Director.

The composition of the Corporate Social Responsibility Committee as on 31<sup>st</sup> March, 2020 was as under:

Sr. No.	Name of the Director	Category	Chairman/ Member
1.	Mr. Viren A. Merchant	Independent Director	Chairman
2.	Mr. Bimal R. Thakkar	Executive Director	Member
3.	Mr. Jay M. Mehta*	Non-Executive Non-Independent Director	Member

\*Mr. Jay M. Mehta has been inducted as a Member of the Committee w.e.f. June 1, 2019.

During the year, one Meeting of the said Committee was held on May 22, 2019.

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

\*\*Ms. Anjali K. Seth retired from the Board of Directors of the Company w.e.f. March 9, 2020.

**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](http://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
2016-17	Wednesday, 23 <sup>rd</sup> 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 <sup>th</sup> September, 2018	12.00 noon	Nadiad Nagar Palika Ipcowala Town Hall, Near City Point, Paras Circle, Santram Road, Nadiad - 387 001, Gujarat.
2018-19	Wednesday, 25 <sup>th</sup> September, 2019	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, 23 <sup>rd</sup> August, 2017	None
2.	Saturday, 15 <sup>th</sup> September, 2018	Re-appointment of Mr. Bimal R. Thakkar as Chairman, Managing Director & Chief Executive Officer for a term of five years w.e.f. October 1, 2018.
3.	Wednesday, 25 <sup>th</sup> September, 2019	<ol style="list-style-type: none"> <li>1. Approval for making structural changes in remuneration of Mr. Bimal Thakkar, Chairman, Managing Director &amp; CEO.</li> <li>2. Re-appointment of Mr. Viren A. Merchant as an Independent Director of the Company for a term of five years from 24<sup>th</sup> September, 2019.</li> <li>3. Re-appointment of Mr. Ravinder Kumar Jain as an Independent Director of the Company for a term of five years from 24<sup>th</sup> September, 2019.</li> </ol>

- C. During the Financial Year 2019-20, no Resolution was passed through the Postal Ballot. Further, 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](http://www.adf-foods.com) as well as on the website of the Stock Exchanges viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

The Company's website also displays official news releases.

**Website:** The Company's website ([www.adf-foods.com](http://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 is 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, 5<sup>th</sup> August, 2020 at 11:00 a.m.

Mode of conduct : Video Conferencing

### B. FINANCIAL YEAR

The Company follows the Financial Year from 1<sup>st</sup> April to 31<sup>st</sup> March.

### C. FINANCIAL CALENDAR 2020-21

#### Schedule of Board Meetings (tentative):

First Quarter ending 30<sup>th</sup> June, 2020: on or before 14<sup>th</sup> August, 2020

Half Year ending 30<sup>th</sup> September, 2020: on or before 14<sup>th</sup> November, 2020

Third Quarter ending 31<sup>st</sup> December, 2020: on or before 14<sup>th</sup> February, 2021

Year ending 31<sup>st</sup> March, 2021: on or before 30<sup>th</sup> May, 2021

### D. DATES OF BOOK CLOSURE

The Share Transfer Register will remain closed from Thursday, 30<sup>th</sup> July, 2020 to Wednesday, 5<sup>th</sup> August, 2020 (both days inclusive).

### E. DIVIDEND

During the year, the Board of Directors has declared two Interim Dividends @ ₹ 1.50/- per share (15%) on Equity Shares of face value ₹ 10/- each on November 11, 2019 and February 7, 2020 respectively.

### F. LISTING ON STOCK EXCHANGES

The Equity Shares of the Company are presently listed on 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 shall be paid to the aforesaid Stock Exchanges for the Financial Year 2020-21 within the time limit.

### G. STOCK CODE/SYMBOL

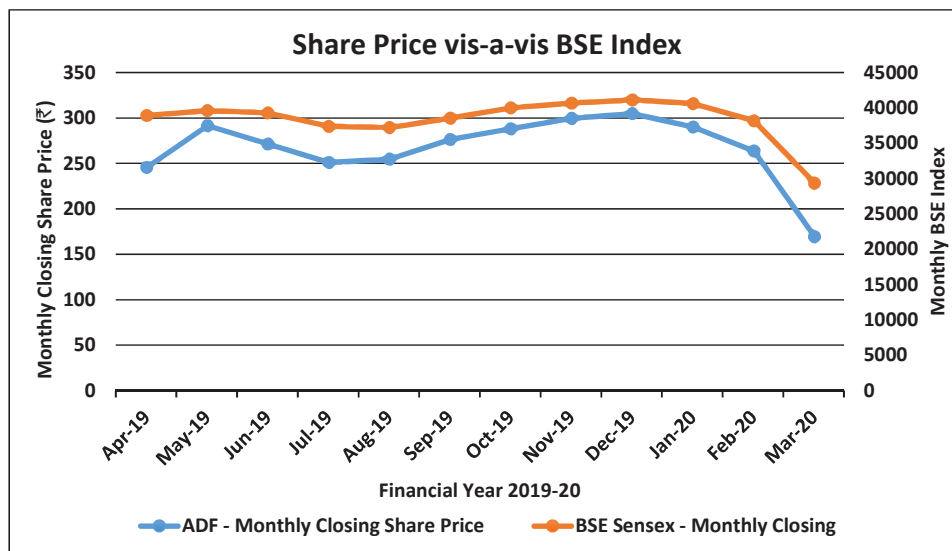
BSE Limited	:	519183
The National Stock Exchange of India Limited	:	ADFFOODS
ISIN	:	INE982B01019
CIN	:	L15400GJ1990PLC014265

## 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 2019-20 are as under:

Month	High (₹)	Low (₹)	Close (₹)	Total Traded Quantity (Nos.)
April 2019	259.00	240.05	246.35	42,348
May 2019	304.80	230.00	292.35	4,57,128
June 2019	305.00	266.20	272.35	1,06,525
July 2019	302.25	247.30	252.00	56,357
August 2019	273.35	228.00	255.60	47,201
September 2019	294.00	245.10	277.20	32,914
October 2019	293.15	245.85	289.05	1,08,760
November 2019	324.00	285.15	300.35	3,84,142
December 2019	329.35	296.00	305.65	1,74,435
January 2020	321.00	289.00	290.85	31,73,615
February 2020	323.40	263.20	264.50	58,115
March 2020	316.70	123.35	170.40	5,37,855

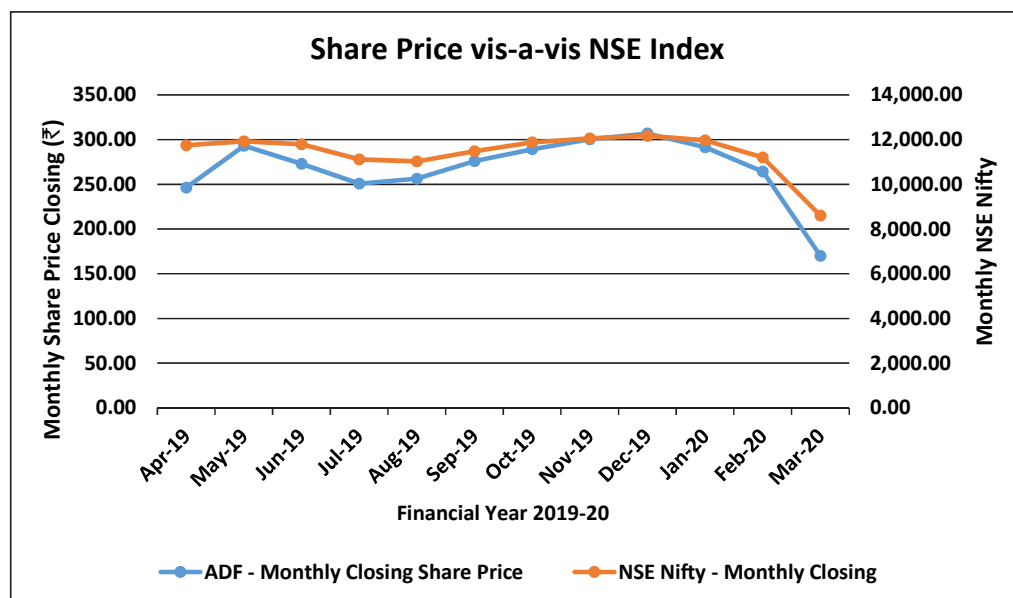
### PERFORMANCE IN COMPARISON TO BROAD BASED INDICES (BSE - SENSEX)



The monthly high, low and closing price quotations of the Company's shares traded on the National Stock Exchange of India Limited during financial year 2019-20 are as under:

Month	High (₹)	Low (₹)	Close (₹)	Total Traded Quantity (Nos.)
April 2019	259.50	240.00	246.35	5,95,154
May 2019	305.00	230.70	293.10	22,95,535
June 2019	305.00	266.75	272.75	8,13,616
July 2019	302.00	245.30	250.70	7,32,275
August 2019	273.55	226.00	256.25	4,87,455
September 2019	294.75	245.00	275.95	6,52,189
October 2019	292.45	240.00	289.20	4,75,320
November 2019	324.00	282.05	300.35	15,43,714
December 2019	330.00	295.60	306.85	11,18,070
January 2020	321.25	288.30	291.55	9,63,308
February 2020	324.00	262.00	264.40	7,69,873
March 2020	274.95	123.05	170.00	20,82,758

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



#### 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, 1<sup>st</sup> Floor, 247 Park, LBS Marg, Vikhroli West, Mumbai - 400 083.

Tel.: 022-49186270 Fax: 022-49186060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) Website: [www.linkintime.co.in](http://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. Transfer of shares held in physical form is not permitted after March 31, 2019 through statutory notifications.

Transfer of the 'shares' into Investor Education and Protection Fund (IEPF) (in cases where dividend has not been paid or claimed for seven (7) consecutive years or more) - In terms of Section 124(6) of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, and Notifications issued by the Ministry of Corporate Affairs from time to time, the Company is required to transfer the shares in respect of which dividends have remained unpaid/ unclaimed for a period of seven consecutive years or more to the IEPF Account established by the Central Government. As required under the said Rules, the Company has transferred the required number of shares to the IEPF.

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. Shareholders' Grievance/Stakeholders' Relationship Committee notes the approval of the same at the next Meeting.

## K. DISTRIBUTION PATTERN OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2020

Shareholding of Nominal Value (₹)	No. of shareholders	% of Total	Face Value (₹)	% of Total
<b>1 to 5000</b>	15,701	92.94	1,74,49,920	8.71
<b>5001 to 10000</b>	564	3.34	46,42,900	2.32
<b>10001 to 20000</b>	286	1.69	43,07,750	2.15
<b>20001 to 30000</b>	91	0.54	23,64,990	1.18
<b>30001 to 40000</b>	43	0.25	15,39,160	0.77
<b>40001 to 50000</b>	44	0.26	20,55,670	1.03
<b>50001 to 100000</b>	71	0.42	53,25,370	2.66
<b>100001 &amp; above</b>	94	0.56	16,25,41,430	81.19
<b>Total</b>	<b>16,894</b>	<b>100.00</b>	<b>20,02,27,190</b>	<b>100.00</b>

## 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 96.51% of total equity shares of the Company are held in dematerialised form with NSDL and CDSL.

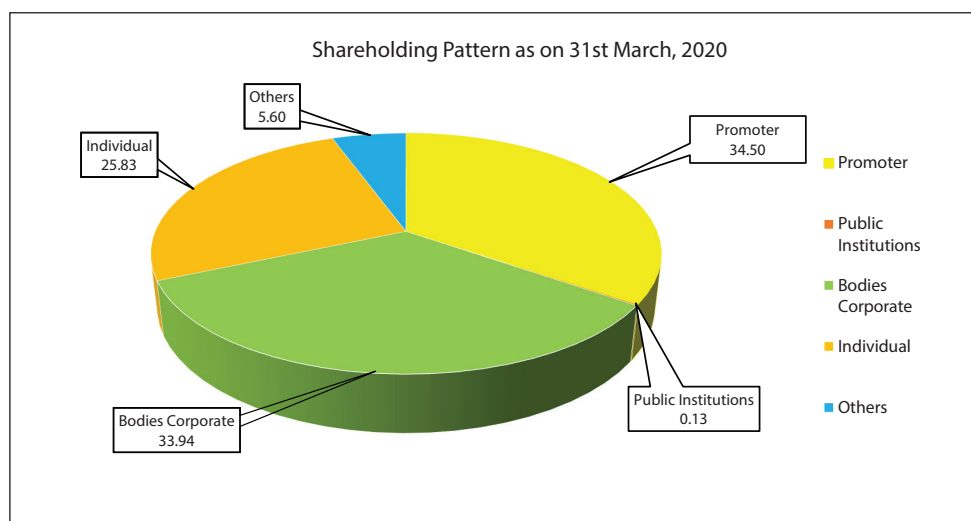
### Reconciliation of Share Capital Audit Report

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 31<sup>ST</sup> MARCH, 2020**

Category	No. of Shares	% Holding
<b>A. Holding of the Promoter Group</b>		
(a) Individual / HUF	62,88,248	31.41
(b) Bodies Corporate	6,18,915	3.09
<b>Total (A)</b>	<b>69,07,163</b>	<b>34.50</b>
<b>B. Non-Promoters Holding</b>		
<b>1. Institutional Investors</b>		
(a) Mutual Funds / UTI	3,000	0.01
(b) Financial Institutions / Banks	21,219	0.10
(c) Foreign Portfolio Investors	3,300	0.02
<b>Sub Total (B1)</b>	<b>27,519</b>	<b>0.13</b>
<b>2. Others</b>		
(a) Bodies Corporate	67,95,615	33.94
(b) Individual	51,71,546	25.83
(c) Clearing Member	46,742	0.23
(d) Non Resident Indian (Repat/ Non Repat)	2,17,205	1.08
(e) Directors	1,51,869	0.76
(f) HUF	2,17,684	1.09
(g) Relatives of Directors	81,500	0.41
(h) Investor Education and Protection Fund	4,05,876	2.03
<b>Sub Total (B2)</b>	<b>1,30,88,037</b>	<b>65.37</b>
<b>Total B1+B2 (B)</b>	<b>1,31,15,556</b>	<b>65.50</b>
<b>Grand Total (A)+(B)</b>	<b>2,00,22,719</b>	<b>100.00</b>



**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.

**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 Statutory Auditors' fees, on consolidated basis for the Financial Year 2019-20 are given below:

<b>Name of the Entity</b>	<b>Auditor's Fees (₹)</b>
ADF Foods Limited:	
Audit Fees	11,00,000
Limited Review Reports (Quarterly)	5,25,000
Other Services	3,57,000
Out of Pocket Expenses	75,467
ADF Foods (India) Limited:	
Audit Fees	3,50,000
Limited Review Reports (Quarterly)	1,50,000
<b>Total</b>	<b>25,57,467</b>

**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.
- \* C1-40/2, GIDC Industrial Estate, Nadiad 387 001, Gujarat.
- \* Plot No. 5, MIDC Industrial Estate, Malegaon, Sinnar, Nasik 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 Private 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 6141 5555 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. (xi) 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, 2020.

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:

Power Brands (Foods) Pvt. Ltd., Wholly Owned Subsidiary of the Company, is undergoing Voluntary Liquidation vide Special Resolution passed by the Members on 5<sup>th</sup> 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-1, which forms part of the Annual Report.

**(iv) Certification from Company Secretary in Practice:**

Mr. Sanjay Risbud of M/s. S. S. Risbud & Co., Practicing Company Secretary, has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed with this section as Annexure III.

**(v) 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. 1<sup>st</sup> April, 2017.

**(vi) 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.

**(vii)** 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.

**(viii) Disclosure of commodity price risks and commodity hedging activities:**

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

**(ix) Vigil Mechanism/ Whistle Blower Policy:**

The Board has adopted a 'Whistle Blower Policy' in its Meeting held on 11<sup>th</sup> August, 2014 with an objective to conduct the Company's 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 and 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](http://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.

**(x) 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 off during financial year - Nil

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

**(xi) 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), (1A) & (1B)	Yes - 17(1) and 1(A) NA - 17(1B)
Meeting of Board of Directors	17(2)	Yes
Quorum of Board Meeting	17(2A)	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
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Role of the Audit Committee and the information to be reviewed by the Audit Committee	18(3)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee Meeting	19(2A)	Yes
The Chairperson of the Nomination and Remuneration Committee may be present at the Annual General Meeting, to answer the shareholders' queries	19(3)	Yes
Meeting of Nomination and Remuneration Committee	19(3A)	Yes
Role of the Nomination and Remuneration Committee	19(4)	Yes
Composition of Stakeholder Relationship Committee	20(1), (2) & (2A)	Yes
The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders	20(3)	Yes
Meeting of Stakeholders Relationship Committee	20 (3A)	Yes
Role of the Stakeholders Relationship Committee	20(4)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3) & (4)	N.A.
Meeting of Risk Management Committee	21(3A)	N.A.
The provisions of this regulation shall be applicable to top 500 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year.	21(5)	N.A.
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1), (1A), (5),(6),(7) & (8)	Yes - 23(1),(5),(6),(7) & (8) N.A. - 23(1A)

Particulars	Regulation Number	Compliance status (Yes/No/NA) refer note below
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
Disclosure of Related Party Transactions on consolidated basis	23(9)	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
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25(1)	N.A.
Maximum Tenure	25(2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of Board of Directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these Regulations.	25(5)	Yes
Filling up of casual vacancy caused by removal/ resignation of Independent Director	25(6)	N.A.
Familiarization of Independent Directors	25(7)	Yes
Declaration from Independent Director	25(8) & (9)	Yes
D&O Insurance for Independent Director	25(10)	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
No employee including Key Managerial Personnel or Director or Promoter of a listed entity shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an Ordinary Resolution.	26(6)	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 2019-20 does not contain modified Audit opinion.
- D. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

**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 31<sup>st</sup> March, 2020."*

Code of Conduct of the Company is displayed on the Company's website [www.adf-foods.com](http://www.adf-foods.com) 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 31<sup>ST</sup> MARCH, 2020:

#### [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 UK Limited
- ADF Holdings (USA) Limited
- ADF Foods (USA) Limited
- Villa Trading Company Private Limited

##### Committee Memberships:

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

**[3] MR. JAY M. MEHTA****Other Directorships:**

- 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
- Galaxy Technologies Private Limited
- Mehta Private Limited
- Agrima Consultants International Limited
- Arclightz and Films Private Limited
- Knight Riders Sports Private Limited
- ADF Foods UK Limited

**Committee Memberships:**

- ADF Foods Limited
  - Nomination & Remuneration Committee
  - CSR Committee
- 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] MR. NARESH KOTHARI**

**Other Directorships:**

- B L Kashyap and Sons 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/Stakeholders' Relationship Committee

**[6] MR. CHANDIR G GIDWANI**

**Other Directorships:**

- Centrum Capital Limited
- Rap Media Limited
- Nanikrami Agro Private Limited
- Maurya Sugar Limited
- Casby Global Air Private Limited
- Club 7 Holidays Limited
- Sonchajyo Investments and Finance Private Limited
- Centrum Capital Advisors Limited
- Centrum Alternative Investment Managers Limited
- Gurudaya Estates Private Limited
- Begonia Ventures Private Limited
- Business Match Services (India) Private Limited
- JBCG Advisory Services Private Limited
- P & M Infrastructures Limited
- Centrum Fiscal Private Limited
- Royale Thrill Ventures Private Limited

**Committee Memberships:**

- Centrum Capital Limited
  - Nomination and Remuneration Committee
  - Shareholder's Grievance/ Stakeholder's Relationship Committee
  - Corporate Social Responsibility Committee
- Rap Media Limited
  - Audit Committee
  - Stakeholders Relationship Committee
  - Nomination and Remuneration Committee

**[7] MS. DEEPA MISRA HARRIS**

**Other Directorships:**

- TCPL Packaging Limited
- Prozone Intu Properties Limited

- PVR Limited
- Jubilant Foodworks Limited
- Taj Safaris Limited
- Concept Hospitality Private Limited

**Committee Memberships:**

- Prozone Intu Properties Limited
  - Audit Committee
  - Nomination and Remuneration Committee
  - Shareholder's Grievance/ Stakeholder's Relationship Committee
  - Corporate Social Responsibility Committee
- PVR Limited
  - Audit Committee
  - Nomination and Remuneration Committee
  - Corporate Social Responsibility Committee
- Jubilant Foodworks Limited
  - Audit Committee
  - Corporate Social Responsibility Committee
- Taj Safaris Limited
  - Nomination and Remuneration 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 31<sup>st</sup> March, 2020 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.

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

**Anish Jhaveri**  
**CFO**

Date: May 11, 2020

## ANNEXURE III

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
ADF Foods Limited  
Mumbai

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ADF Foods Limited having CIN: L15400GJ1990PLC014265 and having its Registered Office at 83/86, G.I.D.C. Industrial Estate, Nadiad - 387 001 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Bimal Ramesh Thakkar	00087404	30/05/2003
2.	Viren Ajitkumar Merchant	00033464	03/11/2005
3.	Ravinder Kumar Jain	00652148	11/10/2007
4.	Naresh Lakshman Singh Kothari	00012523	12/05/2017
5.	Jay Mahendra Mehta	00152072	12/02/2019
6.	Chandir Gobind Gidwani	00011916	07/02/2020
7.	Deepa Misra Harris	00064912	25/03/2020

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date : 01.04.2020

Name: Sanjay S. Risbud  
Membership No.: 13774  
CP No.: 5117

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
ADF Foods Limited

1. This certificate is issued with regard to compliance of conditions of Corporate Governance by ADF Foods Limited ("the Company") for the year ended March 31, 2020, 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 Obligations and Disclosure Requirements), Regulations, 2015, as amended ("the Listing Regulations"), pursuant to the Listing Agreement of the Company with the Stock Exchange.

### Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

### Auditor's Responsibility

3. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, 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 Listing Regulations, as applicable during the year ended March 31, 2020.
8. 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.

---

**Restriction on use**

9. This certificate has been issued at the request of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and should not be used by any other person or for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For KALYANIWALLA & MISTRY LLP**

**CHARTERED ACCOUNTANTS**

**Firm Registration Number 104607W/W100166**

**FARHAD M. BHESANIA**

**PARTNER**

**Membership Number 127355**

**UDIN: 20127355AAAABP7211**

Place: Mumbai

Date: May 11, 2020



## ANNEXURE C

### BUSINESS RESPONSIBILITY REPORT

#### ABOUT THE COMPANY

ADF Foods Limited is well-known in the prepared ethnic food segment with a product portfolio of ready-to-eat food, ready-to-cook food, frozen food, frozen vegetables, and condiments like pickles, sauces and pastes. The Company has also added in recent times baked snacks and flavoured milk drinks. Exports contributes more than 95% of its revenues to more than 50 countries including the US, Canada, Europe, Australia, Middle East and Asia. ADF's brands include Ashoka, Truly Indian, Camel, Aeroplane, Soul, Nate's and PJ's Organics.

#### ABOUT THIS REPORT

The Securities and Exchange Board of India (SEBI) as per its Listing Obligations and Disclosure Requirements Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of company's Annual Report for top 1000 listed entities based on market capitalisation at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011, which contains 9 Principles and Core Elements for each of the those 9 Principles. Following is the first Business Responsibility Report of the Company which is based on the format suggested by SEBI.

#### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L15400GJ1990PLC014265
2. Name of the Company : ADF Foods Limited
3. Registered Address : 83/86, G.I.D.C. Industrial Area, Nadiad, Gujarat - 387 001, India
4. Website : www.adf-foods.com
5. E-mail Id : info@adf-foods.com
6. Financial Year reported : 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Name and Description of main Products	ITC Code of the Products
Meal Accompaniments	20019000
Can Food & Ready to eat	20051000
Frozen Foods	20049000

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

- *Meal Accompaniments like pickles, sauces, chutneys*
- *Can Food & Ready to eat*
- *Frozen Foods*

9. **Total number of locations where the business activity is undertaken by the Company:**

- a. **Number of International Locations (Provide details of major 5) - US, UK, rest of Europe, Middle East, Asia Pacific.**

**Registered Office** - 83/86, G.I.D.C. Industrial Area, Nadiad, Gujarat - 387 001, India.

**Corporate Office**- Marathon Innova, B2, G01, Ground Floor, G. K. Road, Lower Parel, Mumbai - 400 013, India.

**b. Plant locations –**

1. 77/84, 83/86, 94, C1-40/2, G.I.D.C. Industrial Estate, Nadiad 387 001, Gujarat.
2. Plot No. 5, M.I.D.C. Industrial Estate, Malegaon, Sinnar, Nasik - 422 103, Maharashtra.

**10. Markets served by the Company (International/domestic):**

The Company has a global footprint and serves both National and International markets.

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

1.	Paid up Capital	:	₹ 20.02 Crores
2.	Total Turnover	:	₹ 182.08 Crores
3.	Total Profit after taxes	:	₹ 31.47 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)	:	2 % of PAT. Total CSR expenditure is 2% of average Net Profits (before tax) of the Company made during the three immediately preceding financial years. During the FY 2019-20, the Company spent ₹ 59,78,550/- on CSR activities which is 1.90% of profit after tax.
5.	List of activities in which expenditure in 4 above has been incurred	•	<ul style="list-style-type: none"> <li>Promotion of education</li> <li>Medical Aid</li> <li>Women Empowerment</li> <li>Sponsoring Food expenses of poor people</li> <li>Environmental Protection</li> <li>Animal welfare</li> </ul>

**SECTION C: OTHER DETAILS**

**1. Does the Company have any Subsidiary Company/ Companies?**

The 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 31<sup>st</sup> March, 2020. M/s. Power Brands (Foods) Pvt. Ltd., a Wholly Owned Subsidiary of the Company, is undergoing Voluntary Liquidation vide Special Resolution passed by the Members on 5<sup>th</sup> November, 2012.

**2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) -**

No, as majority of the Subsidiary Companies operate in different geographies.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]-**

No such other entity is directly involved in BR initiatives of the Company.

**SECTION D: BR INFORMATION**

**1. Details of Director/Directors responsible for BR**

**a. Details of the Director/Directors responsible for implementation of the BR policy/policies**

DIN	Name	Designation
00087404	Bimal Thakkar	Chairman, Managing Director & CEO

**b. Details of the BR Head**

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00087404
2.	Name	Bimal Thakkar
3.	Designation	Chairman, Managing Director & CEO
4.	Telephone Number	+9122 6141 5555
5.	E-mail id	bimal@adf-foods.com

**2. Principle-wise (as per NVGs) BR Policy/policies**

**a. Details of compliance (Reply in Y/N)**

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics, transparency & sustainability accountability	Sustainability in life-cycle of product	Employee well-being	Stakeholder engagement	Promotion of human rights	Environmental protection	Responsible public policy advocacy	Inclusive growth	Customer value
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	NA	Y	Y
	1. Code of Conduct 2. Whistle Blower Policy 3. Code of Fair Disclosure of Unpublished Price Sensitive Information 4. Policy on Related Party Transactions 5. Policy on Disclosure of Material Events			1. Code of Conduct 2. Whistle Blower Policy 3. Prevention of Sexual Harassment of women at workplace	Whistle Blower Policy	1. Code of Conduct 2. Prevention of Sexual Harassment of women at workplace 3. HR Policy	Code of Conduct		CSR Policy	
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y Signed by MD	Y Signed by MD	Y Signed by MD	Y Signed by MD	Y Signed by MD	Y Signed by MD	NA	Y Signed by MD	Y Signed by MD
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
7	Indicate the link for the policy to be viewed online?	<ul style="list-style-type: none"> <li>Code of conduct- <a href="http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf">http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf</a></li> <li>Whistle Blower Policy - <a href="http://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-1.pdf">http://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-1.pdf</a></li> <li>Code of Fair Disclosure of Unpublished Price Sensitive Information- <a href="https://www.adf-foods.com/wp-content/uploads/2020/07/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf">https://www.adf-foods.com/wp-content/uploads/2020/07/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf</a></li> <li>CSR policy - <a href="http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-CSR-Policy-1.pdf">http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-CSR-Policy-1.pdf</a></li> <li>Related Party Transaction policy - <a href="http://www.adf-foods.com/wp-content/uploads/2017/03/Related-Party-Transaction-Policy.pdf">http://www.adf-foods.com/wp-content/uploads/2017/03/Related-Party-Transaction-Policy.pdf</a></li> <li>Policy on Sexual Harassment of Employees- <a href="http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Sexual-Harassment-policy.pdf">http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Sexual-Harassment-policy.pdf</a></li> <li>Policy on Disclosure of Material Events and Information- <a href="http://www.adf-foods.com/wp-content/uploads/2016/01/Material-Events-21.12.2017.pdf">http://www.adf-foods.com/wp-content/uploads/2016/01/Material-Events-21.12.2017.pdf</a></li> </ul>								
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	NA	N	N

- b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	Principle 7: Responsible public policy advocacy
1	The company has not understood the Principles	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-
3	The company does not have financial or manpower resources available for the task	-
4	It is planned to be done within next 6 months	-
5	It is planned to be done within the next 1 year	-
6	Any other reason (please specify)	<i>The Company is a member of various trade bodies such as Indian Merchant Chamber, FIEO, CII etc. The Company represents in various forums within these trade bodies. The Company actively participate in these forums on issues and policy matters that impact the interest of its stakeholders. The Company prefers to be part of the broader policy development process and do not practice lobbying on any specific issue.</i>

### 3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year - Annually
- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

*Yes, this is the first year of applicability of BRR to the Company. Going forward, the Company will publish the BRR annually as a part of its Annual Report. The hyperlink to view the said report is as follows: <https://www.adf-foods.com/wp-content/uploads/2020/07/Business-Responsibility-Report-2019-20.pdf>*

## SECTION E: PRINCIPLE-WISE PERFORMANCE

### Principle 1: Ethics, transparency & sustainability accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

*Yes, the **Whistle Blower & Protection policy** of the Company which is applicable to not just all our directors, employees and their representative bodies, but it also extends to all its business associates and security holders as well. This policy provides a platform to these stakeholders for reporting violation of any law, misuse or misappropriation of the Organization's assets, gross waste of or misuse or misappropriation of the organization's funds, incorrect financial reporting or misrepresentation of facts which are not in line with applicable Company policy, substantial and specific danger to health and safety, serious improper conduct (including any kind of mental or sexual harassment) and leakage of Unpublished Price Sensitive Information by any employee/director in the Company. Rest of the policies cover only the Company.*

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. –

*8 complaints were received from the shareholders during the financial year ended 31<sup>st</sup> March, 2020. The complaints were mainly relating to non-receipt of duplicate share certificates, pending demat requests and transfer of shares.*

**Principle 2: Sustainability in life-cycle of product****1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

1. Truly Indian range of organic food
2. SOUL Pickles with olive oil and less salt
3. Ashoka range of baked snacks

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

**a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? Optional**

**b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

*Not applicable, since these products are directly consumed by our consumers without using energy or water.*

**3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

*The Company contributes to sustainable sourcing by purchasing organic raw materials which are free of fertilizers and pesticides for a range of its products. This constitutes under 5% of total raw material sourcing.*

*In the area of ethical sourcing, we discourage the use of forced labour and child labour at our premises.*

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

*Yes, the Company actively engages with the local and small mandi suppliers for purchase of majority of important ingredients such as fruits, vegetables, spices, dairy products etc. The Company incorporates terms of payment as cash against delivery on orders placed with these suppliers thereby strengthening their financial position. It has helped them to increase their capacity and capability to increase their volumes and earnings.*

**5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

*During FY 2019-20, the Company has installed Effluent Treatment Plant at Nasik factory with zero liquid discharge. It recycles around 60,000 liters of water daily which is around 60% of total water consumption of Nasik plant. The Nadiad plant has been treating its discharges appropriately.*

**Principle 3: Employee wellbeing****1. Please indicate the Total number of employees**

*Permanent employees: 271*

**2. Please indicate the Total number of employees hired on temporary/contractual/casual basis**

*Contractual employees: 229*

**3. Please indicate the Number of permanent women employees**

*Permanent women employees: 61*

**4. Please indicate the Number of permanent employees with disabilities**

*This number is not tracked as the Company does not follow differential recruitment policy based on employees' physical abilities.*

**5. Do you have an employee association that is recognized by management?**

*Yes, we have two employee associations which are registered under 'Trade Unions Act, 1926' and 'The Maharashtra Mathadi, Hamal and Other Manual Workers (Regulation of Employment and Welfare) Act, 1969' respectively at Nasik.*

**6. What percentage of your permanent employees are members of this recognized employee association?**

*Around 10% of the permanent employees are members of these employee associations.*

**7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

a.	Permanent Employees	~ 80%
b.	Permanent Women Employees	~ 80%
c.	Casual/Temporary/Contractual Employees	~ 80%
d.	Employees with Disabilities	Included under permanent employees

Note: The training for COVID-19 related safety norms has been given to all the employees.

**Principle 4: Stakeholder's management**

**1. Has the company mapped its internal and external stakeholders? Yes/No**

*Yes, the Company has mapped its internal and external stakeholders. We recognise employees, communities surrounding our operations, business associates (network of suppliers, stockists and dealers), customers, shareholders/investors and regulatory authorities as our key stakeholders.*

**2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

*Yes, the Company identifies communities around its manufacturing facilities (with a focus on women and children from these communities) as disadvantaged, vulnerable and marginalized stakeholders. The Company is engaged in various CSR activities for promotion of children's education and women empowerment in Nasik and Nadiad.*

**3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

*The Company has undertaken various CSR initiatives for underprivileged people in Mumbai and rural areas of Gujarat and Maharashtra. Some of these initiatives are as under:*

- o Construction of toilets in rural households*
- o Establishment of vocational training centre for handicapped women*
- o Supply of women hygiene products*

- o Educational aid to children
- o Medical aid to poor
- o Supply of gas stoves to Govt. recognized pre-schools
- o Repair of school building

**Principle 5: Promotion of Human Rights**

**1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

*The Company's Code of Conduct, HR Policy and Policy on Prevention of Sexual Harassment of Women at Workplace are applicable to the Company only.*

**2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

*No complaint was received pertaining to human rights violation during the past financial year.*

**Principle 6: Environmental Protection**

**1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others.**

*Applicable only to the Company.*

**2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

*No*

**3. Does the company identify and assess potential environmental risks? Y/N -**

*Yes. The Company identifies and assesses potential environment risk arising out of its existing and planned operations on the basis of following criteria –*

1. Use of ingredients
2. Use of water
3. Use of energy
4. Waste management

*The Company's operations do not involve usage of any hazardous material.*

**4. Does the company has any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

*No*

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.**

*The Company has installed solar panels at its Nasik plant that meets a substantial part of its energy requirements. The installation of solar panels at Nadiad is at an implementation stage. Further, the Company has also installed Effluent Treatment Plant at Nasik Plant with zero liquid discharge. It recycles around 60,000 liters of water daily which is around 60% of total water consumption of Nasik plant.*

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

*Yes, the emissions, solid waste and effluent generated are monitored on a regular basis and are within the limits as prescribed by CPCB/SPCB.*

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

*Nil*

**Principle 7: Responsible public policy advocacy**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

*Yes, the Company is a member of several industrial and trade bodies. These are listed below:*

- a) *Indian Merchant Chamber (IMC)*
- b) *Confederation of Indian Industry (CII)*
- c) *Federation of Indian Chambers of Commerce & Industry (FIEO)*

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

*The Company is a member of various trade bodies such as IMC, CII, FIEO etc. The Company represents in various forums within these trade bodies. The Company actively participate in these forums on issues and policy matters that impact the interest of its stakeholders. The Company prefers to be part of the broader policy development process and do not practice lobbying on any specific issue.*

**Principle 8: Inclusive Growth**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

*The Company has always recognized that its business is a part of the community where it operates. 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. We have undertaken various CSR initiatives so far including construction of toilets under Clean India Mission, sponsoring education of urban and rural underprivileged students, repair of school building, women empowerment through construction of vocational training center, medical aid for needy people, support to physically challenged people, contribution to environment protection by creating awareness for avoiding usage of plastic, tree plantation, animal welfare etc.*

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

*All CSR Programmes of the Company are implemented through external NGOs.*

**3. Have you done any impact assessment of your initiative?**

*The impact assessment is done through random checking of progress report of the children to whom educational aid is provided, regular visits to the educational institutes, hostels, medical centers to whom financial aid is provided, getting the annual report regarding the courses conducted by the vocational training center and feedback from other beneficiaries, wherever possible.*



**4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.**

*During the FY 2019-20, the Company has implemented its CSR activities through NGOs. The Company hasn't directly contributed to any community development projects.*

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

*The Company's CSR activities are conducted keeping in mind the specific needs of the communities located nearby our areas of operations. We regularly monitor the academic progress of children we sponsor, get annual report from vocational training centre regarding various government training programs conducted during the year, get the list of beneficiaries from the hospitals and also get regular status update of other CSR programs initiated by us. Accordingly, we ensure that our CSR initiatives are successfully adopted by the Community.*

**Principle 9: Customer Value**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

*All customer complaints received during the FY 2019-20 were promptly responded by the Company. There are no pending customer complaints as on 31<sup>st</sup> March, 2020.*

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information) –**

*No*

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

*Nil*

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

*Yes, the Company engages with its consumers on an ongoing basis and conducts customer satisfaction surveys with respect to its products and advertisements. These surveys are conducted by in-house marketing team and distributors of the Company.*

## INDEPENDENT AUDITOR'S REPORT

To the Members of ADF Foods Limited

Report on the Audit of the Standalone Ind AS Financial Statements

### 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, 2020, 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 (financial position) of the Company as at March 31, 2020, and profit (financial performance including Other Comprehensive Income), 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
<b>1. Impairment of Indefinite-lived intangible assets</b>	
<p>Indefinite-lived intangible assets (Brands) as at March 31, 2020 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>
<b>2. Derivative Instruments and Hedge Accounting</b>	
<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 Liabilities of Rs.199.17 lakhs as at March 31, 2020. 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 Management Discussion and Analysis, Director's report, Corporate Governance Report, Business Responsibility Report and Share Holders Information, but does not include the Financial Statements and our auditor's report thereon.

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 Standalone Ind AS Financial Statements, our responsibility is to read the other information identified above 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. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### **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 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 Statements 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 Standalone Ind AS 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 Standalone 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.
- (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 standalone 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 sub-section (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, 2020 taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2020 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 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/W100166

**FARHAD M. BHESANIA**

PARTNER

Membership Number 127355

UDIN: 20127355AAAABP7211

Place: Mumbai

Date: May 11, 2020

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in in Para 1 '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, 2020.

**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, certain 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 accounts.
- (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 accounts.
- 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 given guarantees or granted securities under section 186 of the Act. In our opinion and according to the information and explanations given to us, the provisions of Section 186 of the Act in respect of Investments made have been complied with by the Company.
- 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 (i) 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, 2020, 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 accounts 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 (₹ in Lakh)	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) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on 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.
- 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/W100166

**FARHAD M. BHESANIA**

PARTNER

Membership Number 127355

UDIN: 20127355AAAABP7211

Place: Mumbai

Date: May 11, 2020



## **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, 2020.

### **Report on the Internal Financial Controls with reference to financial statements 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, 2020 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 (ICAI). 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 Company's Internal Financial Controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with 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 ICAI. 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 with reference to financial statements.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

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 with reference to Financial Statements**

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, to the best of our information and according to the explanations given to us, 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, 2020, 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

UDIN: 20127355AAAABP7211

Place: Mumbai

Date: May 11, 2020

**STANDALONE BALANCE SHEET AS AT MARCH 31, 2020**

₹ Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4(a)	5,583.63	4,725.06
Capital work-in-progress		237.70	147.72
Intangible assets	4(b)	2,135.31	2,136.01
<b>Financial assets</b>			
Investments	5	6,614.19	5,792.52
Trade receivables	6	4.51	4.51
Loans	7	139.00	128.18
Other financial assets	8	375.83	35.68
Income tax assets (net)	9	456.85	323.75
Other non-financial assets	10	101.47	336.76
<b>Total non-current assets</b>		<b>15,648.49</b>	<b>13,630.19</b>
<b>Current assets</b>			
Inventories	11	2,755.87	2,617.70
<b>Financial assets</b>			
Investments	12	1,802.93	-
Trade receivables	13	4,388.49	4,222.05
Cash and cash equivalents	14	1,005.68	1,234.69
Bank balance other than above	15	1,650.75	403.31
Loans	16	10.54	14.06
Other financial assets	17	714.19	800.17
Other non financial assets	18	689.47	843.88
		<b>13,017.92</b>	<b>10,135.86</b>
Assets - held - for -sale	19	-	14.63
<b>Total current assets</b>		<b>13,017.92</b>	<b>10,150.49</b>
<b>Total assets</b>		<b>28,666.41</b>	<b>23,780.68</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	20	2,040.10	2,040.10
Other equity	21	21,093.30	19,003.09
<b>Total equity</b>		<b>23,133.40</b>	<b>21,043.19</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	22	61.54	-
Provisions	23	95.70	119.76
Deferred tax liabilities (net)	24	679.82	867.44
<b>Total non-current liabilities</b>		<b>837.06</b>	<b>987.20</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	25	2,316.42	-
Trade payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note no. 41)		27.58	31.75
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	26	1,337.59	1,068.15
Other financial liabilities	27	763.51	264.20
Other non financial liabilities	28	166.61	107.33
Provisions	29	56.41	50.61
Income tax liabilities (net)	30	27.83	178.25
		<b>4,695.95</b>	<b>1,700.29</b>
Liabilities classified on assets held for sale	31	-	50.00
<b>Total current liabilities</b>		<b>4,695.95</b>	<b>1,750.29</b>
<b>Total liabilities</b>		<b>5,533.01</b>	<b>2,737.49</b>
<b>Total equity and liabilities</b>		<b>28,666.41</b>	<b>23,780.68</b>
Significant accounting policies	2		

The accompanying notes 1 to 54 form an integral part of the standalone 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 11, 2020

Signatures to the Standalone Balance Sheet and Notes to the financial statements

**For and on behalf of the Board**

**Bimal R. Thakkar**  
 Chairman, Managing Director & C.E.O.  
 DIN: 00087404

**Anish Jhaveri**  
 Chief Financial Officer

**Shalaka Ovalekar**  
 Company Secretary  
 Membership No: A15274

Place: Mumbai  
 Date: May 11, 2020

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	32	18,208.81	18,749.90
Other income	33	2,175.69	1,405.05
<b>Total income</b>		<b>20,384.50</b>	<b>20,154.95</b>
<b>Expenses</b>			
Cost of materials consumed	34(a)(b)	8,180.85	8,932.55
Purchase of stock-in-trade	34(c)	747.01	654.87
Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	(47.47)	(421.40)
Employee benefits expenses	36	1,511.84	1,342.93
Finance cost	37	133.41	86.90
Depreciation and amortisation expenses	38	551.60	431.08
Other expenses	39	5,220.95	4,728.39
<b>Total expenses</b>		<b>16,298.19</b>	<b>15,755.32</b>
<b>Profit before exceptional items and tax</b>		<b>4,086.31</b>	<b>4,399.63</b>
Exceptional items (Refer Note no. 53(a))		(32.51)	-
<b>Profit before Tax</b>		<b>4,053.80</b>	<b>4,399.63</b>
<b>Tax expense</b>			
Current tax		981.94	1,290.69
Deferred tax		(75.29)	61.21
<b>Total tax expense</b>		<b>906.65</b>	<b>1,351.90</b>
<b>Profit for the year</b>		<b>3,147.15</b>	<b>3,047.73</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified subsequently to profit or loss</b>			
Re-measurements of the defined benefit plans		(51.07)	(83.24)
Income tax on above item		12.85	24.24
		<b>(38.22)</b>	<b>(59.00)</b>
<b>B. Items that will be reclassified subsequently to profit or loss</b>			
Net gain/(loss) on cash flow hedges		(395.24)	301.65
Income tax on above item		99.48	(87.82)
		<b>(295.76)</b>	<b>213.83</b>
<b>Net other comprehensive income for the year (net of tax) (A + B)</b>		<b>(333.98)</b>	<b>154.83</b>
<b>Total comprehensive income for the year</b>		<b>2,813.17</b>	<b>3,202.56</b>
Earning per equity share [Nominal value per share ₹ 10/- each]			
Basic and Diluted (₹)	48	15.72	14.84

The accompanying notes 1 to 54 form an integral part of the standalone 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 11, 2020

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

For and on behalf of the Board

Bimal R. Thakkar  
Chairman, Managing Director & C.E.O.  
DIN: 00087404

Shalaka Ovalekar  
Company Secretary  
Membership No: A15274

Place: Mumbai  
Date: May 11, 2020

Anish Jhaveri  
Chief Financial Officer

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>A. Cash Flow from Operating Activities</b>		
Profit before Taxation	4,053.80	4,399.63
<b>Adjustment for:</b>		
Depreciation and amortisation expense	551.60	431.08
Loss on sale / write off of Fixed Assets	19.14	55.01
Profit on sale of fixed assets	(1.48)	-
Finance cost	133.41	86.90
Allowance for doubtful trade receivable and advances	-	(0.38)
Unrealised exchange (gain)/loss	(200.59)	(33.24)
Net (gain)/loss on sale of investments	(3.13)	-
Unwinding of security deposit	(3.14)	(1.63)
Notional Rent on Security Deposit	3.54	0.87
Interest income	(96.28)	(52.20)
Dividend income	(24.71)	(0.17)
Fair value of Mutual Funds	(0.15)	-
<b>Operating Profit before working capital changes</b>	<b>4,432.01</b>	<b>4,885.87</b>
<b>Adjustment for:</b>		
(Increase)/Decrease in Trade receivables	(0.74)	(316.78)
(Increase) / Decrease in Inventories	(138.17)	(409.03)
(Increase) / Decrease in Non-Current Financial Assets	14.81	123.12
(Increase) / Decrease in Non-Current Non - Financial Assets	235.29	(272.73)
(Increase) / Decrease in Current Financial Assets	(71.26)	(247.80)
(Increase) / Decrease in Current Non - Financial Assets	154.40	516.88
(Increase) / Decrease in Assets held for sale	14.63	(14.63)
Increase / (Decrease) in Trade Payable	274.88	(9.27)
Increase / (Decrease) in Non - Current Provisions	(75.13)	(180.55)
Increase / (Decrease) Current Financial Liabilities	194.68	(138.36)
Increase / (Decrease) in Liabilities held for sale	(50.00)	50.00
Increase / (Decrease) Current Non - Financial Liabilities	65.08	(171.40)
<b>Cash generated from operating activities</b>	<b>5,050.48</b>	<b>3,815.32</b>
Taxes Paid (Net of refunds)	(1,265.46)	(1,384.95)
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>3,785.02</b>	<b>2,430.37</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, plant and equipments	(1,268.11)	(481.53)
Proceeds from sale of Property, plant and equipments	4.23	58.63
Fixed Deposits placed with the bank	(1,251.19)	(56.37)
Investment in Mutual Fund	(1,802.78)	-
Proceeds from sale of Investments	3.13	-
Investment in subsidiary	(821.67)	(68.91)
Share Application Money Given	(358.09)	-
Dividend Received	24.71	0.17
Interest received	43.49	54.03
<b>Net Cash Flow from/ (used in) Investing Activities (B)</b>	<b>(5,426.28)</b>	<b>(493.98)</b>

(115.12)

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>C. Cash Flow from Financing Activities</b>		
Repayment of/Proceeds from borrowings	2,316.42	(140.00)
Buyback of equity shares	-	(3,002.12)
Payment of Lease Rent	(108.49)	-
Finance cost	(115.12)	(86.90)
Unclaimed Dividend Paid	(600.68)	11.01
Dividend Tax paid	(122.28)	-
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>1,369.85</b>	<b>(3,218.01)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(271.41)</b>	<b>(1,281.62)</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
AS AT THE BEGINNING OF THE YEAR	1,234.69	2,420.37
Unrealised Foreign Exchange Restatement in Cash and cash Equivalents	42.40	95.94
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>1,005.68</b>	<b>1,234.69</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(229.01)</b>	<b>(1,185.68)</b>
Notes:		
<b>1. Cash and Cash Equivalents:</b>		
(a) Cash on Hand	1.92	7.04
(b) Balance with banks	1,003.76	1,227.54
(c) Cheque and draft on hand		0.11
<b>Cash and Cash Equivalents</b>	<b>1,005.68</b>	<b>1,234.69</b>

- The standalone 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.
- The above standalone cash flow statement includes ₹ 59.79 lakhs 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/W100166

FARHAD M. BHESANIA  
 PARTNER  
 Membership Number 127355

Place: Mumbai  
 Date: May 11, 2020

Signatures to the Standalone Cash Flow Statement and Notes to the financial statements

For and on behalf of the Board

**Bimal R. Thakkar**  
 Chairman, Managing Director & C.E.O.  
 DIN: 00087404

**Shalaka Ovalekar**  
 Company Secretary  
 Membership No: A15274

Place: Mumbai  
 Date: May 11, 2020

**Anish Jhaveri**  
 Chief Financial Officer

## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

### (a) Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance at beginning of the year	20,022,719	2,002.27	21,201,461	2,120.15
Changes in equity shares during the year	-	-	(1,178,742)	(117.88)
<b>Balance at end of the year</b>	<b>20,022,719</b>	<b>2,002.27</b>	<b>20,022,719</b>	<b>2,002.27</b>

### (b) Other Equity

Particulars	₹ Lakhs	
	March 31, 2020	March 31, 2019
<b>Reserves and surplus</b>		
<b>Capital reserves</b>		
As per last Balance sheet	<b>105.00</b>	<b>105.00</b>
<b>Capital redemption reserves</b>		
As per last Balance sheet	197.73	79.85
Addition during the year	-	117.88
Closing balance	<b>197.73</b>	<b>197.73</b>
<b>Securities premium</b>		
As per last Balance sheet	2,166.86	5,051.11
Utilised during the year	-	(2,884.25)
Closing balance	<b>2,166.86</b>	<b>2,166.86</b>
<b>General reserve</b>		
As per last Balance sheet	<b>763.97</b>	<b>763.97</b>
<b>Retained earning</b>		
As per last Balance sheet	15,562.94	12,692.09
Utilised for buyback of equity shares	-	(117.88)
	<b>15,562.94</b>	<b>12,574.21</b>
Profit for the year	3,147.15	3,047.73
Remeasurement of defined benefit plans	(38.22)	(59.00)
Less: Dividend paid	(600.68)	-
Less: Tax on dividend	(122.28)	-
<b>Movement during the year</b>	<b>2,385.97</b>	<b>2,988.73</b>
Closing Balance	17,948.91	15,562.94
<b>Cash flow hedge reserve</b>		
As per last Balance sheet	206.59	(7.24)
Add: Change in fair value of hedging instrument	(395.24)	301.65
Less: Deferred tax	99.48	(87.82)
Closing balance	<b>(89.17)</b>	<b>206.59</b>
<b>Total Reserves &amp; Surplus</b>	<b>21,093.30</b>	<b>19,003.09</b>

The accompanying notes 1 to 54 form an integral part of these standalone 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 11, 2020

Signatures to the Standalone Statement of Change in Equity and Notes to the financial statements

For and on behalf of the Board

**Bimal R. Thakkar**  
 Chairman, Managing Director & C.E.O.  
 DIN: 00087404

**Anish Jhaveri**  
 Chief Financial Officer

**Shalaka Ovalekar**  
 Company Secretary  
 Membership No: A15274

Place: Mumbai  
 Date: May 11, 2020

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 1 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, 2020 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 of all assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time taken between acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non - current.

#### 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 liabilities – Note 24
- (d) Impairment of Intangible asset – Note 38

#### Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company's plants at Nadiad, Gujarat and Nasik, Maharashtra were shut-down in March 2020 following the countrywide lockdown due to COVID-19. The Company has since obtained required permissions and has partially restarted the plants operations in the first week of April 2020 as food products fall within the essential goods category.



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

In assessing the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, receivables and other financial assets, the Company has considered internal and external information upto the date of approval of these financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

### 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 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 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.

## 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 GST credits.

Raw materials, packing materials and stores: Costs includes cost of purchase net of discounts and other costs incurred in bringing each product to its present location and condition.

Finished 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 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 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### (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 Statement of profit and loss.

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 other 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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within other 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.

### 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 Provisions, Contingent Liabilities and Contingent Assets

#### 2.10.1 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.



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 2.10.2 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.

### 2.10.3 Contingent Assets

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

## 2.11 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.

## 2.12 Other Non-Operating Income

### 2.12.1 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.

### 2.12.2 Interest Income

Interest income is recognized using the Effective Interest Rate (EIR) method.

### 2.12.3 Dividend Income

Dividend income on investments is recognised when the right to receive dividend is established.

## 2.13 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 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.

## 2.14 Taxes

### 2.14.1 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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.

### 2.15 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.

### 2.16 Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics

### 2.17 Borrowings costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

### 2.18 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.

### 2.19 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. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

4(a) Property, Plant and Equipment

₹ Lakhs

Particulars	Period		Land	Right -of-use	Buildings	Leasehold improvement	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Office premises	Electrical installation	Laboratory equipment	Computers	Total
	Freehold	Leasehold													
Opening gross carrying amount as at	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	93.14	140.45	3.62	-	4.51	-	-	-	0.19	6.96	356.93	
Deductions	-	-	-	-	(2.34)	(0.42)	(163.57)	(6.85)	-	-	-	-	(3.34)	(176.52)	
Closing Gross carrying amount as at	4.18	94.39	-	2,750.92	93.14	2,563.60	84.90	118.11	20.29	97.77	86.99	7.49	23.39	5,945.17	
Opening gross carrying amount as at	4.18	94.39	-	2,750.92	93.14	2,563.60	84.90	118.11	20.29	97.77	86.99	7.49	23.39	5,945.17	
Additions	-	-	253.27	10.85	1,073.98	-	78.06	7.73	-	-	-	1.17	5.82	1,430.88	
Deductions	-	-	-	-	(39.30)	(0.02)	(2.75)	(0.08)	-	-	-	(0.01)	(0.02)	(42.18)	
Closing Gross carrying amount as at	4.18	94.39	-	2,761.77	93.14	3,598.28	84.88	193.42	27.94	97.77	86.99	8.65	29.19	7,333.87	
Accumulated depreciation	-	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	9.14	257.16	10.80	19.75	4.28	1.68	9.17	0.97	4.30	429.50	
Deduction	-	-	-	-	-	(0.70)	(0.11)	(56.79)	(2.84)	-	-	-	(2.43)	(62.87)	
Closing accumulated depreciation	-	3.03	-	304.75	9.14	749.96	33.22	60.94	11.66	5.05	26.85	2.94	12.57	1,220.11	
Opening accumulated depreciation	-	3.03	-	304.75	9.14	749.96	33.22	60.94	11.66	5.05	26.85	2.94	12.57	1,220.11	
Charge for the year	-	1.01	-	113.73	17.75	264.62	10.64	22.85	4.40	1.69	9.19	0.98	4.23	550.40	
Deduction	-	-	-	-	-	(18.01)	-	(2.24)	(0.02)	-	-	-	-	(20.27)	
Closing accumulated depreciation	-	4.04	-	418.48	26.89	996.57	43.86	81.55	16.04	6.74	36.04	3.92	16.80	1,750.24	
Net carrying amount as at	4.18	91.36	-	2,446.17	84.00	1,813.64	51.68	57.17	8.63	92.72	60.14	4.55	10.82	4,725.06	
Net carrying amount as at	4.18	90.35	-	2,343.29	66.25	2,601.71	41.02	111.87	11.90	91.03	50.95	4.73	12.39	5,583.63	

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 4(b) Intangible assets

₹ Lakhs				
Particulars	Period	Trade marks	Software	Total
<b>Opening gross carrying amount as at</b>	<b>April 1, 2018</b>	<b>2,132.84</b>	<b>16.05</b>	<b>2,148.89</b>
Additions		-	-	-
Deductions		-	-	-
<b>Closing Gross carrying amount as at</b>	<b>March 31, 2019</b>	<b>2,132.84</b>	<b>16.05</b>	<b>2,148.89</b>
<b>Opening gross carrying amount as at</b>	<b>April 1, 2019</b>	<b>2,132.84</b>	<b>16.05</b>	<b>2,148.89</b>
Additions		-	0.50	0.50
Deductions		-	-	-
<b>Closing Gross carrying amount as at</b>	<b>March 31, 2020</b>	<b>2,132.84</b>	<b>16.55</b>	<b>2,149.39</b>
<b>Accumulated amortisation</b>	<b>April 1, 2018</b>	<b>-</b>	<b>11.30</b>	<b>11.30</b>
Charge for the year		-	1.58	1.58
Deduction		-	-	-
<b>Closing accumulated amortisation</b>	<b>March 31, 2019</b>	<b>-</b>	<b>12.88</b>	<b>12.88</b>
<b>Accumulated amortisation</b>	<b>April 1, 2019</b>	<b>-</b>	<b>12.88</b>	<b>12.88</b>
Charge for the year		-	1.20	1.20
Deduction		-	-	-
<b>Closing accumulated amortisation</b>	<b>March 31, 2020</b>	<b>-</b>	<b>14.08</b>	<b>14.08</b>
<b>Net carrying amount as at</b>	<b>March 31, 2019</b>	<b>2,132.84</b>	<b>3.17</b>	<b>2,136.01</b>
<b>Net carrying amount as at</b>	<b>March 31, 2020</b>	<b>2,132.84</b>	<b>2.47</b>	<b>2,135.31</b>

### 5 Investments in subsidiaries

₹ Lakhs		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Investments in equity instruments:</b>		
<b>Investment in Subsidiaries (Unquoted)</b>		
<b>(At amortised cost)</b>		
<b>a) ADF Foods (India) Limited</b>		
Face value (₹)	10	10
Number of shares	50,000	50,000
<b>Amount in ₹ In lakhs</b>	<b>5.00</b>	<b>5.00</b>
<b>b) ADF Foods UK Limited</b>		
Face value (₹)	1	1
Number of shares	2,085,281	2,085,281
<b>Amount in ₹ In lakhs</b>	<b>1,826.29</b>	<b>1,826.29</b>
<b>c) Power Brands (Foods) Private Limited (Refer Note 50)</b>		
Face value (₹)	10	10
Number of shares	20,885,992	20,885,992
<b>Amount in ₹ In lakhs</b>	<b>-</b>	<b>-</b>
Investments in preference shares:		
Investment in Subsidiaries (Unquoted)		
(At amortised cost)		
<b>a) ADF Foods UK Limited</b>		
(0.001% Redeemable Cumulative Preference Shares)		
Face value (₹)	1	1
Number of shares	5,106,434	4,207,716
<b>Amount in ₹ In lakhs</b>	<b>4,782.90</b>	<b>3,961.23</b>
<b>Aggregate amount of unquoted investments</b>	<b>6,614.19</b>	<b>5,792.52</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>-</b>	<b>-</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 6 Non-current trade receivables

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Unsecured Considered good	4.51	4.51
Unsecured Credit Impaired	4.51	4.51
	<b>9.02</b>	<b>9.02</b>
Less: Allowance for Credit impaired	(4.51)	(4.51)
<b>Total</b>	<b>4.51</b>	<b>4.51</b>

## 7 Non-current loans

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
Security deposits	135.18	120.07
Loans and advances to Employees	3.82	8.11
<b>Total</b>	<b>139.00</b>	<b>128.18</b>

## 8 Other non-current financial assets

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Export incentives receivables	10.04	35.68
Share Application Money	358.09	-
Deposits held as margin more than 12 months*	7.70	-
<b>Total</b>	<b>375.83</b>	<b>35.68</b>

\* Above bank deposits are pledged as margin money.

## 9 Income tax assets (net)

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Advance payment of income tax (Net)	456.85	323.75
<b>Total</b>	<b>456.85</b>	<b>323.75</b>

## 10 Other non-current non-financial assets

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Capital Advances</b>		
Unsecured Considered good	92.85	326.55
Deferred lease expenses	8.62	10.21
<b>Total</b>	<b>101.47</b>	<b>336.76</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 11 Inventories

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>(Valued at lower of cost and net realizable value)</b>		
Raw materials	356.18	274.47
Packing materials	650.68	641.69
Work-in-progress	1,303.59	1,495.86
Finished goods	400.68	154.51
Traded goods	44.74	51.17
<b>Total</b>	<b>2,755.87</b>	<b>2,617.70</b>

### 12 Current Investments

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Investments in Mutual Funds (Quoted) (Measured as FVTPL)</b>		
HDFC Overnight - Growth	901.46	-
Kotak Overnight Fund Reg - Growth	901.47	-
<b>Total</b>	<b>1,802.93</b>	<b>-</b>
<b>Aggregate amount of quoted investments at Cost</b>	<b>1,802.78</b>	<b>-</b>
<b>Aggregate amount of quoted investments at market value</b>	<b>1,802.93</b>	<b>-</b>
<b>Aggregate amount of impairment in value of investments</b>	<b>-</b>	<b>-</b>

### 13 Current trade receivables

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Unsecured Considered good		
Related parties	61.20	170.76
Others	4,327.29	4,051.29
	<b>4,388.49</b>	<b>4,222.05</b>
Less: Allowance for credit impaired	-	-
<b>Total</b>	<b>4,388.49</b>	<b>4,222.05</b>

### 14 Cash and cash equivalents

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Cash on hand	1.92	7.04
<b>Balances with banks</b>		
in Current account	428.11	74.58
in EEFC account	575.65	971.66
in Fixed deposit account	-	181.30
Cheque, drafts on hand	-	0.11
<b>Total</b>	<b>1,005.68</b>	<b>1,234.69</b>



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 15 Bank balances other than above

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Balance with banks</b>		
in Current account *	80.40	76.45
in Fixed deposit account **	1,150.00	326.86
in Margin deposit account***	420.35	-
<b>Total</b>	<b>1,650.75</b>	<b>403.31</b>

\* Balance with bank in current account is on account of earmark balance for unclaimed dividend.

\*\*Deposit with maturity of less than 12 months.

\*\*\* Margin deposits with maturity of less than 12 months.

## 16 Current loans

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
Loans to employees	10.54	14.06
<b>Total</b>	<b>10.54</b>	<b>14.06</b>

## 17 Other current financial assets

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Derivative foreign exchange forward contracts	-	213.55
Interest accrued on fixed deposits and others	61.67	8.89
Export incentive receivable	652.47	576.63
Other receivables	0.05	1.10
<b>Total</b>	<b>714.19</b>	<b>800.17</b>

## 18 Other current non-financial assets

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
Advance to suppliers for services	37.18	16.06
Advance to suppliers for goods	52.93	55.01
Balances with Government authority	573.67	749.87
Prepayments	22.16	19.22
Deferred lease expenses	3.53	3.53
Others	-	0.19
<b>Total</b>	<b>689.47</b>	<b>843.88</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 19 Assets held - for - sale

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Land	-	14.63
<b>Total</b>	<b>-</b>	<b>14.63</b>

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 ₹ 50 Lakhs against the sale of above mentioned land.

### 20 Equity share capital

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Authorized shares</b>		
2,50,00,000 (March 31, 2019: 2,50,00,000) equity shares of ₹ 10/- each	2,500.00	2,500.00
<b>Issued, subscribed and fully paid share capital</b>		
2,00,22,719 (March 2019: 2,12,01,461) equity shares of ₹ 10/- each	2,002.27	2,120.15
Less: Nil (March 31, 2019: 11,78,742) equity shares of ₹ 10/- each buyback during the year	-	(117.88)
	<b>2,002.27</b>	<b>2,002.27</b>
<b>Shares forfeited</b>		
7,56,600 (March 31, 2019: 7,56,600) equity shares of ₹ 10/- each; amount originally paid up thereon @ ₹ 5 per share	37.83	37.83
<b>Total</b>	<b>2,040.10</b>	<b>2,040.10</b>

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

Particulars	No. of shares	₹ in lakhs
<b>Equity shares</b>		
<b>As at April 1, 2018</b>	21,958,061	2,157.98
Buy-back during the year	(1,178,742)	(117.88)
<b>As at March 31, 2019</b>	20,779,319	2,040.10
Changes during the year	-	-
<b>As at March 31, 2020</b>	<b>20,779,319</b>	<b>2,040.10</b>

Of the above 7,56,600 equity shares (₹ 37.83 lakhs) forfeited in earlier years are 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.

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 ₹ 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 ₹ 254.43 per Equity Share. All the shares bought back have been extinguished . The Company has adjusted an amount of ₹ 1,17,87,420/- against Retained Earning and ₹ 28,84,25,043/- against Security premium.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### (c) Terms / rights attached to equity shares

The company has one class of equity shares having a par value of ₹ 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	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Mr. Bimal R. Thakkar		
No. of Shares	2,278,924	2,278,924
%	11.38	11.38
Mrs. Mahalaxmi R. Thakkar		
No. of Shares	1,958,022	1,958,022
%	9.78	9.78
Mrs. Alpana S. Dangi		
No. of Shares	3,173	1,061,551
%	0.01	5.30
Mentore Capital Limited		
No. of Shares	8,500	2,779,284
%	0.04	13.88
Authum Investment and Infrastructure Limited		
No. of Shares	4,494,052	-
%	22.44	-
Total - Number of shares	<b>8,742,671</b>	<b>8,077,781</b>
<b>Total - %</b>	<b>43.65</b>	<b>40.34</b>

### (e) Equity shares movement during the five years preceding March 31, 2020

Particulars	No. of shares	
	From 1st April 2015 to 31st March 2020	From 1st April 2014 to 31st March 2019
Aggregate no. of equity shares bought back	1,977,281	1,977,281

There are no shares reserved for issue under option and contract commitment for the sale of shares disinvestment including the terms and amount.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 21 Other equity

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Reserves and surplus</b>		
<b>Capital reserves</b>		
As per Last Balance Sheet	105.00	105.00
<b>Capital redemption reserves</b>		
As per Last Balance Sheet	197.73	79.85
Addition during the year	-	117.88
<b>Closing balance</b>	<b>197.73</b>	<b>197.73</b>
<b>Securities premium</b>		
As per Last Balance Sheet	2,166.86	5,051.11
Utilized during the year	-	(2,884.25)
<b>Closing balance</b>	<b>2,166.86</b>	<b>2,166.86</b>
<b>General reserve</b>		
As per Last Balance Sheet	763.97	763.97
<b>Retained earning</b>		
As per Last Balance Sheet	15,562.94	12,692.09
Utilised for buyback of equity shares	-	(117.88)
	<b>15,562.94</b>	<b>12,574.21</b>
Add: profit for the year	3,147.15	3,047.73
Re-measurement of defined benefit plans	(38.22)	(59.00)
Less: Dividend paid	(600.68)	-
Less: Tax on dividend	(122.28)	-
<b>Movement during the year</b>	<b>2,385.97</b>	<b>2,988.73</b>
<b>Closing balance</b>	<b>17,948.91</b>	<b>15,562.94</b>
<b>Cash flow hedge reserve</b>		
As per Last Balance sheet	206.59	(7.24)
Add: Change in fair value of hedging instrument	(395.24)	301.65
Less: Deferred tax	99.48	(87.82)
<b>Closing balance</b>	<b>(89.17)</b>	<b>206.59</b>
<b>Total Reserves and Surplus</b>	<b>21,093.30</b>	<b>19,003.09</b>

#### 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### (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.

## 22 Other non-current financial liabilities

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Lease Liability	61.54	-
<b>Total</b>	<b>61.54</b>	<b>-</b>

## 23 Non-current provisions

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Provision for employee benefits (Refer Note no. 47)</b>		
For compensated absences	66.28	32.32
For compensated sick leaves	12.24	9.66
For gratuity	17.18	77.78
<b>Total</b>	<b>95.70</b>	<b>119.76</b>

## 24 Income taxes

### a) Tax expense recognised in profit and loss

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Current tax expense for the year	981.94	1,290.69
Tax expense of prior year	-	-
Net current tax expenses	981.94	1,290.69
<b>Deferred Income tax liability / (asset), (net)</b>		
Origination and reversal of temporary differences	(75.29)	61.21
<b>Total</b>	<b>906.65</b>	<b>1,351.90</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### b) Tax expense recognised in other comprehensive income

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Re-measurements of the defined benefit plans	12.85	24.24
<b>Items that will be reclassified subsequently to profit or loss</b>		
<b>Net gain / (loss) on cash flow hedges</b>	99.48	(87.82)
<b>Total</b>	<b>112.33</b>	<b>(63.58)</b>

### c) Reconciliation of effective tax rate

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Profit before tax</b>	4,053.80	4,399.63
Tax using the company's domestic tax rate (March 31, 2020 - 25.17 %, March 31, 2019 - 29.12 %)	1,020.26	1,281.17
<b>Tax effect of:</b>		
Expenses not deductible for tax purposes	18.32	70.73
Allowances under Income Tax Act	(36.21)	-
Prior year tax adjustment	15.76	-
Differences in tax rate *	(126.76)	-
Others	15.28	-
<b>Total</b>	<b>906.65</b>	<b>1,351.90</b>

\*The Company has opted for new tax rate of 25.17% under new section 115BBA of Income Tax Act, 1961, as compared to 29.12% in previous year.

### d) Movement in deferred tax balances

March 31, 2020

Particulars	₹ Lakhs			
	Net Balance April 01, 2019	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2020
<b>Deferred tax assets / (liabilities)</b>				
Property, plant and equipment	(942.30)	85.43	-	(856.87)
Cash flow hedge reserve	(6.96)	-	99.48	92.52
Employee benefits	80.52	(12.26)	12.85	81.11
Provision for doubtful advances	1.30	(0.17)	-	1.13
Lease Liability	-	2.29	-	2.29
<b>Net Deferred tax assets / (liabilities)</b>	<b>(867.44)</b>	<b>75.29</b>	<b>112.33</b>	<b>(679.82)</b>

March 31, 2019

Particulars	₹ Lakhs			
	Net Balance April 01, 2019	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2020
<b>Deferred tax assets / (liabilities)</b>				
Property, plant and equipment	(905.74)	(36.56)	-	(942.30)
Cash flow hedge reserve	80.86	-	(87.82)	(6.96)
Employee benefits	76.41	(20.13)	24.24	80.52
Provision for doubtful advances	5.82	(4.52)	-	1.30
<b>Net Deferred tax assets / (liabilities)</b>	<b>(742.65)</b>	<b>(61.21)</b>	<b>(63.58)</b>	<b>(867.44)</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 25 Current borrowings

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured Loan</b>		
<b>Loans repayable on demand</b>		
From banks *	2,316.42	-
<b>Total</b>	<b>2,316.42</b>	<b>-</b>

\*Unsecured loans are repayable on demand and the interest payable on borrowings range from 4.5% to 5% p.a.

## 26 Current trade payables

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,337.59	1,068.15
<b>Total</b>	<b>1,337.59</b>	<b>1,068.15</b>

## 27 Other Current Financial Liabilities

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Derivative Foreign exchange forward contracts	199.17	-
Employees related payables	56.37	81.20
Book overdraft	-	19.93
Lease Liability	101.51	-
Unpaid dividend	80.40	76.45
Payable for capital goods	56.97	-
Other liabilities	269.09	86.62
<b>Total</b>	<b>763.51</b>	<b>264.20</b>

## 28 Other current non-financial liabilities

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Advances from customers	61.73	51.27
Statutory dues and other dues payable	104.88	56.06
<b>Total</b>	<b>166.61</b>	<b>107.33</b>

## 29 Current provisions

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Provision for employee benefits (Refer Note no.47)</b>		
For compensated absences	8.18	2.36
For compensated sick leaves	1.77	1.44
For gratuity	46.46	46.81
<b>Total</b>	<b>56.41</b>	<b>50.61</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 30 Income tax liabilities (net)

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Provision for taxation (net)	27.83	178.25
<b>Total</b>	<b>27.83</b>	<b>178.25</b>

### 31 Liabilities classified on assets held for sale

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Advance for land	-	50.00
<b>Total</b>	<b>-</b>	<b>50.00</b>

### 32 Revenue from operations

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Sale of products	18,208.81	18,749.90
<b>Total</b>	<b>18,208.81</b>	<b>18,749.90</b>

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.

### 33 Other income

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Interest income from</b>		
Bank deposits	89.59	24.56
Others	6.69	27.63
<b>Other non-operating revenue</b>		
Export incentives	1,238.46	1,263.32
<b>Dividend income</b>		-
From subsidiary	0.04	0.17
From Mutual Fund	24.68	-
Unwinding of discount on security deposit	3.14	1.63
Foreign exchange gain (net)	672.13	-
Liabilities no longer required written back	0.95	12.09
Profit on sale of fixed assets	1.48	-
Profit on sale of mutual funds	3.13	-
Profit on fair value of mutual funds	0.15	-
Miscellaneous income	135.25	75.65
<b>Total</b>	<b>2,175.69</b>	<b>1,405.05</b>



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## 34 Cost of materials consumed

## (a) Raw material consumed

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Inventories at the beginning of the year	274.47	299.34
Add: Purchases (net)	5,968.91	6,517.84
	<b>6,243.38</b>	<b>6,817.18</b>
Less: Inventories at the end of the year	356.18	274.47
<b>Total</b>	<b>5,887.20</b>	<b>6,542.71</b>

## (b) Packing material consumed

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Inventories at the beginning of the year	641.69	629.19
Add: Purchases (net)	2,302.64	2,402.34
	<b>2,944.33</b>	<b>3,031.53</b>
Less: Inventories at the end of the year	650.68	641.69
<b>Total</b>	<b>2,293.65</b>	<b>2,389.84</b>
<b>Total cost of materials consumed</b>	<b>8,180.85</b>	<b>8,932.55</b>

## (c) Purchase of stock-in-trade

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Purchases	747.01	654.87
<b>Total</b>	<b>747.01</b>	<b>654.87</b>

## 35 Changes in inventories of finished goods, stock in trade and work-in-progress

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Inventories at the beginning of the year</b>		
Work-in progress	1,495.86	921.00
Finished goods	154.51	192.40
Stock in trade	51.17	166.74
	<b>1,701.54</b>	<b>1,280.14</b>
<b>Less: Inventories at the end of the year</b>		
Work-in progress	1,303.59	1,495.86
Finished goods	400.68	154.51
Stock in trade	44.74	51.17
	<b>1,749.01</b>	<b>1,701.54</b>
<b>Total</b>	<b>(47.47)</b>	<b>(421.40)</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 36 Employee benefits expenses

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Salaries and wages	1,381.57	1,179.52
Contribution to provident fund and other funds	71.21	77.99
Staff welfare expenses	59.06	85.42
<b>Total</b>	<b>1,511.84</b>	<b>1,342.93</b>

### 37 Finance costs

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Interest expense on</b>		
Borrowing from banks	70.61	24.41
Borrowing from financial institutions	-	0.87
Lease	18.29	-
Others	44.51	61.62
<b>Total</b>	<b>133.41</b>	<b>86.90</b>

### 38 Depreciation and amortisation expenses

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Tangible assets	550.40	429.50
Intangible assets	1.20	1.58
<b>Total</b>	<b>551.60</b>	<b>431.08</b>

### 39 Other expenses

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Freezing and preservation charges	59.07	59.07
Power & fuel	552.87	530.11
Electricity	12.56	9.85
Water charges	14.42	13.59
Rent including lease rent	40.00	188.29
Repairs and maintenance to building	80.48	27.11
Repairs and maintenance to machinery	112.60	88.85
Repairs and maintenance to others	31.33	27.81
Insurance	35.02	33.73
Rates and taxes	44.81	66.90
Communication expenses	36.05	39.98
Travelling and conveyance expenses	376.02	335.16
Motor car expenses	35.10	38.18
Printing and stationery expenses	11.50	15.22

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Freight and forwarding expenses	1,440.62	1,386.86
Sales commission and claims	325.97	327.09
Advertisement	541.33	517.68
Sales and marketing expenses	652.07	217.41
Donations	-	0.05
Legal and professional fees	470.96	360.47
Payment to auditor (Refer Note no. 39.1)	20.57	20.37
CSR expenses (Refer Note no. 49)	59.79	50.16
Registration and filling fees	7.12	7.42
Directors' sitting fees	23.30	15.30
Bad debts written off	-	1.80
Foreign exchange Gain/loss	-	99.75
Loss on sale of fixed assets / assets scrapped	19.14	55.01
Written back / provision for doubtful trade receivables	-	(0.38)
Miscellaneous expenses	218.25	195.55
<b>Total</b>	<b>5,220.95</b>	<b>4,728.39</b>

### 39.1 Payment to Auditors:

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Payment to auditor comprise :		
For statutory audit	11.00	11.00
For other services	8.82	8.96
For reimbursement of expenses	0.75	0.41
<b>Total</b>	<b>20.57</b>	<b>20.37</b>

## 40. Contingent Liabilities and Commitments

### a. Contingent Liabilities

Sr. No	Particulars	₹ Lakhs	
		As at March 31, 2020	As at March 31, 2019
1.	<b>Claims against the company not acknowledged as debts:</b>		
a.	Income Tax Matters	289.04	289.04
b.	Service Tax Matters	463.54	463.54
c.	Legal Cases*	11.05	100.94
2.	<b>Guarantees:</b>		
a.	Guarantees issued by the banks (net of margin money)	114.35	29.60

\*During the previous 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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The previous year's amount of ₹ 100.94 lakhs include ₹ 89.89 lakhs on account of the above case.

Notes:

- a. 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.
- b. The Company does not expect any reimbursements in respect of the above contingent liabilities.

### b. Capital commitments

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Capital commitments (net of advances)	76.25	338.91

### 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 ₹ 27.58 lakhs (2018-19: ₹ 32.48 lakhs). The disclosures pursuant to MSMED Act based on the books of account are as under:

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Dues remaining unpaid	27.58	32.48
Principal	27.30	31.75
Interest	0.28	0.73
Interest paid in terms of Section 16 of MSMED Act	Nil	Nil
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year but without adding the interest specified under the MSMED Act	Nil	Nil
Amount of interest accrued and remaining unpaid	0.28	0.73
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:

Name of the party	Relationship	₹ Lakhs		
		Amount outstanding as at March 31, 2020	Amount outstanding as at March 31, 2019	Maximum balance outstanding during the year
ADF Foods UK Limited	Subsidiary	Nil	Nil	Nil

#### b. Deposits paid to related parties

Interest free security deposit of ₹ 9.50 lakhs (2018-19: ₹ 10.00 lakhs), paid for guest house taken on lease from a Related party.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 43. Disclosures u/s 186(4) of the Companies Act, 2013

Details of investments made are disclosed under Note 5 and 12. There are no loans or guarantees given by the company.

### 44. Disclosures in respect of lease

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the Company has applied the below practical expedients:

The Company has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The Company has not applied the requirements of Ind AS 116 for leases of low value assets. The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.

The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

On transition to Ind AS 116, the Company recognised right-of-use assets amounting to Rs 253.27 lakhs, related accumulated depreciation amounting to Rs 99.31 lakhs, lease liabilities amounting to Rs 253.27 lakhs as at April 1, 2019. The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.95% for measuring the lease liability.

Movement of right-of-use assets and depreciation is given in Note no. 4(a) and Interest on account of Ind AS 116 is given in Note no. 37

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

Impact of adoption of Ind AS 116	₹ Lakhs
	As at April 1, 2019
Right-of-use assets	253.27
Lease Liability	(253.27)

The Company has entered into operating leases on its office buildings. These leases have terms of between 3 and 99 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum contractual rentals payable under non-cancellable operating leases as at March 31, 2020 are, as follows:

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
i) Not later than one year	111.65	108.50
ii) Later than one year and not later than five years	59.15	170.30
iii) Later than five years	40.33	40.83

Short term lease payment recognised in the Statement of Profit and Loss for the year ended March 31, 2020 is ₹ 40.00 lakhs.

### 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	ADF Foods UK Limited
		ADF Foods (India) Limited
		Power Brands (Foods) Private Limited (Under members' voluntary liquidation-refer note no. 50)
2	Indirect subsidiaries	ADF Holdings (USA) Limited
		ADF Foods (USA) Limited
3	Key managerial personnel – Non Executive	Mr. Jay M. Mehta
		Ms. Anjali Seth (upto March 9,2020)
		Mr. Naresh L. Kothari
		Mr. Ravindra Kumar Jain
		Mr. Viren A. Merchant
		Mr. Chandir Gidwani (w.e.f. February 7, 2020)
4	Key managerial personnel	Ms. Deepa Harris (w.e.f. March 25, 2020)
		Mr. Bimal R. Thakkar – Chairman (w.e.f. June 5, 2019) Managing Director and Chief Executive Officer
		Mr. Devang Gandhi – Chief Operating Officer (w.e.f. August 10, 2019)
		Mr. Anish S. Jhaveri – Chief Financial Officer
		Mrs. Mahalaxmi R. Thakkar (Relative of Director)
5	Relative of key managerial personnel	Mr. Shivaan B. Thakkar (Relative of Director)
		Manager Business & Strategy

The following transactions were carried out with the related parties in the ordinary course of business:

Particulars	Financial Year	Direct Subsidiaries	Indirect Subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel	₹ Lakhs
						Total
Dividend Income	2019-20	0.04	-	-	-	0.04
	2018-19	-	-	-	-	-
Sale of goods	2019-20	58.27	19.99	-	-	78.26
	2018-19	49.87	147.79	-	-	197.66
Sale of Fixed Assets	2019-20	-	-	-	-	-
	2018-19	-	-	-	57.50	57.50
Managerial Remuneration	2019-20	-	-	255.48	-	255.48
	2018-19	-	-	281.83	-	281.83
Salary	2019-20	-	-	108.84	13.75	122.59
	2018-19	-	-	23.96	14.73	38.69

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

Particulars	Financial Year	Direct Subsidiaries	Indirect Subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Independent Director's Sitting fees	2019-20	-	-	23.30	-	23.30
	2018-19	-	-	15.30	-	15.30
Rent	2019-20	-	-	-	0.50	0.50
	2018-19	-	-	-	0.50	0.50
Investment in Preference Shares of ADF Foods UK Limited.	2019-20	821.67	-	-	-	821.67
	2018-19	68.90	-	-	-	68.90
Preference Shares Application of ADF Foods UK Ltd	2019-20	358.09	-	-	-	358.09
	2018-19	-	-	-	-	-

## Balances outstanding at the end of the year:

₹ Lakhs

Particulars	Financial Year	Direct Subsidiaries	Indirect Subsidiaries	Key Managerial Personnel	Relatives of Key managerial personnel	Total
Non-current investments	2019-20	6,614.19	-	-	-	6,614.19
	2018-19	5,792.52	-	-	-	5,792.52
Other Non-Current Financial Asset	2019-20	358.09	-	-	-	358.09
	2018-19	-	-	-	-	-
Non-Current loans (Security Deposit)	2019-20	-	-	-	9.50	9.50
	2018-19	-	-	-	10.00	10.00
Trade payable	2019-20	44.10	-	-	-	44.10
	2018-19	44.10	-	-	-	44.10
Trade receivable	2019-20	61.20	-	-	-	61.20
	2018-19	26.74	144.02	-	-	170.76

## Material related party transactions as under:

₹ Lakhs

Particulars	Name of the related parties	As at March 31, 2020	As at March 31, 2019
Sale of goods	ADF Foods (India) Limited	58.27	31.58
	ADF Foods UK Limited	-	18.29
	ADF Foods (USA) Limited	19.99	147.79
Investment in Preference Shares	ADF Foods UK Limited	821.67	68.90
Preference share application money	ADF Foods UK Limited	358.09	-
Managerial Remuneration	Mr. Ashok H. Thakkar*	-	91.13
	Mr. Bimal R. Thakkar**	255.48	99.57
	Mr. Bhavesh R. Thakkar*	-	91.13
Salary	Mr. Mishal A. Thakkar	-	13.04
	Mr. Shivaan B. Thakkar	13.75	1.69
	Mr. Devang Gandhi	46.19	-
	Mr. Anish S. Jhaveri	62.65	23.96

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

Particulars	Name of the related parties	As at	As at
		March 31, 2020	March 31, 2019
Non-Executive Directors Sitting Fees	Mr. Jay M. Mehta	3.50	1.20
	Ms. Anjali Seth	4.20	2.55
	Mr. Naresh L. Kothari	3.30	2.70
	Mr. Ravindra Kumar Jain	6.50	4.05
	Mr. Viren A. Merchant	5.80	4.80
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	6,609.19	5,787.52
Non-Current loans (Security Deposit)	Mrs. Mahalaxmi R. Thakkar	9.50	10.00
Trade receivable	ADF Foods (India) Limited	61.20	26.74
	ADF Foods (USA) Limited	-	144.02
Trade payable	Power Brands (Foods) Pvt. Ltd.	44.10	44.10

\*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.

\*\*Due to changes in terms of remuneration of Mr. Bimal ₹ Thakkar, Salary component includes ₹ 125.43 lakhs for gratuity and other allowances related to prior years of service and also includes ₹ 120.00 lakhs for annual performance based incentive paid for the year 2018-19.

### Compensation to Key Managerial Personnel is as follows:

₹ Lakhs

Particulars	As at	As at
	March 31, 2020	March 31, 2019
Short term employee benefits	3.66	0.40
Post-retirement benefits	2.23	96.41
Share based payment transactions	-	-

## 46. Financial and derivative instruments – Hedge Accounting

### i) Impact of hedging activities

#### a. Disclosure of effects of hedge accounting on financial position:

March 31, 2020

₹ 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	8,792.95	-	-	199.17	April 2020 to March 2021	1:1	(395.24)	395.24



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

March 31, 2019

₹ 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	1:1	301.65	(301.65)

\* 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, 2020

₹ Lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness 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	(395.24)	(17.48)	-	Other Income

March 31, 2019

₹ Lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness 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	301.65	-	-	-

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 – 21 for the details related to movement in cash flow hedging reserve.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### 47. Employee Benefits

#### a. Defined contribution plans

Amount of ₹ 65.38 lakhs (2018-19: ₹ 65.99 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 ₹ 5.73 lakhs (2018-19: ₹ 11.90 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 ₹ 74.46 lakhs (2018-19: ₹ 34.68 lakhs) has been recognised in balance sheet of which ₹ 66.28 lakhs (2018-19: ₹ 32.32 lakhs) shown under long term provision and balance ₹ 8.18 lakhs (2018-19: ₹ 2.36 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2020.

Expenses of ₹ 52.57 lakhs (2018-19: ₹ 11.34 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 ₹ 14.01 lakhs (2018-19: ₹ 11.10 lakhs) has been recognised in balance sheet of which ₹ 12.24 lakhs (2018-19: ₹ 9.66 lakhs) shown under long term provision and balance ₹ 1.77 lakhs (2018-19: ₹ 1.44 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2020.

Expenses of ₹ 2.91 lakhs (2018-19: ₹ 3.55 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 ₹ Nil (2018-19: ₹ 124.59 lakhs) has been recognised in balance sheet of which ₹ Nil (2018-19: ₹ 77.78 lakhs) shown under long term provision and balance ₹ Nil (2018-19: ₹ 46.81 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2020.

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 STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

	Particulars	Gratuity (funded and unfunded)	
		2019-20	2018-19
<b>I</b>	<b>Present value of obligation</b>		
	Liability at the beginning of the year	292.64	333.06
	Interest cost	22.80	24.98
	Current service cost	21.06	17.09
	Benefit paid	(170.91)	(164.01)
	Benefit payable by the Company	-	-
	Actuarial (gain) / loss on obligations - Due to change in financial assumptions	19.34	(8.34)
	Actuarial (gain) / loss on obligations – Due to experience adjustment	31.24	89.86
	Liability at the end of the year	216.17	292.64
<b>II</b>	<b>Change in Plan Assets</b>		
	Fair value of plan assets at the beginning of the year	168.05	161.95
	Interest Income	13.09	12.15
	Actual return on plan assets	-	-
	Employer's Contributions	23.47	17.41
	Benefit paid	(51.59)	(21.74)
	Re-measurement – return on assets	(0.49)	(1.72)
	Fair value of plan assets at the end of the year	152.53	168.05
<b>III</b>	<b>Amount recognised in the balance sheet</b>		
	Liability at the end of the year	216.17	292.64
	Fair value of plan assets at the end of the year	152.53	168.05
	Net (Liability)/ Asset Recognized in the Balancesheet	63.64	124.59
<b>IV</b>	<b>Expenses recognised in the Statement of Profit and Loss</b>		
	Current service cost	21.06	17.09
	Interest cost	9.70	12.83
	Actual return on plan assets	-	-
	Net actuarial (gain) / loss to be recognized	-	-
	Expense recognised in Statement of Profit and Loss	30.76	29.92
<b>V</b>	<b>Amount recognized in Other Comprehensive Income</b>		
	Actuarial (Gains)/Losses on Obligation For the Period	50.58	81.52
	Return on Plan Assets, Excluding Interest Income	0.49	1.72
	Net (Income)/Expense For the Period Recognized in OCI	51.07	83.24
<b>VI</b>	<b>Actuarial assumptions :</b>		
	Discount rate	6.84%	7.79%
	Rate of return on plan assets	6.84%	7.79%
	Salary escalation	6.00%	6.00%
	Mortality	Indian Assured lives Mortality(2006-08) Ultimate	

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Maturity Analysis of the Benefit Payments: From the Fund

Projected Benefits Payable in Future Years From the Date of Reporting	₹ Lakhs	
	2019-20	2018-19
1st Following Year	21.58	10.80
2nd Following Year	4.04	30.91
3rd Following Year	5.85	7.39
4th Following Year	5.66	12.70
5th Following Year	11.87	17.39
Sum of Years 6 to 10	79.37	101.22
Sum of Years 11 and above	368.78	537.82

### Sensitivity Analysis

Projected Benefit Obligation on Current Assumptions	₹ Lakhs	
	2019-20	2018-19
Projected Benefit Obligation on Current Assumptions	216.17	292.64
Delta effect on + 1% Change in Rate of Discounting	(20.28)	(26.26)
Delta effect on - 1% Change in Rate of Discounting	23.67	30.30
Delta effect on + 1% Change in Rate of Salary Increase	23.63	30.54
Delta effect on - 1% Change in Rate of Salary Increase	(20.61)	(26.91)
Delta effect on + 1% Change in Rate of Employee Turnover	1.22	3.99
Delta effect on - 1% Change in Rate of Employee Turnover	(1.40)	(4.43)

### 48. Computation of earnings per share

Particulars	₹ Lakhs	
	2019-20	2018-19
Profit after tax	3,147.15	3,047.73
Weighted average number of equity shares outstanding at the end of the year	2,00,22,719	2,05,31,233
<b>Earnings per share</b>		
Basic	15.72	14.84
Diluted	15.72	14.84
Nominal value of shares	10	10

49. The company has spent ₹ 59.79 lakhs during the financial year (Previous year ₹ 50.16 lakhs) as per the provisions of section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities – grouped under 'other expenses'.
- a. Gross amount required to be spent by the company during the year ₹ 64.58 lakhs (Previous year – ₹ 50.06 lakhs).

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

b. Amount spent during the year on:

₹ Lakhs

Particulars	Amount Spent in cash	Amount yet to be paid in cash *	Total Amount
<b>Year ending March 31, 2020</b>			
(i) Construction/Acquisition of an asset	-	-	-
(ii) On purposes other than (i) above	59.79	-	59.79
<b>Total CSR Expenses</b>	<b>59.79</b>	<b>-</b>	<b>59.79</b>
<b>Year ending March 31, 2019</b>			
(i) Construction/Acquisition of an asset	-	-	-
(ii) On purposes other than (i) above	50.16	-	50.16
<b>Total CSR Expenses</b>	<b>50.16</b>	<b>-</b>	<b>50.16</b>

Out of total amount required to be spent i.e. ₹ 64.58 lakhs, ₹ 4.79 lakhs will be spent in next financial year.

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 ₹ 10/- each (including 20,75,992 Equity shares acquired at ₹ 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 ₹ 2,935.99 lakhs by an independent valuer) in lieu of its investment in PBFPL's equity shares of ₹ 2,211.08 lakhs. Accordingly, the Company capitalised the said brand in its books at ₹ 2,935.99 lakhs in the said financial year after adjusting the same against the investment value of ₹ 2,211.08 lakhs and carried the balance of ₹ 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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

March 31, 2020	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
<b>Financial Assets</b>								
<b>Non-Current</b>								
Trade Receivables	-	-	4.51	4.51	-	-	-	-
Loans	41.13	-	97.87	139.00	-	41.13	-	41.13
Other financial assets	-	-	375.83	375.83	-	-	-	-
<b>Current</b>								
Investments	1,802.93	-	-	1,802.93	1,802.93	-	-	1,802.93
Trade Receivables	-	-	4,388.49	4,388.49	-	-	-	-
Cash and cash equivalents	-	-	1,005.68	1,005.68	-	-	-	-
Bank balances other than above	-	-	1,650.75	1,650.75	-	-	-	-
Loans	-	-	10.54	10.54	-	-	-	-
Other financial assets	-	-	714.19	714.19	-	-	-	-
<b>Total</b>	<b>1,844.06</b>	<b>-</b>	<b>8,247.86</b>	<b>10,091.92</b>	<b>1,802.93</b>	<b>41.13</b>	<b>-</b>	<b>1,844.06</b>
<b>Financial Liabilities</b>								
<b>Non-Current</b>								
Other financial liabilities	-	-	61.54	61.54	-	-	-	-
<b>Current</b>								
Borrowings	-	-	2,316.42	2,316.42	-	-	-	-
Trade payables	-	-	1,365.17	1,365.17	-	-	-	-
Other financial liabilities	-	199.17	564.34	763.51	-	199.17	-	199.17
<b>Total</b>	<b>-</b>	<b>199.17</b>	<b>4,307.47</b>	<b>4,506.64</b>	<b>-</b>	<b>199.17</b>	<b>-</b>	<b>199.17</b>

₹ 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
<b>Financial Assets</b>								
<b>Non-Current</b>								
Trade receivable	-	-	4.51	4.51	-	-	-	-
Loans	37.99	-	90.19	128.18	-	37.99	-	37.99
Other financial assets	-	-	35.68	35.68	-	-	-	-
<b>Current</b>								
Trade receivable	-	-	4,222.05	4,222.05	-	-	-	-

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ 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
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	586.62	800.17	-	213.55	-	213.55
Assets held for sale	14.63	-	-	14.63	-	14.63	-	14.63
<b>Total</b>	<b>52.62</b>	<b>213.55</b>	<b>6,591.11</b>	<b>6,857.28</b>	<b>-</b>	<b>266.17</b>	<b>-</b>	<b>266.17</b>
<b>Financial Liabilities</b>								
<b>Current</b>								
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
<b>Total</b>	<b>50.00</b>	<b>-</b>	<b>1,364.10</b>	<b>1,414.10</b>	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>50.00</b>

## 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 prior years.

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.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

2. The fair values of the derivative financial instruments have 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 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 ₹ 4.51 lakhs (March 31, 2019 – ₹ 4.51 lakhs) shown as non-current and ₹ 4,388.49 lakhs (March 31, 2019 – ₹ 4,222.05 lakhs) shown as current as at reporting date. Trade receivables are typically unsecured. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company expects that estimate of expected credit loss for impairment is immaterial based on



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

historical trend and the nature of business. No provision is considered necessary as at reporting date other than disclosed in Note 6 and 13 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.

### (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.

₹ Lakhs

March 31, 2020	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Non-Current</b>						
Other financial liabilities	61.54	61.54	-	57.65	2.00	39.83
<b>Current</b>						
Borrowings	2,316.42	2,316.42	2,316.42	-	-	-
<b>Trade payables</b>						
a) Total outstanding dues of Micro Enterprises and Small Enterprises	27.58	27.58	27.58	-	-	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,337.59	1,337.59	1,337.59	-	-	-
Other Financial Liabilities	763.51	763.51	763.51	-	-	-
<b>Total</b>	<b>4,506.64</b>	<b>4,506.64</b>	<b>4,445.10</b>	<b>57.65</b>	<b>2.00</b>	<b>39.83</b>

₹ Lakhs

March 31, 2019	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Current</b>						
<b>Trade payables</b>						
a) Total outstanding dues of Micro Enterprises and Small Enterprises	31.75	31.75	31.75	-	-	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,068.15	1,068.15	1,068.15	-	-	-
Other Financial Liabilities	264.20	264.20	264.20	-	-	-
Liabilities classified as held for sale	50.00	50.00	50.00	-	-	-
<b>Total</b>	<b>1,414.10</b>	<b>1,414.10</b>	<b>1,414.10</b>	<b>-</b>	<b>-</b>	<b>-</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### (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 and GBP. 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 minimize the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge 100% of forecasted net exposures for period of 1 to 3 months of export sales and 70% of forecasted net exposures for 4 to 12 months of export 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

₹ Lakhs

Foreign currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	47.34	3,571.46	50.57	3,496.18
GBP	8.10	752.94	7.72	697.89

#### b) Trade payable

₹ Lakhs

Foreign currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	2.37	179.07	0.98	67.53
GBP	4.43	411.86	2.06	186.28
CAD	0.12	6.38	0.11	5.89

#### c) EEFC balance

₹ Lakhs

Foreign currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	6.58	496.77	6.90	476.95
GBP	0.85	78.88	5.47	494.71

## 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	
	As at March 31, 2020	As at March 31, 2019
USD / INR	75.4500	69.1450
GBP / INR	92.9200	90.3700
CAD/ INR	53.1900	51.4800

### 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 after taxes as at March 31, 2020 and March 31, 2019:

Particulars	Impact on profit after tax	
	For the year ended March 31, 2020	For the year ended March 31, 2019
USD / INR increase by 5%	126.93	121.51
USD / INR decrease by 5%	(126.93)	(121.51)
GBP / INR increase by 5%	12.76	18.13
GBP / INR decrease by 5%	(12.76)	(18.13)
CAD / INR increase by 5%	(0.24)	(0.21)
CAD / INR decrease by 5%	0.24	0.21

53. (a) Exceptional items represent ₹ 35.37 Lakhs profit on sale of plots of land which the company had purchased with the intention to build storage facility but no longer intends to use it for the purpose of the business. It also includes expense aggregating to USD 95,000 equivalent to ₹ 67.88 Lakhs. The same is towards litigation settlement amount and legal fees in respect of a lawsuit filed in US.

- (b) Movement of Borrowing

Particulars	March 31, 2019	Cash flow	Non-cash changes (Fair value changes)	March 31, 2020
Long term borrowings	-	-	-	-
Short term borrowings	-	2,316.42	-	2,316.42
<b>Total borrowings</b>	-	<b>2,316.42</b>	-	<b>2,316.42</b>

Particulars	March 31, 2019	Cash flow	Non-cash changes (Fair value changes)	March 31, 2020
Long term borrowings	2.54	(2.54)	-	-
Short term borrowings	137.46	(137.46)	-	-
<b>Total borrowings</b>	<b>140.00</b>	<b>(140.00)</b>	-	-

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

- (c) As per the requirements of Ind AS 108 on “operating segments” segment information has been provided under the note’s to consolidated Financial statement.
54. Previous year’s figures have been regrouped / restated wherever necessary to confirm to current year’s classification. All figures have been rounded off to the nearest lakhs.

### For and on behalf of the Board

**Bimal R. Thakkar**

Chairman, Managing Director & C.E.O.  
DIN: 00087404

**Anish Jhaveri**

Chief Financial Officer

**Shalaka Ovalekar**

Company Secretary  
Membership No: A15274

Place: Mumbai

Date: May 11, 2020

## 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, 2020, 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, 2020, 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
<b>1. Impairment of Indefinite-lived intangible assets</b>	
<p>Indefinite-lived intangible assets (Brands) as at March 31, 2020 amount to ₹ 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 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, 2020.</p> <p>We assessed the appropriateness and completeness of the related disclosures in the financial statements.</p>
<b>2. Derivative Instruments and Hedge Accounting</b>	
<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 Liabilities of ₹ 199.17 Lakhs as at March 31, 2020. 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 Management Discussion and Analysis, Director's report,

Corporate Governance Report, Business Responsibility Report and Share Holders Information but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information 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. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

### **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 Indian 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.

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 holding 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 Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the Consolidated 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 Consolidated 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 financial statements of two subsidiaries incorporated outside India, whose financial statements reflect total assets of ₹ 5,395.47 lakh as at March 31, 2020, total revenues of ₹ 8,932.92 lakh and net cash inflows amounting to ₹ 767.32 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 Group Companies incorporated in India as on March 31, 2020 taken on record by the Board of Directors of the respective Group Companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2020 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 Group, the Group has paid 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 42 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 and its subsidiary Company incorporated in India during the year ended March 31, 2020.

**For KALYANIWALLA & MISTRY LLP**

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

**FARHAD M. BHESANIA**

PARTNER

Membership Number 127355

UDIN: 20127355AAAABP7211

Place: Mumbai

Date: May 11, 2020

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in Para 1 (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, 2020.

Report on the Internal Financial Controls with reference to financial statements 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 Company") and its subsidiary Company, which are companies incorporated in India, as of March 31, 2020 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 company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the Internal Control Over Financial Reporting criteria established by the respective Companies 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 (ICAI). 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 Internal Financial Controls with reference to financial statements of the Company and its subsidiary company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with 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 ICAI. 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 internal financial controls system with reference to financial statements of the Company and its subsidiary company, which are companies incorporated in India.

### **Meaning of Internal Financial Controls with reference to Financial Statements**

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 with reference to Financial Statements**

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, to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, 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, 2020 based on "the Internal Control Over Financial Reporting criteria established by the respective 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/W100166

#### **FARHAD M. BHESANIA**

PARTNER

Membership Number 127355

UDIN: 20127355AAAABP7211

Place: Mumbai

Date: May 11, 2020

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020**

₹ Lakhs

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4(a)	5,584.47	4,726.96
Capital work-in-progress		237.70	147.72
Intangible assets	4(b)	2,135.31	2,170.58
<b>Financial assets</b>			
Trade receivables	5	4.51	4.51
Loans	6	141.00	129.83
Other financial assets	7	17.74	35.68
Deferred tax assets (net)	23	757.08	1,057.18
Income tax assets (net)	8	457.91	324.81
Other non financial assets	9	101.47	336.76
<b>Total non-current assets</b>		<b>9,437.19</b>	<b>8,934.03</b>
<b>Current Assets</b>			
Inventories	10	5,464.99	3,455.47
<b>Financial assets</b>			
Investments	11	1,802.93	-
Trade receivables	12	5,314.34	4,391.21
Cash and cash equivalents	13	2,020.72	1,437.67
Bank balance other than above	14	1,650.75	403.31
Loans	15	10.54	14.49
Other financial assets	16	714.19	903.61
Other non financial assets	17	772.94	869.08
		<b>17,751.40</b>	<b>11,474.84</b>
Assets held - for - sale	18	-	14.63
<b>Total current assets</b>		<b>17,751.40</b>	<b>11,489.47</b>
<b>Total assets</b>		<b>27,188.59</b>	<b>20,423.50</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	19	2,040.10	2,040.10
Other equity	20	18,402.36	15,142.36
<b>Total equity</b>		<b>20,442.46</b>	<b>17,182.46</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	21	61.54	-
Provisions	22	96.36	120.29
Deferred tax liabilities (net)	23	705.94	893.59
<b>Total non-current liabilities</b>		<b>863.84</b>	<b>1,013.88</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	24	2,316.42	-
Trade payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises		27.58	31.75
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	25	2,098.71	1,351.43
Other financial liabilities	26	1,103.92	456.76
Other non financial liabilities	27	251.41	108.35
Provisions	28	56.42	50.62
Income tax liabilities (net)	29	27.83	178.25
		<b>5,882.29</b>	<b>2,177.16</b>
Liabilities classified on asset held for sale	30	-	50.00
<b>Total current liabilities</b>		<b>5,882.29</b>	<b>2,227.16</b>
<b>Total liabilities</b>		<b>6,746.13</b>	<b>3,241.04</b>
<b>Total equity and liabilities</b>		<b>27,188.59</b>	<b>20,423.50</b>
Significant accounting policies	2		

The accompanying notes 1 to 55 form an integral part of the consolidated financial statements

As per our report of even date

Signatures to the Consolidated Balance Sheet and Notes to the financial statements

**For KALYANIWALLA & MISTRY LLP**
**For and on behalf of the Board**
**CHARTERED ACCOUNTANTS**
**Firm Registration Number 104607W/W100166**
**Bimal R. Thakkar**  
 Chairman, Managing Director & 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 11, 2020

Place: Mumbai

Date: May 11, 2020

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Income</b>			
Revenue from operations	31	27,282.24	23,143.50
Other income	32	2,180.50	1,405.38
<b>Total income</b>		<b>29,462.74</b>	<b>24,548.88</b>
<b>Expenses</b>			
Cost of materials consumed	33(a)(b)	8,180.85	8,932.55
Purchase of stock in trade	34	8,644.83	4,204.63
Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	(1,918.82)	(1,105.40)
Employee benefits expenses	36	1,764.49	1,608.05
Finance cost	37	133.42	87.05
Depreciation and amortisation expenses	38	552.71	431.19
Impairment Losses	39	35.53	986.62
Other expenses	40	6,538.43	5,630.93
<b>Total expenses</b>		<b>23,931.44</b>	<b>20,775.62</b>
<b>Profit before exceptional items and tax</b>		<b>5,531.30</b>	<b>3,773.26</b>
Exceptional items (Refer Note no. 54 (a))		(32.51)	-
<b>Profit before Tax</b>		<b>5,498.79</b>	<b>3,773.26</b>
<b>Tax expenses</b>			
Current tax		1,003.45	1,300.58
Deferred tax		217.86	(60.78)
<b>Total tax expenses</b>		<b>1,221.31</b>	<b>1,239.80</b>
<b>Profit for the year</b>		<b>4,277.48</b>	<b>2,533.46</b>
<b>Other comprehensive income</b>			
<b>A. Items that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of the defined benefit liabilities / (asset)		(51.08)	(83.20)
Income tax on above item		12.85	24.23
		<b>(38.23)</b>	<b>(58.97)</b>
<b>B. Items that will be reclassified subsequently to profit or loss</b>			
Net gain / (loss) on cash flow hedge		(395.24)	301.65
Exchange differences on translating the financial statements of foreign operation		27.56	77.93
Income tax on above item		92.56	(110.51)
		<b>(275.12)</b>	<b>269.07</b>
<b>Net other comprehensive income for the year (net of tax) (A + B)</b>		<b>(313.35)</b>	<b>210.10</b>
<b>Total comprehensive income for the year</b>		<b>3,964.13</b>	<b>2,743.56</b>
Earning per equity share (Nominal vale per share ₹ 10/- each)	47		
Basic and Diluted (₹)		21.36	12.34

The accompanying notes 1 to 55 form an integral part of the consolidated 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 11, 2020

Signatures to the Consolidated Statement profit and Loss and Notes to the financial statements

**For and on behalf of the Board**

**Bimal R. Thakkar**  
 Chairman, Managing Director & C.E.O.  
 DIN: 00087404

**Shalaka Ovalekar**  
 Company Secretary  
 Membership No: A15274

Place: Mumbai  
 Date: May 11, 2020

**Anish Jhaveri**  
 Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020**

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A. Cash Flow from Operating Activities</b>		
Profit before Taxation	5,498.79	3,773.26
<b>Adjustment for:</b>		
Depreciation and amortisation expense	588.24	1,417.81
Loss on sale / write off of Fixed Assets	19.14	55.01
Profit on sale of fixed assets	(1.48)	-
Finance cost	133.42	87.05
Allowance for doubtful trade receivable and advances	-	0.41
Unrealised exchange (gain)/loss	(966.88)	(228.63)
Net (gain)/loss on sale of investments	(3.13)	-
Unwinding of security deposit	(3.14)	(1.63)
Notional rent on security deposit	3.54	0.87
Interest income	(96.30)	(52.52)
Dividend Income	(24.68)	-
Fair value of Mutual Funds	(0.15)	-
<b>Operating Profit before working capital changes</b>	<b>5,147.37</b>	<b>5,051.63</b>
<b>Adjustment for:</b>		
(Increase)/Decrease in Trade receivables	(757.42)	(170.88)
(Increase) / Decrease in Inventories	(2,009.52)	(1,093.02)
(Increase) / Decrease in Non-Current Financial Assets	14.47	123.27
(Increase) / Decrease in Non-Current non Financial Assets	235.29	(272.73)
(Increase) / Decrease in Current Financial Assets	32.61	(253.87)
(Increase) / Decrease in Current Non - Financial Assets	96.14	503.97
(Increase) / Decrease in Assets held for sale	14.63	(14.63)
Increase / (Decrease) in Trade Payable	752.72	(4.67)
Increase / (Decrease) in Non - Current Provisions	(75.01)	(180.44)
Increase / (Decrease) Current Financial Liabilities	342.54	(209.92)
Increase / (Decrease) in Liabilities held for sale	(50.00)	50.00
Increase / (Decrease) Current Non - Financial Liabilities	148.86	(171.09)
<b>Cash generated from operating activities</b>	<b>3,892.68</b>	<b>3,357.62</b>
Taxes Paid (Net of refunds)	(1,286.99)	(1,395.20)
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	<b>2,605.69</b>	<b>1,962.42</b>

₹ Lakhs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, plant and equipments	(1,268.09)	(481.53)
Proceeds from sale of Property, plant and equipments	4.23	58.84
Fixed deposits placed with the bank	(1,251.19)	(57.37)
Investments in Mutual Fund	(1,802.78)	-
Proceeds from sale of Investments	3.13	-
Dividend received	24.68	-
Interest received	43.52	54.35
<b>Net Cash Flow from/ (used in) Investing Activities (B)</b>	<b>(4,246.50)</b>	<b>(425.71)</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment of / Proceeds from borrowings	2,316.42	(140.00)
Buyback of equity shares	-	(3,002.12)
Payment of Lease Rent	(108.49)	-
Finance cost	(115.13)	(87.05)
Unclaimed dividend	(600.68)	11.01
Dividend Tax Paid	(122.28)	-
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>1,369.84</b>	<b>(3,218.16)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(270.97)</b>	<b>(1,681.45)</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
AS AT THE BEGINNING OF THE YEAR	1,437.67	2,821.17
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	854.02	297.95
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>2,020.72</b>	<b>1,437.67</b>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	583.05	(1,383.50)
<b>Notes:</b>		
<b>1. Cash and Cash Equivalents:</b>		
(a) Cash on Hand	2.12	7.34
(b) Balance with banks	2,018.60	1,430.22
(c) Cheque and draft on hand	-	0.11
<b>Cash and Cash Equivalents</b>	<b>2,020.72</b>	<b>1,437.67</b>

- The consolidated 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.
- 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 11, 2020

Signatures to the Consolidated Cash Flow Statement and Notes to the financial statements

For and on behalf of the Board

**Bimal R. Thakkar**  
Chairman, Managing Director & C.E.O.  
DIN: 00087404

**Shalaka Ovalekar**  
Company Secretary  
Membership No: A15274

Place: Mumbai  
Date: May 11, 2020

**Anish Jhaveri**  
Chief Financial Officer



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020**
**(a) Equity Share Capital**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance at beginning of the year	20,022,719	2,002.27	21,201,461	2,120.15
Changes in equity shares during the year	-	-	(1,178,742)	(117.88)
<b>Balance at end of the year</b>	<b>20,022,719</b>	<b>2,002.27</b>	<b>20,022,719</b>	<b>2,002.27</b>

**(b) Other Equity**

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Reserves and surplus</b>		
<b>Capital reserves</b>		
As per last Balance Sheet	105.00	105.00
<b>Capital redemption reserves</b>		
As per last Balance Sheet	197.73	79.85
Addition during the year	-	117.88
Closing balance	197.73	197.73
<b>Securities premium</b>		
As per last Balance Sheet	2,166.86	5,051.11
Utilised during the year	-	(2,884.25)
Closing balance	2,166.86	2,166.86
<b>General reserve</b>		
As per last Balance Sheet	763.97	763.97
<b>Foreign currency translation reserve</b>		
As per last Balance Sheet	89.24	34.00
Addition during the year (net)	39.62	55.24
Closing Balance	128.86	89.24
<b>Retained earning</b>		
As per last Balance Sheet	11,612.94	9,256.33
Utilised for buyback of equity shares	-	(117.88)
Profit for the year	4,277.48	2,533.46
Add: Remeasurement of defined benefit plan	(38.22)	(58.97)
Less: Dividend paid	(600.81)	-
Less: Tax on dividend	(122.28)	-
<b>Movement during the year</b>	<b>3,516.17</b>	<b>2,474.49</b>
Closing Balance	15,129.11	11,612.94
<b>Cash flow hedge reserve</b>		
As per last Balance Sheet	206.59	(7.24)
Add: Change in fair value of hedging instrument	(395.24)	301.65
Less: Deferred tax	99.48	(87.82)
Closing balance	(89.17)	206.59
<b>Total Reserves &amp; Surplus</b>	<b>18,402.36</b>	<b>15,142.36</b>

The accompanying notes 1 to 55 form an integral part of the consolidated 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 11, 2020

Signatures to the Consolidated statement of Changes in Equity and Notes to the financial statements

**For and on behalf of the Board**

**Bimal R. Thakkar**  
 Chairman, Managing Director & C.E.O.  
 DIN: 00087404

**Shalaka Ovalekar**  
 Company Secretary  
 Membership No: A15274

Place: Mumbai  
 Date: May 11, 2020

**Anish Jhaveri**  
 Chief Financial Officer

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 1 Group Overview

#### Description of Business

ADF Foods Limited ("the Holding 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 group is engaged in the manufacture and selling of food products like pickles, chutneys, ready to eat items, paste and sauces, frozen foods, spices etc. From current year the group has started agency distribution business in Subsidiary Company. The group caters mainly to international markets and domestic market.

### 2. Basis of Preparation of Consolidated Financial Statements

The Consolidated Financial Statements of the group 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 group's Financial Statements for the year ended March 31, 2020 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 group.

Current versus non-current classification of all assets and liabilities have been classified as current or non-current as per the group'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 group has ascertained its operating cycle as twelve months for the purpose of the classification of assets and liabilities into current and non - current.

#### 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. 46
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Refer Note no. 41
- (c) Recognition of deferred tax assets – Refer Note no. 23
- (d) Impairment of Intangible asset – Refer Note no. 39

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Company's plants at Nadiad, Gujarat and Nasik, Maharashtra were shut-down in March 2020 following the countrywide lockdown due to COVID-19. The Company has since obtained required permissions and has partially restarted the plants operations in the first week of April 2020 as food products fall within the essential goods category.

In assessing the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible assets, receivables and other financial assets, the Company has considered internal and external information upto the date of approval of these financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

### 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.

### 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 group 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 group 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 group.

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

#### 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 group 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 GST credits.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Raw materials, packing materials and stores: Costs includes cost of purchase net of discounts and other costs incurred in bringing each product to its present location and condition.

Finished 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 group'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 group'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 group 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 group 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).

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 group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 group 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 group'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 group has transferred substantially all the risks and rewards of the asset, or (b) the group 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 group 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 group follows 'Simplified Approach' for recognition of impairment allowance. This approach doesn't require the group 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 group 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 group 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.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions. (Cash flow hedges).

The group 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 group 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 Statement of profit and loss.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

When forward contracts are used to hedge forecast transactions, the group 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.

### 2.8 Assets held for sale

The group 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.10 Segment Reporting

The Chairman and Managing Director assesses performance of the Company as Chief Operating Decision Maker ("CODM"). The Company has identified reportable segments, in a manner consistent with internal reporting provided to the Chief Operating Decision Maker.

### 2.11 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the group 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.

#### 2.11.1 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 group 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.

#### 2.11.2 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 group 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 group 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 group's contribution to defined contribution plans is recognised as an expense in the Statement of Profit and Loss as they fall due.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 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 group 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 group 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 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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

### 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 group 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 group 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 group 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. Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4(a) Property, Plant and Equipment

Particulars	Period	Land		Right -of- use	Buildings	Leasehold improvement	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Office premises	Electrical installation	Laboratory equipment	Computers	Total
		Freehold	Leasehold												
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	93.14	140.45	3.62	-	4.51	-	-	0.19	6.96	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	93.14	2,578.60	88.71	122.32	20.29	97.77	86.99	7.49	31.43	5,976.23
Opening gross carrying amount as at	April 1, 2019	4.18	94.39	-	2,750.92	93.14	2,578.60	88.71	122.32	20.29	97.77	86.99	7.49	31.43	5,976.23
Additions		-	-	253.27	10.85	-	1,073.98	-	78.06	7.73	-	-	1.17	5.82	1,430.88
Deductions		-	-	-	-	-	(39.30)	(0.02)	(2.75)	(0.08)	-	-	(0.01)	(0.02)	(42.18)
Other adjustments		-	-	-	-	-	1.40	0.31	-	-	-	-	-	0.73	2.44
Closing gross carrying amount as at	March 31, 2020	4.18	94.39	253.27	2,761.77	93.14	3,614.68	89.00	197.63	27.94	97.77	86.99	8.65	37.96	7,367.37
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	9.14	255.11	11.17	20.83	4.28	1.68	9.17	0.97	5.01	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	9.14	765.36	36.51	64.17	11.66	5.05	26.85	2.94	19.81	1,249.27
Opening accumulated depreciation as at	April 1, 2019	-	3.03	-	304.75	9.14	765.36	36.51	64.17	11.66	5.05	26.85	2.94	19.81	1,249.27
Charge for the year		-	1.01	99.31	113.73	17.75	264.62	10.74	23.42	4.40	1.69	9.19	0.98	4.66	551.50
Deductions		-	-	-	-	-	(18.01)	-	(2.24)	(0.02)	-	-	-	-	(20.27)
Other adjustments		-	-	-	-	-	1.40	0.31	-	-	-	-	-	0.69	2.40
Closing accumulated depreciation	March 31, 2020	-	4.04	99.31	418.48	26.89	1,013.37	47.56	85.35	16.04	6.74	36.04	3.92	25.16	1,782.90
Net carrying amount as at	March 31, 2019	4.18	91.35	-	2,446.19	84.00	1,813.25	52.20	58.15	8.63	92.72	60.13	4.55	11.62	4,726.96
Net carrying amount as at	March 31, 2020	4.18	90.35	153.96	2,343.29	66.25	2,601.31	41.44	112.28	11.90	91.03	50.95	4.73	12.80	5,584.47

₹ Lakhs

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 4(b) Intangible assets

₹ Lakhs				
Particulars	Period	Trade marks	Software	Total
<b>Opening gross carrying amount as at</b>	<b>April 1, 2018</b>	<b>3,327.60</b>	<b>16.05</b>	<b>3,343.65</b>
Additions		-	-	-
Deductions		-	-	-
Other adjustments		72.89	-	72.89
<b>Closing gross carrying amount as at</b>	<b>March 31, 2019</b>	<b>3,400.49</b>	<b>16.05</b>	<b>3,416.54</b>
<b>Opening gross carrying amount as at</b>	<b>April 1, 2019</b>	<b>3,400.49</b>	<b>16.05</b>	<b>3,416.54</b>
Additions		-	0.50	0.50
Deductions		-	-	-
Other adjustments		115.59	-	115.59
<b>Closing gross carrying amount as at</b>	<b>March 31, 2020</b>	<b>3,516.08</b>	<b>16.55</b>	<b>3,532.63</b>
<b>Accumulated amortisation and impairment as at</b>	<b>April 1, 2018</b>	<b>243.30</b>	<b>11.30</b>	<b>254.60</b>
Amortisation during the year		-	1.58	1.58
Impairment losses		986.62	-	986.62
Deductions		-	-	-
Other adjustments		3.16	-	3.16
<b>Closing accumulated amortisation and impairment as at</b>	<b>March 31, 2019</b>	<b>1,233.08</b>	<b>12.88</b>	<b>1,245.96</b>
<b>Opening accumulated amortisation and impairment as at</b>	<b>April 1, 2019</b>	<b>1,233.08</b>	<b>12.88</b>	<b>1,245.96</b>
Amortisation during the year		-	1.20	1.20
Impairment losses		35.53	-	35.53
Deduction		-	-	-
Other adjustments		114.63	-	114.63
<b>Closing accumulated amortisation and impairment as at</b>	<b>March 31, 2020</b>	<b>1,383.24</b>	<b>14.08</b>	<b>1,397.32</b>
<b>Net carrying amount as at</b>	<b>March 31, 2019</b>	<b>2,167.42</b>	<b>3.17</b>	<b>2,170.58</b>
<b>Net carrying amount as at</b>	<b>March 31, 2020</b>	<b>2,132.84</b>	<b>2.47</b>	<b>2,135.31</b>

### 5 Non-current trade receivables

₹ Lakhs		
Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, Considered good	4.51	4.51
Unsecured Credit impaired	4.51	4.51
	9.02	9.02
Less: Allowance for credit impaired	(4.51)	(4.51)
<b>Total</b>	<b>4.51</b>	<b>4.51</b>

### 6 Non-current loans

₹ Lakhs		
Particulars	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
Security deposits	137.18	121.72
Loans and advances to employees	3.82	8.11
<b>Total</b>	<b>141.00</b>	<b>129.83</b>

### 7 Other non-current financial assets

₹ Lakhs		
Particulars	As at March 31, 2020	As at March 31, 2019
Export incentive receivable	10.04	35.68
Deposits held as margin for more than 12 months *	7.70	-
<b>Total</b>	<b>17.74</b>	<b>35.68</b>

\* Above bank deposits are pledged as margin money.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 8 Income tax assets (net)

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Advance payment of income tax (Net)	457.91	324.81
<b>Total</b>	<b>457.91</b>	<b>324.81</b>

### 9 Other non-current non-financial assets

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Capital Advance</b>		
Unsecured, Considered good	92.85	326.55
Deferred lease expenses	8.62	10.21
<b>Total</b>	<b>101.47</b>	<b>336.76</b>

### 10 Inventories

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>(Valued at lower of cost and net realizable value)</b>		
Raw materials	356.18	274.47
Packing materials	650.68	641.69
Work-in-progress	1,303.59	1,495.86
Finished goods	400.68	154.51
Traded goods - includes goods in transit ₹ Nil (March 31, 2019 - ₹ 147.77 lakhs)	2,753.86	888.94
<b>Total</b>	<b>5,464.99</b>	<b>3,455.47</b>

### 11 Current Investments

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Investments in Mutual Funds (Quoted) (Measured at FVTPL)</b>		
HDFC Overnight - Growth	901.46	-
Kotak Overnight Fund Reg - Growth	901.47	-
<b>Total</b>	<b>1,802.93</b>	-
<b>Aggregate amount of quoted investments at cost</b>	<b>1,802.78</b>	-
<b>Aggregate amount of quoted investments and market value</b>	<b>1,802.93</b>	-
<b>Aggregate amount of impairment in value of investments</b>	-	-

### 12 Current trade receivables

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, consider good</b>		
Others	5,314.34	4,391.21
Unsecured credit impaired	-	0.80
	<b>5,314.34</b>	<b>4,392.01</b>
Less: Allowance for credit impaired	-	(0.80)
<b>Total</b>	<b>5,314.34</b>	<b>4,391.21</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 13 Cash and cash equivalents

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Cash on hand	2.12	7.34
<b>Balances with banks</b>		
in Current account	1,442.95	277.26
in EEFC account	575.65	971.66
in Fixed deposit account	-	181.30
Cheque, drafts on hand	-	0.11
<b>Total</b>	<b>2,020.72</b>	<b>1,437.67</b>

### 14 Bank balances other than above

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Balance with banks</b>		
in Current account *	80.40	76.45
in Fixed deposit account **	1,150.00	326.86
in Margin deposit account***	420.35	-
<b>Total</b>	<b>1,650.75</b>	<b>403.31</b>

\* Balance with bank in current account is on account of earmark balance for unclaimed dividend.

\*\* Deposit with maturity of less than 12 months.

\*\*\* Margin deposits with maturity of less than 12 months.

### 15 Current loans

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
Loans to employees	10.54	14.24
Others	-	0.25
<b>Total</b>	<b>10.54</b>	<b>14.49</b>

### 16 Other current financial assets

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Derivative foreign exchange forward contracts	-	213.55
Interest accrued on fixed deposits and others	61.67	8.89
Export incentives receivable	652.47	576.63
Other receivables	0.05	104.54
<b>Total</b>	<b>714.19</b>	<b>903.61</b>

### 17 Other current non-financial assets

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured, considered good</b>		
Advance to suppliers for services	37.77	16.06
Advance to suppliers for goods	52.93	55.01
Balance with government authorities	575.67	752.94
Prepayments	103.04	41.35
Deferred lease expenses	3.53	3.53
Dividend receivable	-	0.19
<b>Total</b>	<b>772.94</b>	<b>869.08</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 18 Assets held - for - sale

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Land	-	14.63
<b>Total</b>	<b>-</b>	<b>14.63</b>

The Holding Company purchased certain plot of land at Nadiad for the purpose of building storage facility. The holding 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 ₹ 50 Lakhs against the sale of above mentioned land.

## 19 Equity share capital

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Authorized shares</b> 2,50,00,000 (March 31, 2019: 2,50,00,000) equity shares of ₹ 10/- each.	2,500.00	2,500.00
<b>Issued, subscribed and fully paid</b> 2,00,22,719 (March 31, 2019: 2,12,01,461) equity shares of ₹ 10/- each	2,002.27	2,120.15
Less: Nil (March 31, 2019: 11,78,742) equity shares of ₹ 10/- each buyback during the year	-	(117.88)
	2,002.27	2,002.27
7,56,600 (March 31, 2019: 7,56,600) equity shares of ₹ 10/- each; amount originally paid up thereon @ ₹ 5 per share	37.83	37.83
<b>Total</b>	<b>2,040.10</b>	<b>2,040.10</b>

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

Particulars	No. of shares	₹ Lakhs
<b>Equity shares</b>		
<b>As at April 1, 2018</b>	<b>21,958,061</b>	<b>2,157.98</b>
Buy-back during the year	(1,178,742)	(117.88)
<b>As at March 31, 2019</b>	<b>20,779,319</b>	<b>2,040.10</b>
Changes during the year	-	-
<b>As at March 31, 2020</b>	<b>20,779,319</b>	<b>2,040.10</b>

Of the above 7,56,600 equity shares (₹ 37.83 lakhs) forfeited in earlier years are not cancelled by the Holding Company.

The Board of Directors of the Holding Company, at its meeting held on June 5, 2018 approved buyback of Equity Shares. The Holding 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 Holding Company bought back an aggregate of 11,78,742 Equity Shares, utilizing a total of ₹ 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 ₹ 254.43 per Equity Share. All the shares bought back have been extinguished. The Holding Company has adjusted an amount of ₹ 1,17,87,420/- against Retained Earnings and ₹ 28,84,25,043/- against Security premium.

## (b) Terms / rights attached to equity shares

The Holding company has one class of equity shares having a par value of ₹ 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 Holding company after distribution of all preferential amounts, in proportion to their shareholding.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**(c) Details of equity shares held by Shareholders holding more than 5% of the aggregate shares in the Holding company.**

Particulars	As at March 31, 2020	As at March 31, 2019
Bimal R Thakkar		
No. of Shares	2,278,924	2,278,924
%	11.38	11.38
Mrs. Mahalaxmi R. Thakkar		
No. of Shares	1,958,022	1,958,022
%	9.78	9.78
Mrs. Alpana Dangi		
No. of Shares	3,173	1,061,551
%	0.01	5.30
Mentore Capital Limited		
No. of Shares	8,500	2,779,284
%	0.04	13.88
Authum Investment and Infrastructure Limited		
No. of Shares	4,494,052	-
%	22.44	0.00
<b>Total No. of Shares</b>	<b>8,742,671</b>	<b>8,077,781</b>
<b>Total - %</b>	<b>43.65</b>	<b>40.34</b>

**(d) Equity shares movement during the five years preceding March 31, 2020**

Particulars	No. of shares	
	From 1st April 2015 to 31st March 2020	From 1st April 2014 to 31st March 2019
Aggregate no. of equity shares bought back	1,977,281	1,977,281

There are no shares reserved for issue under option and contracts / commitments for the sale of shares / disinvestment including the terms and amounts.

## 20 Other equity

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Reserves and surplus</b>		
<b>Capital reserves</b>		
As per last Balance Sheet	105.00	105.00
<b>Capital redemption reserves</b>		
As per last Balance Sheet	197.73	79.85
Addition during the year	-	117.88
Closing Balance	197.73	197.73
<b>Securities premium</b>		
As per last Balance Sheet	2,166.86	5,051.11
Utilized during the year	-	(2,884.25)
Closing Balance	2,166.86	2,166.86
<b>General reserve</b>		
As per last Balance Sheet	763.97	763.97

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Foreign currency translation reserve</b>		
As per last Balance Sheet	89.24	34.00
Addition during the year (net)	39.62	55.24
Closing Balance	<b>128.86</b>	<b>89.24</b>
<b>Retained earning</b>		
Opening balance	<b>11,612.94</b>	<b>9,256.33</b>
Utilised for buy back of equity shares	-	(117.88)
	<b>11,612.94</b>	<b>9,138.45</b>
Add: profit for the year	4,277.48	2,533.46
Re-measurement of defined benefit plans	(38.22)	(58.97)
Less: Dividend paid	(600.81)	-
Less: Tax on dividend	(122.28)	-
<b>Movement during the year</b>	<b>3,516.17</b>	<b>2,474.49</b>
Closing balance	<b>15,129.11</b>	<b>11,612.94</b>
<b>Cash flow hedge reserve</b>		
Opening balance	206.59	(7.24)
Add: Change in fair value of hedging instrument	(395.24)	301.65
Less: Deferred tax	99.48	(87.82)
Closing balance	<b>(89.17)</b>	<b>206.59</b>
<b>Total Reserves and Surplus</b>	<b>18,402.36</b>	<b>15,142.36</b>

**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 group 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 group 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 group 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 CONSOLIDATED FINANCIAL STATEMENTS

### (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.

### 21 Other non-current financial liabilities

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Lease Liability	61.54	-
<b>Total</b>	<b>61.54</b>	<b>-</b>

### 22 Non-current provisions

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Provision for employee benefits (Refer Note no. 46)</b>		
For compensated absences	66.39	32.39
For compensated sick leaves	12.24	9.66
For gratuity	17.73	78.24
<b>Total</b>	<b>96.36</b>	<b>120.29</b>

### 23 Income taxes

#### a) Tax expense recognised in profit and loss

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Current tax expense for the year	1,003.45	1,300.58
Tax expense of prior year	-	-
Net current tax expenses	1,003.45	1,300.58
<b>Deferred Income tax liability / (asset) (net)</b>		
Origination and reversal of temporary differences	217.86	(60.78)
<b>Total</b>	<b>1,221.31</b>	<b>1,239.80</b>

#### b) Tax expense recognised in other comprehensive income

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Re-measurement of the defined benefit plans	12.85	24.23
<b>Items that will be reclassified subsequently to profit or loss</b>	-	-
Exchange differences on translating the financial statements of foreign operation	(6.92)	(87.82)
Net gain / (loss) on cash flow hedges	99.48	(22.69)
<b>Total</b>	<b>105.41</b>	<b>(86.28)</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### c) Reconciliation of effective tax rate

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Profit before tax</b>	5,498.79	3,773.26
Tax using the Holding Company's domestic tax rate (March 31, 2020 - 25.17 %, March 31, 2019 - 29.12 %)	1,383.94	1,098.77
<b>Tax effect of:</b>		-
Expenses not deductible for tax purposes	18.32	70.73
Other exempt income	(36.21)	
Prior year tax adjustment	15.76	70.30
Differences in tax rate	(175.78)	-
Others	15.28	-
<b>Total</b>	<b>1,221.31</b>	<b>1,239.80</b>

\*The Holding Company has opted for new tax rate of 25.17% under new section 115BBA of Income Tax Act, 1961, as compared to 29.12% in previous year.

### d) Movement in deferred tax balances

₹ Lakhs						
March 31, 2020						
Particulars	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2020	Deferred tax asset	Deferred tax liability
<b>Deferred tax assets / (liabilities)</b>						
Property, plant and equipment	(941.70)	85.48	-	(856.22)	0.65	(856.87)
Cash flow hedge reserve	(6.96)	-	99.48	92.52	-	92.52
Employee benefits	80.56	(12.22)	12.85	81.19	0.09	81.10
Provision for doubtful advances	1.30	(0.17)	-	1.13	-	1.13
Unused tax credit	12.72	-	-	12.72	12.72	-
Intangibles	242.77	(293.35)	-	(50.58)	(50.58)	-
Net operating loss	718.62	-	-	718.62	718.62	-
Foreign currency translation reserves	32.98	-	(6.92)	26.06	65.86	(39.80)
Fair market value of mutual fund	-	-	-	-	-	-
Lease Liability	-	2.29	-	2.29	-	2.29
Others	23.30	0.11	-	23.41	9.72	13.69
<b>Net Deferred tax assets / (liabilities)</b>	<b>163.59</b>	<b>(217.86)</b>	<b>105.41</b>	<b>51.14</b>	<b>757.08</b>	<b>(705.94)</b>

₹ Lakhs						
March 31, 2019						
Particulars	Net balance April 1, 2019	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2020	Deferred tax asset	Deferred tax liability
<b>Deferred tax assets / (liabilities)</b>						
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	5.36	17.94	-	23.30	9.92	13.38
<b>Net Deferred tax assets / (liabilities)</b>	<b>189.09</b>	<b>60.78</b>	<b>(86.28)</b>	<b>163.59</b>	<b>1,057.18</b>	<b>(893.59)</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 24 Current borrowings

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Unsecured Loan</b>		
<b>Loan repayable on demand</b>		
From Banks	2,316.42	-
<b>Total</b>	<b>2,316.42</b>	<b>-</b>

\*\*Unsecured loans are repayable on demand and the interest payable on borrowings range from 4.5% to 5% p.a.

### 25 Current trade payables

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,098.71	1,351.43
<b>Total</b>	<b>2,098.71</b>	<b>1,351.43</b>

### 26 Other Current Financial Liabilities

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Derivative Foreign exchange forward contracts	199.17	-
Employees related payables	56.47	81.89
Book overdraft	-	19.93
Payable for capital goods	56.97	-
Lease Liability	101.51	-
Unpaid dividend	80.40	76.45
Other liabilities	609.40	278.49
<b>Total</b>	<b>1,103.92</b>	<b>456.76</b>

### 27 Other current non-financial liabilities

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Advances from customer	146.00	51.27
Statutory dues and other dues payable	105.41	57.08
<b>Total</b>	<b>251.41</b>	<b>108.35</b>

### 28 Current provisions

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Provision for employee benefits (Refer Note no. 46)</b>		
For compensated absences	8.19	2.36
For compensated sick leaves	1.77	1.44
For gratuity	46.46	46.82
<b>Total</b>	<b>56.42</b>	<b>50.62</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 29 Income tax liabilities (net)

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Other provisions</b>		
Provision for taxation (net)	27.83	178.25
<b>Total</b>	<b>27.83</b>	<b>178.25</b>

## 30 Liabilities classified on assets held for sale

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Advance for land	-	50.00
<b>Total</b>	<b>-</b>	<b>50.00</b>

## 31 Revenue from operations

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Sale of products	27,282.24	23,143.50
<b>Total</b>	<b>27,282.24</b>	<b>23,143.50</b>

The Chief Operating Decision Maker (CODM) evaluates the performance of the group based on revenue and operating income in two segments. Revenue disaggregation by industry vertical has been included in segment information (Refer note 48).

## 32 Other income

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Interest income from</b>		
Bank deposits	89.59	24.56
Others	6.70	27.96
<b>Other Non - Operating Income</b>		
Export Incentives	1,238.46	1,263.32
<b>Dividend income</b>		
From Mutual Fund	24.68	-
From other investment	0.04	-
Unwinding of discount on security deposit	3.14	1.63
Foreign exchange gain (net)	672.40	-
Liabilities no longer required written back	5.48	12.09
Profit on sale of fixed assets	1.48	-
Profit on sale of mutual funds	3.13	-
Profit on fair value of mutual funds	0.15	-
Miscellaneous income	135.25	75.64
<b>Total</b>	<b>2,180.50</b>	<b>1,405.38</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 33 Cost of materials consumed

#### (a) Raw material consumed

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Inventories at the beginning of the year	274.47	299.34
Add: Purchases (net)	5,968.91	6,517.84
	<b>6,243.38</b>	<b>6,817.18</b>
Less : Inventories at the end of the year	356.18	274.47
<b>Total</b>	<b>5,887.20</b>	<b>6,542.71</b>

#### (b) Packing material consumed

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Inventories at the beginning of the year	641.69	629.19
Add: Purchases (net)	2,302.64	2,402.34
	2,944.33	3,031.53
Less : Inventories at the end of the year	650.68	641.69
<b>Total</b>	<b>2,293.65</b>	<b>2,389.84</b>
<b>Total cost of material consumed</b>	<b>8,180.85</b>	<b>8,932.55</b>

### 34 Purchase of stock-in-trade

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Purchases	8,644.83	4,204.63
<b>Total</b>	<b>8,644.83</b>	<b>4,204.63</b>

### 35 Changes in inventories of finished goods, stock in trade and work-in-progress

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Inventories at the beginning of the year</b>		
Work-in progress	1,495.86	921.00
Finished goods	154.51	192.40
Stock-in-trade	888.94	320.51
	<b>2,539.31</b>	<b>1,433.91</b>
<b>Less: Inventories at the end of the year</b>		
Work-in progress	1,303.59	1,495.86
Finished goods	400.68	154.51
Traded goods	2,753.86	888.94
	<b>4,458.13</b>	<b>2,539.31</b>
<b>Total</b>	<b>(1,918.82)</b>	<b>(1,105.40)</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 36 Employee benefits expenses

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Salaries and wages	1,634.07	1,444.49
Contribution to provident fund and other funds	71.36	78.14
Staff welfare expenses	59.06	85.42
<b>Total</b>	<b>1,764.49</b>	<b>1,608.05</b>

## 37 Finance costs

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
<b>Interest expense on</b>		
Borrowing from banks	70.61	24.40
In borrowing from financial institution	-	0.87
Lease	18.29	-
Others	44.52	61.78
<b>Total</b>	<b>133.42</b>	<b>87.05</b>

## 38 Depreciation and amortisation expenses

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Tangible assets	551.51	429.61
Intangible assets	1.20	1.58
<b>Total</b>	<b>552.71</b>	<b>431.19</b>

## 39 Impairment losses

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Intangible assets	35.53	986.62
<b>Total</b>	<b>35.53</b>	<b>986.62</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### 40 Other expenses

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Freezing and preservation charges	59.07	59.07
Power & fuel	552.87	530.11
Electricity	12.56	9.85
Water charges	14.42	13.59
Rent including lease rent	61.90	209.33
Repairs and maintenance to building	80.48	27.11
Repairs and maintenance to machinery	112.60	88.85
Repairs and maintenance to others	31.33	27.81
Insurance	92.92	86.77
Rates and taxes	61.90	71.19
Communication expenses	48.62	53.17
Travelling and conveyance expenses	408.43	348.99
Motor car expenses	35.10	38.18
Printing and stationery expenses	20.76	15.23
Freight and forwarding expenses	1,458.23	1,636.53
Sales commission and claims	529.12	347.00
Advertisement	934.60	683.58
Sales and marketing expenses	931.93	463.95
Donations	-	0.05
Legal and professional fees	535.41	413.45
Payment to auditor	77.80	66.83
CSR expenses	59.79	50.16
Registration and filling fees	8.28	7.42
Directors' sitting fees	23.30	15.30
Bad debts written off	106.31	1.80
Foreign exchange gain/loss	21.63	84.25
Loss on sale of fixed assets / assets scrapped	19.14	55.01
Written back / provision for doubtful trade receivables	7.36	0.42
Miscellaneous expenses	232.57	225.94
<b>Total</b>	<b>6,538.43</b>	<b>5,630.93</b>

### 41. Contingent Liabilities and Commitments

#### a. Contingent Liabilities

Sr. No	Particulars	₹ Lakhs	
		As at March 31, 2020	As at March 31, 2019
<b>1.</b>	<b>Claims against the group not acknowledged as debts:</b>		
a.	Income Tax Matters	289.04	289.04
b.	Service Tax Matters	463.54	463.54
c.	Legal Cases*	11.05	100.94
<b>2.</b>	<b>Guarantees:</b>		
	Guarantees issued by the banks (net of margin money)	114.35	29.60

\*During the previous 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The previous year's amount of ₹ 100.94 lakhs include ₹ 89.89 lakhs on account of the above case.

Notes:

- a. It is not practicable for the group 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.
- b. The group does not expect any reimbursements in respect of the above contingent liabilities.

### b. Capital commitments

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Capital commitments (net of advances)	76.25	338.91

### 42. 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 ₹ 9.50 lakhs (2018-19: ₹ 10.00 lakhs), paid for guest house taken on lease from a Related party.

### 43. Disclosures in respect of lease

The group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. In adopting Ind AS 116, the group has applied the below practical expedients:

The group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics

The group has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"

The group has not applied the requirement of Ind AS 116 for leases of low value assets.

The group has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition

The group has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease

On transition to Ind AS 116, the group recognised right-of-use assets amounting to Rs 253.27 Lakhs, related accumulated depreciation amounting to Rs 99.31 Lakhs, lease liabilities amounting to Rs 253.27 Lakhs as at April 1, 2019. The group has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.95% for measuring the lease liability.

Movement of right-of-use assets and depreciation is given in Note no. 4(a) and Interest on account of Ind AS 116 is given in Note no. 37

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

₹ Lakhs	
<b>Impact of adoption of Ind AS 116</b>	<b>As at April 1, 2019</b>
Right-of-use assets	253.27
Lease Liability	(253.27)

The group has entered into operating leases on its office buildings. These leases have terms of between 3 and 99 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum contractual rentals payable under non-cancellable operating leases as at March 31, 2020 are, as follows:

₹ Lakhs		
Particulars	As at March 31, 2020	As at March 31, 2019
i) Not later than one year	111.65	108.50
ii) Later than one year and not later than five years	59.15	170.30
iii) Later than five years	40.33	40.83

Short term lease payment recognised in the Statement of Profit and Loss for the year ended March 31, 2020 is ₹ 40.00 lakhs.

#### 44. 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. Bimal R. Thakkar – Chairman (w.e.f. June 5, 2019) & Managing Director and Chief Executive Officer
		Mr. Devang Gandhi – Chief Operating Officer (w.e.f. August 10, 2019)
		Mr. Anish S. Jhaveri – Chief Financial Officer
2	Relative of key managerial personnel	Mrs. Mahalaxmi R. Thakkar (Relative of Director)
		Mr. Shivaan B. Thakkar (Relative of Director) Manager Business & Strategy
3	Key managerial personnel – Non Executive	Mr. Jay M. Mehta
		Ms. Anjali Seth (upto March 9, 2020)
		Mr. Naresh L. Kothari
		Mr. Ravindra Kumar Jain
		Mr. Viren A. Merchant
		Mr. Chandir Gidwani (w.e.f. February 7, 2020)
Ms. Deepa Harris (w.e.f. March 25, 2020)		

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The following transactions were carried out with the related parties in the ordinary course of business:

₹ Lakhs

Particulars	Financial Year	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Managerial Remuneration	2019-20	440.76	-	440.76
	2018-19	281.83	-	281.83
Salary	2019-20	108.84	13.75	122.59
	2018-19	23.96	14.73	38.69
Independent Director's Sitting fees	2019-20	23.30	-	23.30
	2018-19	15.30	-	15.30
Sale of Fixed Assets	2019-20	-	-	-
	2018-19	-	57.50	57.50
Rent	2019-20	-	0.50	0.50
	2018-19	-	0.50	0.50

Balances outstanding at the end of the year:

₹ Lakhs

Particulars	Financial Year	Key Managerial Personnel	Relatives of Key managerial personnel	Total
Non-Current loans (Security Deposit)	2019-20	-	9.50	9.50
	2018-19	-	10.00	10.00

Material related party transactions as under:

₹ Lakhs

Particulars	Name of the related parties	As at March 31, 2020	As at March 31, 2019
Managerial Remuneration	Mr. Ashok H. Thakkar*	-	91.13
	Mr. Bimal R. Thakkar**	440.76	99.57
	Mr. Bhavesh R. Thakkar*	-	91.13
Salary	Mr. Mishal A. Thakkar	-	13.04
	Mr. Shivaan R. Thakkar	13.75	1.69
	Mr. Devang Gandhi	46.19	-
	Mr. Anish S. Jhaveri	62.65	23.96
Non-Executive Directors Sitting Fees	Mr. Jay M. Mehta	3.50	1.20
	Ms. Anjali Seth	4.20	2.55
	Mr. Naresh L. Kothari	3.30	2.70
	Mr. Ravindra Kumar Jain	6.50	4.05
	Mr. Viren A. Merchant	5.80	4.80
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 loans (Security Deposit)	Mrs. Mahalaxmi R. Thakkar	9.50	10.00

\*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.

\*\*Due to changes in terms of remuneration of Mr. Bimal R Thakkar, Salary component includes ₹ 125.43 lakhs for gratuity and other allowances related to prior years of service and also includes ₹ 120.00 lakhs for annual performance based incentive paid for the year 2018-19.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Compensation to Key Managerial Personnel is as follows:

Particulars	₹ Lakhs	
	As at March 31, 2020	As at March 31, 2019
Short term employee benefits	3.66	0.40
Post-retirement benefits	2.23	96.41
<b>Share based payment transactions</b>	-	-

### 45. Financial and derivative instruments – Hedge Accounting

#### i) Impact of hedging activities

##### a. Disclosure of effects of hedge accounting on financial position:

**March 31, 2020**

₹ 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	8,792.95	-	-	199.17	April 2020 to March 2021	1:1	(395.24)	395.24

**March 31, 2019**

₹ 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	1:1	301.65	(301.65)

\* The foreign exchange forward contracts 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, 2020

₹ Lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness 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	(395.24)	(17.48)	-	Other Income

March 31, 2019

₹ Lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness 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	301.65	-	-	-

The group'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 group 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 group 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.

#### 46. Employee Benefits

##### a. Defined contribution plans

Amount of ₹ 65.44 lakhs (2018-19: ₹ 66.05 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 ₹ 5.73 lakhs (2018-19: ₹ 11.90 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 CONSOLIDATED 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 74.58 lakhs (2018-19: ₹ 34.75 lakhs) has been recognised in balance sheet of which Rs 66.39 lakhs (2018-19: ₹ 32.39 lakhs) shown under long term provision and balance Rs 8.19 lakhs (2018-19: ₹ 2.36 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2020.

Expenses of ₹ 52.61 lakhs (2018-19: ₹ 11.35 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 ₹ 14.01 lakhs (2018-19: ₹ 11.10 lakhs) has been recognised in balance sheet of which ₹ 12.24 lakhs (2018-19: ₹ 9.66 lakhs) shown under long term provision and balance ₹ 1.77 lakhs (2018-19: ₹ 1.44 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2020.

Expenses of ₹ 2.91 lakhs (2018-19: ₹ 3.55 lakhs) are recognised in the Statement of Profit and Loss.

#### Gratuity

##### Funded

The group 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 group 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 ₹ 0.56 lakhs (2018-19: ₹ 125.05 lakhs) has been recognised in balance sheet of which Rs 0.55 lakhs (2018-19: ₹ 78.24 lakhs) shown under long term provision and balance ₹ 0.01 lakh (2018-19: ₹ 46.81) is shown under short term provision as given in the Actuarial report as on March 31, 2020.

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.

		₹ Lakhs	
	Particulars	Gratuity (funded and unfunded)	
		2019-20	2018-19
I	Present value of obligation		
	Liability at the beginning of the year	293.10	333.49
	Interest cost	22.83	25.01
	Current service cost	21.12	17.14
	Benefit paid	(170.91)	(164.01)
	Benefit payable by the Company	-	-
	Actuarial (gain) / loss on obligations - Due to change in financial assumptions	19.38	(8.35)
	Actuarial (gain) / loss on obligations - Due to experience adjustment	31.21	89.82

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

		₹ Lakhs	
	Particulars	Gratuity (funded and unfunded)	
		2019-20	2018-19
	Liability at the end of the year	216.73	293.10
<b>II</b>	<b>Change in Plan Assets</b>		
	Fair value of plan assets at the beginning of the year	168.05	161.95
	Interest Income	13.09	12.15
	Actual return on plan assets	-	-
	Employer's Contributions	23.47	17.41
	Benefit paid	(51.59)	(21.74)
	Gratuity due but not paid	-	-
	Re-measurement – return on assets	(0.49)	(1.72)
	Fair value of plan assets at the end of the year	152.53	168.05
<b>III</b>	<b>Amount recognised in the balance sheet</b>		
	Liability at the end of the year	216.73	293.10
	Fair value of plan assets at the end of the year	152.53	168.05
	Net (Liability) / Asset Recognized in the Balance sheet	64.20	125.05
<b>IV</b>	<b>Expenses recognised in the Statement of Profit and Loss</b>		
	Current service cost	21.11	17.14
	Interest cost	9.73	12.87
	Actual return on plan assets		-
	Net actuarial (gain) / loss to be recognized		-
	Expense recognised in Statement of Profit and Loss	30.84	30.01
<b>V</b>	<b>Amount recognized in Other Comprehensive Income</b>		
	Actuarial (Gains)/Losses on Obligation For the Period	50.59	81.48
	Return on Plan Assets, Excluding Interest Income	0.49	1.72
	Net (Income)/Expense For the Period Recognized in OCI	51.08	83.20
<b>VI</b>	<b>Actuarial assumptions :</b>		
	Discount rate	6.84%	7.79%
	Rate of return on plan assets	6.84%	7.79%
	Salary escalation	6.00%	6.00%
	Mortality	Indian Assured lives Mortality (2006-08) Ultimate	

## Maturity Analysis of the Benefit Payments: From the Fund

		₹ Lakhs	
Particulars		2019-20	2018-19
		<b>Projected Benefits Payable in Future Years From the Date of Reporting</b>	
	1st Following Year	21.58	10.80
	2nd Following Year	4.04	30.91
	3rd Following Year	5.85	7.39
	4th Following Year	5.66	12.70
	5th Following Year	11.87	17.39
	Sum of Years 6 to 10	79.37	101.22
	Sum of Years 11 and above	368.78	537.82

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Sensitivity Analysis

	₹ Lakhs	
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>2019-20</b>	<b>2018-19</b>
Projected Benefit Obligation on Current Assumptions	216.73	293.10
Delta effect on + 1% Change in Rate of Discounting	(20.31)	(26.29)
Delta effect on - 1% Change in Rate of Discounting	23.70	30.33
Delta effect on + 1% Change in Rate of Salary Increase	23.66	30.57
Delta effect on - 1% Change in Rate of Salary Increase	(20.64)	(26.94)
Delta effect on + 1% Change in Rate of Employee Turnover	1.22	3.99
Delta effect on - 1% Change in Rate of Employee Turnover	(1.40)	(4.43)

### 47. Computation of earnings per share

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Profit after tax	4,277.48	2,533.46
Weighted average number of equity shares outstanding at the end of the year	2,00,22,719	2,05,31,233
<b>Earnings per share</b>		
Basic	21.36	12.34
Diluted	21.36	12.34
Nominal value of shares	10.00	10.00

### 48. Segment Reporting

#### Operating Segment:

The Operating Segment is the level at which discrete financial information is available. Business segments are identified considering:

- a) the nature of products and services
- b) the differing risks and returns
- c) the internal organisation and management structure, and
- d) the internal financial reporting systems.

Revenue and expenses directly attributable to segments are reported under each reportable segment.

Exceptional items and other expenses which are not attributable or allocable to segments are separately disclosed. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities. The Company has identified following 2 reportable segments, in a manner consistent with internal reporting provided to the Chief Operating Decision Maker:

1. Process and Preserved food
2. Agency Distribution Business

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## Primary Segment Disclosure – Business segment for the year ended March 31, 2020

₹ Lakhs

	Particulars	Financial Year	Process and Preserved foods	Agency Distribution Business	Total
<b>A</b>	<b>Segment Revenue from operations</b>				
	External Revenue	2019-20	24,060.94	3,221.30	27,282.24
		2018-19	23,143.50	-	23,143.50
	Less: Intersegment Revenue	2019-20	-	-	-
		2018-19	-	-	-
	<b>Total segment revenue</b>	2019-20	24,060.94	3,221.30	27,282.24
		2018-19	23,143.50	-	23,143.50
<b>B</b>	<b>Segment results</b>	2019-20	5,930.15	794.95	6,725.10
		2018-19	4,742.58	-	4,742.58
	<b>Add/(Less):</b>				
	Finance Cost	2019-20	-	-	(133.41)
		2018-19	-	-	(87.05)
	Other Unallocable income /(expenditure)	2019-20	-	-	(1,060.39)
		2018-19	-	-	(882.27)
	Profit before Exceptional Items and Tax	2019-20	-	-	5,531.30
		2018-19	-	-	3,773.26
	Exceptional Items	2019-20	-	-	(32.51)
		2018-19	-	-	-
<b>C</b>	<b>Profit before tax for the year</b>	2019-20	-	-	5,498.79
		2018-19	-	-	3,773.26
<b>D</b>	<b>Segment Assets</b>	2019-20	18,131.98	3,695.40	21,827.38
		2018-19	17,888.86	-	17,888.86
	Add: Unallocable corporate assets	2019-20	-	-	5,361.21
		2018-19	-	-	2,534.64
	<b>Total Assets</b>	2019-20	-	-	27,188.59
		2018-19	-	-	20,423.50

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

	Particulars	Financial Year	Process and Preserved foods	Agency Distribution Business	Total
<b>E</b>	<b>Segment Liabilities</b>	2019-20	4,679.58	853.41	5,532.99
		2018-19	2,063.91	-	2,063.91
	Add: Unallocable corporate liabilities	2019-20	-	-	1,213.14
		2018-19	-	-	1,177.13
	<b>Total Liabilities</b>	2019-20	-	-	6,746.13
		2018-19	-	-	3,241.04
<b>F</b>	<b>Capital Employed (Assets – Liabilities)</b>	2019-20	13,452.40	2,841.99	16,294.39
		2018-19	15,824.94	-	15,824.94
	Add: Unallocable Capital Employed	2019-20	-	-	4,148.07
		2018-19	-	-	1,357.52
	<b>Total Capital Employed</b>	2019-20	-	-	20,442.46
		2018-19	-	-	17,182.46

49. The Holding Company held majority shareholding in Power Brands (Foods) Private Limited ('PBFPL'). It presently holds 2,08,85,992 fully paid Equity Shares of ₹ 10/- each (including 20,75,992 Equity shares acquired at ₹ 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 group received Ashoka brand in the financial year 2012-13 (valued at ₹ 2,935.99 lakhs by an independent valuer) in lieu of its investment in PBFPL's equity shares of ₹ 2,211.08 lakhs. Accordingly, the group capitalised the said brand in its books at ₹ 2,935.99 lakhs in the said financial year after adjusting the same against the investment value of ₹ 2,211.08 lakhs and carried the balance of ₹ 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 group'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 group has not surrendered the said shares to the Voluntary liquidator and they have been shown under the head "Investment" at nil value.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## 50. 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.

₹ Lakhs

March 31, 2020	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
<b>Financial Assets</b>								
<b>Non-Current</b>								
Trade Receivables	-	-	4.51	4.51	-	-	-	-
Loans	41.13	-	99.87	141.00	-	41.13	-	41.13
Other financial assets	-	-	17.74	17.74	-	-	-	-
<b>Current</b>								
Investments	1,802.93	-	-	1,802.93	1,802.93	-	-	1,802.93
Trade Receivables	-	-	5,314.34	5,314.34	-	-	-	-
Cash and cash equivalents	-	-	2,020.72	2,020.72	-	-	-	-
Bank balances other than above	-	-	1,650.75	1,650.75	-	-	-	-
Loans	-	-	10.54	10.54	-	-	-	-
Other financial assets	-	-	714.19	714.19	-	-	-	-
<b>Total</b>	<b>1,844.06</b>	<b>-</b>	<b>9,832.66</b>	<b>11,676.72</b>	<b>1,802.93</b>	<b>41.13</b>	<b>-</b>	<b>1,844.06</b>
<b>Financial Liabilities</b>								
<b>Non-Current</b>								
Other financial liabilities	-	-	61.54	61.54	-	-	-	-
<b>Current</b>								
Borrowings	-	-	2,316.42	2,316.42	-	-	-	-
Trade payables	-	-	2,126.29	2,126.29	-	-	-	-
Other current financial liabilities	-	199.17	904.75	1,103.92	-	199.17	-	199.17
<b>Total</b>	<b>-</b>	<b>199.17</b>	<b>5,409.00</b>	<b>5,608.17</b>	<b>-</b>	<b>199.17</b>	<b>-</b>	<b>199.17</b>

₹ 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
<b>Financial Assets</b>								
<b>Non-Current</b>								
Trade receivable	-	-	4.51	4.51	-	-	-	-
Loans	37.99	-	91.84	129.83	-	37.99	-	37.99
Other financial assets	-	-	35.68	35.68	-	-	-	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

₹ 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
<b>Current</b>								
Trade receivable	-	-	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
<b>Total</b>	<b>52.62</b>	<b>213.55</b>	<b>7,068.77</b>	<b>7,334.94</b>	<b>-</b>	<b>266.17</b>	<b>-</b>	<b>266.17</b>
<b>Financial Liabilities</b>								
<b>Current</b>								
Trade payables	-	-	1,383.18	1,383.18	-	-	-	-
Other Current Financial Liabilities	-	-	456.76	456.76	-	-	-	-
Liabilities classified as held for sale	50.00	-	-	50.00	-	50.00	-	50.00
<b>Total</b>	<b>50.00</b>	<b>-</b>	<b>1,839.94</b>	<b>1,889.94</b>	<b>-</b>	<b>50.00</b>	<b>-</b>	<b>50.00</b>

### 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 prior years.

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 have 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.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### 51. Financial Risk Management

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group'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 group is foreign exchange risk. The group uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. The group'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.

Group'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 group 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 group 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:

- a. Historical trend default in case of applicable financial asset
- b. 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
- c. 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 ₹ 4.51 lakhs (March 31, 2019: ₹ 4.51 lakhs) shown as non-current and ₹ 5,314.34 lakhs (March 31, 2019 – ₹ 4,391.21 lakhs) shown as current as at reporting date. Trade receivables are typically unsecured. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The group expects that estimate of expected credit loss for impairment is immaterial based on historical trend and the nature of business. No provision is considered necessary as at reporting date other than disclosed in Note 5 and 12 and Management continuously assesses the requirement for provision on ongoing basis. During the period, the group made no write-offs of trade receivables except for those disclosed in Note 40.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### (ii) Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group'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 group's reputation.

The Management regularly monitors rolling forecasts of the group's liquidity position on the basis of expected cash flows to ensure it has sufficient cash to meet ongoing operational fund requirements.

₹ Lakhs

March 31, 2020	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Non-Current</b>						
Other financial liabilities	61.54	61.54	-	57.65	2.00	39.83
<b>Current</b>						
Borrowings	2,316.42	2,316.42	2,316.42	-	-	-
Trade payables						
a) Total outstanding dues of Micro Enterprises and Small Enterprises	27.58	27.58	27.58	-	-	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,098.71	2,098.71	2,098.71	-	-	-
Other Financial Liabilities	1,103.92	1,103.92	1,103.92	-	-	-
<b>Total</b>	<b>5,608.17</b>	<b>5,608.17</b>	<b>5,546.63</b>	<b>57.65</b>	<b>2.00</b>	<b>39.83</b>

₹ Lakhs

March 31, 2019	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
<b>Financial Liabilities</b>						
<b>Current</b>						
Trade payables						
a) Total outstanding dues of Micro Enterprises and Small Enterprises	31.75	31.75	31.75	-	-	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,351.43	1,351.43	1,351.43	-	-	-
Other Financial Liabilities	456.76	456.76	456.76	-	-	-
Liabilities classified as held for sale	50.00	50.00	50.00	-	-	-
<b>Total</b>	<b>1,889.94</b>	<b>1,889.94</b>	<b>1,889.94</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (iii) Currency Risk

The group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD & GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the group's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The group's risk management policy is to hedge 100% of forecasted net exposures for period of 1 to 3 months of export sales and 70% of forecasted net exposures for 4 to 12 months of export sales.

In accordance with its risk management policies and procedures, the group 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 group 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 group's exposure to foreign currency at the end of the reporting period expressed in INR, are as follows:

### a) Trade and other receivables

₹ Lakhs

Foreign currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	59.45	4,485.54	55.46	3,834.18
GBP	8.62	800.93	7.72	697.89

### b) Trade payable

₹ Lakhs

Foreign currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	12.21	920.99	7.11	491.39
GBP	4.63	430.34	2.06	186.28
CAD	0.12	6.38	0.11	5.89

### c) EEFC balance

₹ Lakhs

Foreign currency	As at March 31, 2020		As at March 31, 2019	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	6.58	496.77	6.90	476.95
GBP	0.85	78.88	5.47	494.71

The following significant exchange rates have been applied during the year:

Particulars	Year- end spot rate as at	
	As at March 31, 2020	As at March 31, 2019
USD / INR	75.4500	69.1450
GBP / INR	92.9200	90.3700
CAD/ INR	53.1900	51.4800

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on group's profit or loss after taxes as at March 31, 2020 and March 31, 2019:

Particulars	Impact on profit after tax	
	For the Year ended March 31, 2020	For the Year ended March 31, 2019
USD / INR increase by 5%	133.37	118.47
USD / INR decrease by 5%	(133.37)	(118.47)
GBP / INR increase by 5%	13.87	18.13
GBP / INR decrease by 5%	(13.87)	(18.13)
CAD / INR increase by 5%	(0.24)	(0.21)
CAD / INR decrease by 5%	0.24	0.21

### 52. Disclosures of additional information pertaining to the parent company and subsidiaries, as required under schedule III to the Companies Act, 2013

March 31, 2020

₹ 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
<b>Parent Company</b>								
ADF Foods Limited	113.16	23,133.40	73.57	3,147.15	106.58	(333.98)	70.97	2,813.17
<b>Indian Subsidiary</b>								
ADF Foods (India) Limited	(0.08)	(16.63)	(0.24)	(10.07)	0.00	(0.01)	(0.25)	(10.08)
<b>Foreign Subsidiaries</b>								
<b>Direct Subsidiary</b>								
ADF Foods UK Limited	34.49	7,051.21	0.40	17.08	(0.07)	0.23	0.44	17.31
<b>Step down Subsidiary</b>								
ADF Holdings (USA) Limited	21.05	4,302.76	25.15	1,075.63	(6.51)	20.41	27.65	1,096.04
<b>Elimination</b>	(68.62)	(14,028.27)	1.12	47.69	-	-	1.19	47.69
<b>Total</b>	<b>100.00</b>	<b>20,442.46</b>	<b>100.00</b>	<b>4,277.48</b>	<b>100.00</b>	<b>(313.35)</b>	<b>100.00</b>	<b>3,964.13</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2019

₹ 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
<b>Parent Company</b>								
ADF Foods Limited	122.46	21,043.20	120.30	3,047.73	73.69	154.83	116.73	3,202.56
<b>Indian Subsidiary</b>								
ADF Foods (India) Limited	(0.03)	(6.55)	(1.00)	(25.27)	0.02	0.03	(0.92)	(25.24)
<b>Foreign Subsidiaries</b>								
<b>Direct Subsidiary</b>								
ADF Foods UK Limited	34.06	5,853.30	(0.36)	(9.17)	(0.05)	(0.10)	(0.34)	(9.27)
<b>Step down Subsidiary</b>								
ADF Holdings (USA) Limited	11.69	2,008.09	(18.31)	(463.79)	26.34	55.34	(14.89)	(408.45)
<b>Elimination</b>	(68.18)	(11,715.58)	(0.63)	(16.04)	-	-	(0.58)	(16.04)
<b>Total</b>	<b>100.00</b>	<b>17,182.46</b>	<b>100.00</b>	<b>2,533.46</b>	<b>100.00</b>	<b>210.10</b>	<b>100.00</b>	<b>2,743.56</b>

## 53. 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		ADF Foods (India) Limited	India	100%	100%
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 member's voluntary liquidation vide special resolution passed by the members on November 5, 2012.

54. (a) Exceptional items represent ₹ 35.37 Lakhs profit on sale of plots of land which the company had purchased with the intention to build storage facility but no longer intends to use it for the purpose of the business. It also includes expense aggregating to USD 95,000 equivalent to ₹ 67.88 Lakhs. The same is towards litigation settlement amount and legal fees in respect of a lawsuit filed in US.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(b) Movement in borrowing:

Particulars	March 31, 2019	Cash flow	Non-cash changes (Fair value changes)	March 31, 2020
Long term borrowings	-	-	-	-
Short term borrowings	-	2,316.42	-	2,316.42
<b>Total borrowings</b>	<b>-</b>	<b>2,316.42</b>	<b>-</b>	<b>2,316.42</b>

Particulars	March 31, 2019	Cash flow	Non-cash changes (Fair value changes)	March 31, 2020
Long term borrowings	2.54	(2.54)	-	-
Short term borrowings	137.46	(137.46)	-	-
<b>Total borrowings</b>	<b>140.00</b>	<b>(140.00)</b>	<b>-</b>	<b>-</b>

55. Previous year's figures have been regrouped / restated wherever necessary to confirm to current year's classification. All figures have been rounded off to the nearest lakhs.

**For and on behalf of the Board**

**Bimal R. Thakkar**  
Chairman, Managing Director & C.E.O.  
DIN: 00087404

**Anish Jhaveri**  
Chief Financial Officer

**Shalaka Ovalekar**  
Company Secretary  
Membership No: A15274

Place: Mumbai  
Date: May 11, 2020

## FORM AOC - 1

(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

Sr. No.	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	
1	The date since when subsidiary was acquired	7 <sup>th</sup> December, 2009	6 <sup>th</sup> September, 2002		22 <sup>nd</sup> September, 2010	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020	1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020		1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020	
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	Rupees	£ = INR	92.92	\$ = INR	75.45
		₹ / lakhs	£	₹ / lakhs	\$	₹ / lakhs
4	Share Capital	5.00	7,191,715	6,609.04	10,665,133	6,710.06
5	Reserves & Surplus	(21.64)	396,516	442.17	(5,793,949)	(2,407.31)
6	Total assets	51.13	7,690,271	7,185.84	7,319,400	5,395.47
7	Total liabilities	67.77	102,040	134.63	1,438,217	1,092.70
8	Investments	-	-	-	-	-
9	Turnover	81.56	152,370	137.22	12,570,622	8,932.92
10	Profit before taxation	(10.16)	18,592	17.08	1,701,357	1,390.51
11	Provision for tax	(0.09)	-	-	417,320	314.86
12	Profit after tax	(10.07)	18,592	17.08	1,284,037	1,075.65
13	Proposed dividend	-	(46)	(0.04)	(67)	(0.05)
14	% 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 5<sup>th</sup> November, 2012.

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

**FARHAD M. BHESANIA**  
PARTNER  
Membership Number 127355

Place: Mumbai  
Date: May 11, 2020

**For and on behalf of the Board**

**Bimal R. Thakkar**  
Chairman, Managing Director & C.E.O.  
DIN: 00087404

**Shalaka Ovalekar**  
Company Secretary  
Membership No: A15274

Place: Mumbai  
Date: May 11, 2020

**Anish Jhaveri**  
Chief Financial Officer



## ADF FOODS LIMITED

CIN: L15400GJ1990PLC014265

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

**Corp. Office:** Marathon Innova, B2, G01, Ground Floor, G. K. Road, Lower Parel, Mumbai - 400 013

Tel.: 022 6141 5555; Fax: 022 6141 5577; Email id: csasst@adf-foods.com

Website: www.adf-foods.com

### E-mail Registration-Cum-Consent Form

To,  
The Company Secretary  
**ADF Foods Limited**

I/ We, the Members of the Company do hereby request you to kindly register/ update my e-mail address with the Company. I/ We, do hereby agree and authorize the Company to send me/ us all the communications in electronic mode at the e-mail address mentioned below. Please register the below mentioned e-mail address/ mobile number for sending communication through e-mail/ mobile.

Folio No.: ..... DP ID: ..... Client ID: .....

Name of the Registered Holder (1<sup>st</sup>): .....

Name of the Joint Holder(s) (2<sup>nd</sup>): ..... (3<sup>rd</sup>): .....

Registered Address: .....

..... Pin: .....

Mobile Nos. (to be registered): .....

Email-id (to be registered): .....

\_\_\_\_\_  
**Signature of the Shareholder(s)\***

*\*Signature of all the shareholders is required in case of joint holding.*