

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	ADF Foods Ltd
2.	Annual financial statements for the year Ended	31st March 2014
3.	Type of Audit observation	Un-qualified /Matter of Emphasis
4.	Frequency of observation	Whether appeared first time...../ repetitive...../ since how long period
5.	To be signed by-	
	CEO/Managing Director	 Mr. Bimal R. Thakkar Managing Director
	CFO	 Mr. Bhavesh R. Thakkar Executive Director
	Auditor of the company 	1) For M/s D P Ghevaria & Co., Chartered Accountants  D P Ghevaria Proprietor Mem No. 32431
	Audit Committee Chairman	 Mr. Nipun C. Shah



*Delicious
present,
appetizing
future.*

24TH ANNUAL REPORT
2013-14

FOND REMEMBRANCE TO LATE SHRI RAMESH HARIRAM THAKKAR



Shri Ramesh H. Thakkar, will always have a very special place in our hearts. A true gentleman, he will always be remembered as a humble person. He was a visionary in a true sense of the word. It was because of his business acumen that the ADF GROUP is what it is today. It is his foresight that has enabled the organization to be a source of livelihood for hundreds of families. He has been an inspiration to people who have had an opportunity to interact with him. The ADF family always looked up to him as a friend, philosopher and guide. He was a man with exceptional leadership qualities and was actively involved in various philanthropic activities making a remarkable difference to the lives of many individuals. Our hearts are saddened by this loss and our thoughts and prayers are with him.

May his soul rest in eternal peace.



From the Chairman's Desk....

Dear Shareholders,

Your company is passing through one of its most exciting phase. These are times, when the environment, the company operates in, is in sync with the vision of the company. Today the Indian consumer is looking for food solutions to make their life simpler and more enjoyable with products that range from treats to healthy eats. Our company's vision is to help the consumer fulfill this need. Over the last 12 months, we have developed products that help consumers 'enjoy their food'. All our products have a differentiator that meets this brief. We are a company that will celebrate food and let consumers eat their heart out while we work very hard to ensure what our consumers eat keeps them healthy and happy.

So far, our performance has been pretty good. Inspite of the country's tough economic situation, our performance has been ahead of the economic growth. In all these years, we have tried to establish a company that listens to the customer, enjoys a diversified product range, caters to multiple Indian and international markets, nurtures an inspired workforce, follows ethical business practices and reinforces a de-risked business model.

Domestic Business Growth: We will continue to invest in our core product categories such as Olive oil Pickles, Pasta Sauces and Ready to Cook Wet Masalas. We have been able to improve our ADF SOUL brand presence in over 30,000 grocery stores across markets. We have successfully covered more than 25 Indian cities having a population of over a million.

The future looks promising. Our plan of action for the future is to upgrade and uplift our brand, ADF SOUL. A makeover in the brand image, its positioning and overall communication is most likely to be completed by the end of this year. Also several exciting and innovative new products are in the pipeline under this brand.

International Business / USA Operations : The USA business has grown by 16% over last fiscal. The products are listed and sold at major supermarkets and natural grocery stores across USA. This year the company is planning to introduce a range of new products under its Nate's and PJ's brands.

In order to drive a long-term sustainable growth through brand building, the company plans to do a significant increase in its investment in sales promotion, advertisements and other marketing activities during this financial year. Further, the company will continue to invest in additional manpower, as well as upgradation of the R&D function.

The Company's Greenfield project in Nadiad shall become operational during the current financial year.

Here is a glimpse of our financial performance. Standalone revenue from operations (net) stood at Rs. 141.81 Crore recording an increase of 9% over the previous year. During the year under review the company on a standalone basis achieved EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) of Rs. 22.47 crores as against Rs. 14.91 crores in the previous year recording an increase of 51%. Consolidated revenues for the fiscal 2014 stood at Rs. 207.46 Crores, recording a growth of 16% year on year. Keeping with the tradition of past ten years, even this year the Board has recommended a 15% dividend.

In the coming year, we expect to make steady progress but much depending on the economic revival. The new Government has started to tackle the formidable challenges afflicting the country and we are hopeful that a full economic recovery will take place in the near future.

We are poised to treat our consumers with many more amazing products in the forthcoming year.

Until then, Happy Eating.

With warm regards.

Mr. Ashok Thakkar
Chairman

BOARD OF DIRECTORS

BOARD OF DIRECTORS	Mr. Ashok H. Thakkar	Chairman (w.e.f. 11 th August, 2014)
	Mr. Bimal R. Thakkar	Managing Director
	Mr. Bhavesh R. Thakkar	Executive Director
	Mr. Nipun C. Shah	Director
	Mr. Yasir J. Varawala	Director
	Mr. Jay M. Mehta	Director
	Mr. Viren A. Merchant	Director
	Mr. Ravinder Kumar Jain	Director

SENIOR MANAGEMENT	Mr. Dilip S Golwala	General Manager – Accounts
	Mr. Milroy Fernandes	General Manager – Finance
	Mr. Dinesh Jaiswal	General Manager – Works (Nashik)
	Mr. Raj Roop Singh	General Manager –Works (Nadiad)
	Mr. Maneck Katpitia	Vice President- International Business
	Mr. Suman Sinha	Vice President - Sales (India)

COMPANY SECRETARY	Ms. Shalaka Ovalekar
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COUNTRY MANAGERS	Mr. Upinder Thakur	Ethnic Division- UK & Europe
	Mr. Vimal Bhalla	North America
	Mr. Prashant Patil	Asia Pacific & Africa

STATUTORY AUDITORS	M/s D. P. Ghevaria & Co. Chartered Accountants
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INTERNAL AUDITORS	M/s. Suresh Gandhi & Associates, Surat M/s. Pipalia Singhal & Associates
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SOLICITORS	M/s. DSK Legal
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BANKERS	State Bank Of Hyderabad Bank Of Baroda HDFC Bank Ltd.
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REGISTERED OFFICE	83/86 G.I.D.C Industrial Estate, Nadiad- 387 001, Gujarat, India Tel.: 0268-2551381 / 2 Fax. : 0268-2565068 E-mail: nadiadfactory@adf-foods.com L15400GJ1990PLC014265
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CORPORATE IDENTITY NUMBER [CIN]

CORPORATE OFFICE	Sadhana House, Unit 2 B, 2 nd Floor, 570, P.B. Road, Worli, Mumbai 400 018, India Tel.:022-6141 5555 Fax: 022-6141 5577 E-mail: info@adf-foods.com website: www.adf-foods.com
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REGISTRAR AND SHARE TRANSFER AGENTS	LINK INTIME (INDIA) PRIVATE LIMITED (Formerly known as Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai- 400 078, India Tel.: 022-25963838, Fax.: 022-25946969 E-mail: rnt.helpdesk@linkintime.co.in website : www.linkintime.co.in
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24th Annual General Meeting

Wednesday, 24th September, 2014 at 1.00 PM.

At Ipcowala Banquet Hall, Near Amba Ashram Mandir, College Road, Nadiad- 387 001, Gujarat

As a measure of economy, copies of Annual Return will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring copies to the Meeting.

NOTICE OF THE 24TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Fourth Annual General Meeting** of **ADF FOODS LIMITED** will be held at Ipcowala Banquet Hall, Near Amba Ashram Mandir, College Road, Nadiad 387001, Gujarat on Wednesday, 24th September, 2014 at 1.00 P.M to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March 2014.
3. To appoint a Director in place of Mr. Ashok H. Thakkar (DIN: 00087465) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. D. P. Ghevaria & Co., Chartered Accountants (Registration No. 103176W) be and are hereby appointed as Statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS

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 Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and in terms of recommendation of the ‘Nomination and Remuneration Committee’ and as approved by the Board of Directors, the Company hereby approves the appointment of Mr. Ashok H. Thakkar (DIN: 00087465), Chairman of the Company to hold the office as a Whole Time Director, liable to retire by rotation, for a period of one year from 1st October, 2014 at the remuneration including perquisites set out in the draft Agreement to be entered into between the Company and Mr. Ashok H. Thakkar tabled at the meeting and initialed by the Managing Director for the purpose of identification with authority to the Board of Directors to alter or vary the said remuneration and/or perquisites as it may deem fit and as may be acceptable to Mr. Ashok H. Thakkar within the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT where in the financial year during Mr. Ashok H. Thakkar’s term of office, the Company makes no profits or the profits made are inadequate, the Company may pay Mr. Ashok H. Thakkar remuneration by way of salary and perquisites not exceeding the limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof as may be agreed to by the Board of Directors and Mr. Ashok H. Thakkar.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules,

2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and in terms of recommendation of the 'Nomination and Remuneration Committee' and as approved by the Board of Directors, the Company hereby approves the appointment of Mr. Bimal R. Thakkar (DIN: 00087404), the Managing Director of the Company to hold the office as a Managing Director, liable to retire by rotation, for a period of one year from 1st October, 2014 at the remuneration including perquisites set out in the draft Agreement to be entered into between the Company and Mr. Bimal R. Thakkar tabled at the meeting and initialed by the Chairman for the purpose of identification with authority to the Board of Directors to alter or vary the said remuneration and/or perquisites as it may deem fit and as may be acceptable to Mr. Bimal R. Thakkar within the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT where in the financial year during Mr. Bimal R. Thakkar's term of office, the Company makes no profits or the profits made are inadequate, the Company may pay Mr. Bimal R. Thakkar remuneration by way of salary and perquisites not exceeding the limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof as may be agreed to by the Board of Directors and Mr. Bimal R. Thakkar.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to Sections 196, 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) and in terms of recommendation of the 'Nomination and Remuneration Committee' and as approved by the Board of Directors, the Company hereby approves the appointment of Mr. Bhavesh R. Thakkar (DIN: 00939805), Executive Director, to hold the office as a Whole Time Director, liable to retire by rotation, for a period of one year from 1st October, 2014 at the remuneration including perquisites set out in the Explanatory Statement and draft Agreement to be entered into between the Company and Mr. Bhavesh R. Thakkar tabled at the meeting and initialed by the Chairman for the purpose of identification with authority to the Board of Directors to alter or vary the said remuneration and/or perquisites as it may deem fit and as may be acceptable to Mr. Bhavesh R. Thakkar within the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT where in the financial year during Mr. Bhavesh R. Thakkar's term of office as Executive Director, the Company makes no profits or the profits made are inadequate, the Company may pay Mr. Bhavesh R. Thakkar remuneration by way of salary and perquisites not exceeding the limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof as may be agreed to by the Board of Directors and Mr. Bhavesh R. Thakkar.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Nipun C Shah (DIN: 00195076), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under

Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 24, 2014 upto September 23, 2019”.

9. 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 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Yasir J Varawala (DIN: 00094919), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 24, 2014 upto September 23, 2019”.

10. 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 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Viren Merchant (DIN: 00033464), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 24, 2014 upto September 23, 2019.”

11. 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 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Jay Mehta (DIN: 00152072), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 24, 2014 upto September 23, 2019.”

12. 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 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ravinder Kumar Jain (DIN: 00652148), a Non Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company with effect from September 24, 2014 upto September 23, 2019.”

13. To consider and if thought fit to pass, with or without modification/s, the following resolution as an **Special Resolution**:

“RESOLVED THAT in supersession of resolution passed at the Extra-Ordinary General Meeting of the Company held on 14th November, 2007 under section 293 (1)(d) of the Companies Act, 1956, and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof) and the Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’ which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from one or more Banks, Financial Institutions and other persons, firms, bodies corporate, whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up Capital of the Company and its Free Reserves (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding amount at any point of time, shall not exceed the sum of Rs. 200 crores (Rupees Two Hundred Crores only).”

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange and settle the terms and conditions on which all such moneys are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things to sign and execute all such documents, deeds, applications, instruments and writings on behalf of the company as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or the Managing Director or any Director or any other Officer or Officers of the Company to give effect to this resolution.”

14. To consider and if thought fit to pass, with or without modification/s, the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of resolution passed at the Annual General Meeting of the Company held on 31st July, 2013 under section 293 (1) (a) of the Companies Act, 1956 and pursuant to the provisions of Section 180(1) (a) of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof), the consent of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”) to create and/or to modify mortgage(s)/hypothecation(s)/pledge(s)/charge(s)/security in addition to existing mortgages, hypothecations, pledge(s), charges or security created by the Company in favour of Lenders to secure all credit facilities, term loans in such form and manner and with such ranking and at such time and on such terms as the Board of Directors (hereinafter referred to as the “Board”) may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to the lender(s), agent(s) and trustee(s) to take over the management of business and concern of the Company in certain events, provided that the total amount of credit facilities or loans together with interest at the respective agreed rates, additional interest, in case of default, accumulated interest, liquidated damages, commitment charges, premium on prepayment, remuneration of the agent(s) and/or trustee(s), all other costs, charges and expenses, and all other monies payable by the Company in terms of the Loan Agreement(s), Agreement(s), or other Agreements or any other document, entered into/to be entered into between the Company and the lender(s)/agent(s) and/or trustee(s), in respect of which such mortgages/hypothecation(s)/pledge(s)/charge(s) or security are created/ to be created, shall not, at any time exceed the limit of Rs. 200 crores (rupees Two Hundred Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Managing Director or any Director or any other Officer or Officers of the Company to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai (Registration No. 104607W), be and are hereby appointed as the Joint statutory auditors of the Company, for a term of Five years to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting held for the Financial year 2018-19 of the Company on such remuneration as may be determined by the Board of Directors subject to ratification by members at every Annual General Meeting .”

16. To consider and if thought it, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 188(1)(a) and (d) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the members of the Company by means of a Special Resolution be and is hereby accorded to the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any committee which the Board may constitute for this purpose) for execution of contracts with the Related parties as set out below and in which the Whole Time Directors and the Managing Director are interested, to sell, purchase or supply of any of goods or materials and to avail or render any service of any nature, as the Board in its discretion deem proper, as per the terms and conditions set out and in the explanatory statement annexed to Notice convening this meeting;

Name of Related Party	Nature of relationship	Particulars of the contract or arrangement	Nature, material terms, monetary value (Rs. in crore) (per annum)	Any other information relevant or important for the members to make a decision on the proposed transaction
ADF Foods (India) Ltd	Wholly owned subsidiary	Sale, purchase or supply of any goods or materials and/ or availing of any services	50.00	Duration of Contract is from 01 st April, 2014 to 31 st March, 2017
ADF Foods UK Ltd	Wholly owned subsidiary	Sale, purchase or supply of any goods or materials and/ or availing of any services	50.00	Duration of Contract is from 01 st April, 2014 to 31 st March, 2017
ADF Holdings (USA) Ltd	Step down Subsidiary	Sale, purchase or supply of any goods or materials and/ or availing of any services	50.00	Duration of Contract is from 01 st April, 2014 to 31 st March, 2017
ADF Foods (USA) Ltd	Step down Subsidiary	Sale, purchase or supply of any goods or materials and/ or availing of any services	50.00	Duration of Contract is from 01 st April, 2014 to 31 st March, 2017
M H Foods Pvt. Ltd	Being Relatives	Sale, purchase or supply of any goods or materials and/ or availing of any services	0.10	Duration of Contract is from 01 st April, 2014 to 31 st March, 2017

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

17. To consider and if thought it, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the Special Resolution passed by the members at the Annual General Meeting of the Company held on 08th August, 2012 under the erstwhile Section 314 (1B) of the Companies Act, 1956 and pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 and other applicable provisions, if any, or any statutory modification(s) thereto or re-enactments thereof, the approval of the Company be and is hereby accorded to the appointment of Mr. Mishal A. Thakkar, a relative of a Director Mr. Ashok H. Thakkar (DIN: 00087465) to hold an office or place of profit in the Company as Senior Manager (Operations), for a period of 1(one) year with effect from 1st October, 2014 on terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this meeting and to his holding and continuing to hold an office or place of profit as such in the Company.

RESOLVED FURTHER THAT the Directors and the Company Secretary of the Company be and are hereby authorized to execute any statement, declaration, undertaking and do all such acts, deeds and things as are necessary to give effect to the aforesaid resolution.”

NOTES

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

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

2. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 relating to special business to be transacted at the meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 13th September, 2014 to Wednesday, 24th September, 2014 (both days inclusive)
4. The dividend, if any, which may be declared, shall be payable on or before Monday, 20th October, 2014 to those Members of the Company whose names appear:-
 - a) as Beneficial Owners as at the close of the business hours on Friday, 12th September, 2014 as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. in respect of the shares held in electronic form; and
 - b) as Members in the Register of Members of the Company as on Friday, 12th September, 2014 in respect of shares held in physical form.
5. 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 DPs accordingly.
6. Members are hereby informed that dividends for the Financial Year 2006-07 (Final), 2007-08 (Interim), 2007-08 (Final), 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 remaining unpaid or unclaimed over a period of seven years from the date of transfer of such dividends to the respective Unpaid Dividend Account of the Company have to be transferred by the Company to the Investor Education and Protection Fund (IEPF).

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
2006-07	Final	Re. 1	29 th September 2007	30 th October, 2014
2007-08	Interim	Re. 1	30 th November 2007	29 th December, 2014
2007-08	Final	Re. 1	9 th June 2008	09 th July, 2015
2008-09	Final	Rs.1.50	17 th June 2009	16 th July, 2016
2009-10	Final	Rs.1.50	28 th July 2010	28 th August, 2017
2010-11	Final	Rs. 1.50	15 th July 2011	17 th August, 2018
2011-12	Final	Rs. 1.50	8 th August 2012	9 th September, 2019
2012-13	Final	Rs. 1.50	31 st July, 2013	31 st August, 2020

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

As per the notification issued by the Ministry of Corporate Affairs, the Company shall upload on its Website the list of Shareholders whose dividend has been determined as unpaid/ unclaimed pertaining to various Dividend accounts maintained by the Company from the Financial Year 2006-07 onwards. The said list shall be updated every year within Ninety (90) days from the date of Annual General Meeting.

7. 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.
8. Members holding shares in physical form are requested to send the change in address/status, if any, immediately to the Company's Registrar & Transfer Agents.
9. 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 the 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& Transfer Agents.
10. Members who would like to ask any questions on the accounts are requested to send their questions to the Registered Office of the Company atleast 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
11. The Members or proxies are requested to bring the attendance slip duly filled in and signed for attending the meeting. They are also requested to bring their copies of Annual report to the Annual General Meeting.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. Electronic copy of the Annual Report 2014 is being sent to the members whose e-mail IDs are registered with the Company/Depository Participant(s) for communication purpose unless any member has requested for a physical copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report 2014 is being sent in the permitted mode.

Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report 2014 will also be available on the Company's website www.adf-foods.com .

14. 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 NSDL, on all resolutions set forth in this Notice.

The instructions for e-voting are as under:

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
 - i. Open the e-mail and also open PDF file namely “ADF e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - ii. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 - iii. Click on Shareholder – Login.
 - iv. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 - v. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both.

Please take utmost care to keep your password confidential.

- vii. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
- viii. Select “EVEN” (E-Voting Event Number) of ADF Foods Ltd.

Now you are ready for e-voting as Cast Vote page opens.

- ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
 - x. Upon confirmation, the message “Vote cast successfully” will be displayed.
 - xi. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
 - xii. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to adf.scrutinizer@gmail.com, with a copy marked to evoting@nsdl.co.in.
 - xiii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
 - i. Initial password is provided below/at the bottom of the Attendance Slip for the AGM: EVEN (E-Voting Event Number), user ID and password.
 - ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) above, to cast vote.

C. Other Instructions:

- i. The e-voting period commences on September 18, 2014 (9.30 a.m. IST) and ends on September 20, 2014 (5.30 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on August 15, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on August 15, 2014.
- iii. Mr. Sanjay Risbud, Practicing Company Secretary (Membership No. ACS 13774), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- v. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.adf-foods.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the 24th AGM of the Company on September 24, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By order of the Board
For ADF FOODS LTD

Shalaka Ovalekar
Company Secretary

Mumbai, 11th August, 2014

Regd. Office :

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

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

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

CIN: L15400GJ1990PLC014265

ANNEXURE TO NOTICE DATED 11TH AUGUST, 2014

Pursuant to Clause 49 of the listing Agreement with the Stock exchanges, following information is furnished about the Director proposed to be re-appointed :

Mr. Ashok H. Thakkar

Mr. Ashok H. Thakkar (age: 61), joined the family business in 1971 which was then a Partnership firm viz. M/s. American Dry Fruit Stores. In 1972, he was elevated as a Managing Partner and continued until 1992 when the said Partnership firm transformed into a Public Limited Company viz. ADF Foods Ltd. He has played a very instrumental role in promoting the Company's products in the international markets, development of Brands and tapping new markets for the Company. His exemplary contribution and guidance has enabled the Company to grow in size over the years. Mr. Ashok Thakkar served as the Vice Chairman of the Company before being appointed as the Chairman of the Company in August, 2014.

Presently, Mr. Ashok H. Thakkar holds 18,36,354 shares of Rs. 10/- under all his folios.

His directorships and committee memberships of other companies, as on date, are as follows :

Company	Position	Committee Memberships	
		Committee	Position
Power Brands (Foods) Private Limited (under voluntary liquidation)	Director	Nil	Nil
ADF Foods (India) Ltd.	Director	Nil	Nil
Mishal International (India) Private Limited	Director	Nil	Nil

By order of the Board
For ADF FOODS LTD

Shalaka Ovalekar
 Company Secretary

Mumbai, 11th August, 2014

Regd. Office :

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

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

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

CIN: L15400GJ1990PLC014265

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

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange read with Section 102(1) of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to Item No. 5 to 17 of the Notice.

Item Nos 5 to 7:

Mr. Ashok H. Thakkar was appointed as the Vice Chairman of the Company for three years from 1st October, 2011. Mr. Bimal R. Thakkar was appointed as the Managing Director of the Company for three years from 1st October, 2011. Mr. Bhavesh R. Thakkar was appointed as Executive Director for three years from 1st October, 2011.

The appointment and remuneration payable to Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar was approved by the shareholders in their Annual General Meeting held on 15th July, 2011.

Mr. Ashok H. Thakkar has been designated as the Chairman of the Company vide Board resolution dated 11th August, 2014.

The terms of office of Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar are due to expire on 30th September, 2014.

As per the recommendation of the 'Nomination and Remuneration Committee' and at the meeting of Board Of Directors of the Company held on 11th August, 2014 it was decided to renew employment agreements of the above Managerial Personnel, subject to the approval of the shareholders in the ensuing Annual General Meeting,

- (a) Mr. Ashok H. Thakkar, Chairman liable to retire by rotation for a period of One year from 1st October, 2014.
- (b) Mr. Bimal R. Thakkar, Managing Director liable to retire by rotation for a period of One year from 1st October, 2014.
- (c) Mr. Bhavesh R. Thakkar, Executive Director liable to retire by rotation for a period of One year from 1st October, 2014

The appointment of Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar as aforesaid and the remuneration payable to them will require the approval of the members in General Meeting pursuant to Sections 196, 197 read with Schedule V of the Companies Act, 2013.

The material terms of draft supplementary agreement between the company and Mr. Ashok H. Thakkar as referred to in the resolution at item no. 5 of the notice are as under :

- a) Monthly basic salary Rs.3,10,000 (From 1st October, 2014 till 30th September, 2015);
- b) House rent allowance at 5% of basic salary ;
- c) Reimbursement of medical expenses incurred by him and his family subject to a ceiling of half month's basic salary in a year;
- d) Leave Travel allowance for himself and his family once in a year subject to a ceiling of half month's basic salary in a year.
- e) Leave encashment as per the Company's policy. In case leave is not availed of, encashment of the same will be done at the end of his tenure under the Agreement ;
- f) Personal Accident Insurance and mediclaim insurance for self and family not exceeding Rs. 30,000/-;
- g) Contribution to the Company's Provident Fund, Superannuation Fund and Annuity Fund, as may be applicable, in accordance with the rules of the Funds ;
- h) Gratuity payable in accordance with the Company's scheme ;
- i) Reimbursement of the expenses including but not limited to the following expenses actually and properly incurred by him for the business of the Company and will not be considered as perquisite ;
 - 1) Actual expenses incurred for the Company's business including travel, hotel and other related expenses for himself incurred in India and abroad.
 - 2) provision of two cars with drivers for use on Company's business ;

- 3) telephone at residence for official purpose ;
 - 4) Expenses incurred in respect of books and periodicals at actual against submission of supportings.
 - 5) Subscription or reimbursement of club fees on actual basis.
- j) Commission on Net Profit as calculated u/s. 198 of the Companies Act, 2013 at such rate as may be fixed by the Board of Directors for the financial year subject to over all ceiling as fixed u/s. 197 of the Companies Act, 2013.

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

Approval is also requested for the payment of remuneration by the Company to Mr. Ashok H. Thakkar by way of salary and perquisites subject to limits prescribed in Section II of Part II of Schedule V of the Companies Act, 2013.

The material terms of draft supplementary agreement between the company and Mr. Bimal R. Thakkar as referred to in the resolution at item no. 6 of the notice are as under :

- a) Monthly basic salary Rs.3,10,000 (From 1st October, 2014 till 30th September, 2015);
- b) House rent allowance at 5% of basic salary ;
- c) Reimbursement of medical expenses incurred by him and his family subject to a ceiling of half month's basic salary in a year;
- d) Leave Travel allowance for himself and his family once in a year subject to a ceiling of half month's basic salary in a year.
- e) Leave encashment as per the Company's policy . In case leave is not availed of, encashment of the same will be done at the end of his tenure under the Agreement ;
- f) Personal Accident Insurance and mediclaim insurance for self and family not exceeding Rs. 30,000;
- g) Contribution to the Company's Provident Fund, Superannuation Fund and Annuity Fund, as may be applicable, in accordance with the rules of the Funds ;
- h) Gratuity payable in accordance with the Company's scheme ;
- i) Reimbursement of the expenses including but not limited to the following expenses actually and properly incurred by him for the business of the Company and will not be considered as perquisite ;
 - 1) Actual expenses incurred for the Company's business including travel, hotel and other related expenses for himself incurred in India and abroad.
 - 2) Provision of two cars with drivers for use on Company's business ;
 - 3) Telephone at residence for official purpose ;
 - 4) Expenses incurred in respect of books and periodicals at actual against submission of supportings.
 - 5) Subscription or reimbursement of club fees on actual basis.
- j) Commission on Net Profit as calculated u/s. 198 of the Companies Act, 2013 at such rate as may be fixed by the Board of Directors for the financial year subject to over all ceiling as fixed u/s. 197 of the Companies Act, 2013.

In the financial year during the currency of the tenure of Mr. Bimal R. Thakkar, Managing Director, if the Company has no profits or its profits are inadequate, the remuneration to be paid to Mr. Bimal R. Thakkar, Managing Director shall be as per monetary ceiling prescribed in Section II of Part II of Schedule V of the Companies Act, 2013 or as may be modified from time to time or such monetary limits as may be prescribed by the Central Government from time to time. Approval is also requested for the payment of remuneration by the Company to Mr. Bimal R. Thakkar by way of salary and perquisites subject to limits prescribed Section II of Part II Schedule V of the Companies Act, 2013.

The material terms of draft supplementary agreement between the company and Mr. Bhavesh R. Thakkar as referred to in the resolution at item no. 7 of the notice are as under :

- a) Monthly basic salary Rs.3,10,000 (From 1st October, 2014 till 30th September, 2015);
- b) House rent allowance at 5% of basic salary ;
- c) Reimbursement of medical expenses incurred by him and his family subject to a ceiling of half month's basic salary in a year;
- d) Leave Travel allowance for himself and his family once in a year subject to a ceiling of half month's basic salary in a year;
- e) Leave encashment as per the Company's policy . In case leave is not availed of, encashment of the same will be done at the end of his tenure under the Agreement ;
- f) Personal Accident Insurance and mediclaim insurance for self and family not exceeding Rs. 30,000/-;
- g) Contribution to the Company's Provident Fund, Superannuation Fund and Annuity Fund, as may be applicable, in accordance with the rules of the Funds ;
- h) Gratuity payable in accordance with the Company's scheme ;
- i) Reimbursement of the expenses including but not limited to the following expenses actually and properly incurred by him for the business of the Company and will not be considered as perquisite ;
 1. Actual expenses incurred for the Company's business including travel, hotel and other related expenses for himself incurred in India and abroad.
 2. Provision of two cars with drivers for use on Company's business ;
 3. Telephone at residence for official purpose ;
 4. Expenses incurred in respect of books and periodicals at actual against submission of supporting/s.
 5. Subscription or reimbursement of club fees on actual basis.
- j) Commission on Net Profit as calculated u/s. 198 of the Companies Act, 2013 at such rate as may be fixed by the Board of Directors for the financial year subject to over all ceiling as fixed u/s. 197 of the Companies Act, 2013.

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

Approval is also requested for the payment of remuneration by the Company to Mr. Bhavesh R. Thakkar by way of salary and perquisites subject to limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar satisfy all the conditions set out in Part I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act being eligible for their re-appointment. They are not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as written memorandum of interest setting out the terms of re-appointment of Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar under Section 190 of the Act.

Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar are interested in the resolutions set out respectively at Item nos. 5, 6, and 7 of the Notice, which pertains to their respective re-appointments and remuneration payable to each of them.

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

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

Copies of the aforesaid draft supplementary agreements will be available for inspection by the members at the registered office of the Company on any working day (except Saturdays) between 11.00 a.m. to 2.00 p.m. upto the date of the meeting.

The Board recommends the resolutions as set out at Item Nos. 5, 6 and 7 of the notice for your approval.

Item no. 8 to 12

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr. Nipun C Shah, Mr. Yasir J Varawala, Mr. Viren A Merchant, Mr. Jay M Mehta and Mr. Ravinder K Jain as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act. The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 inter alia stipulates the conditions for the appointment of Independent Directors by a listed company. The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval. The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office of the Company on all working days (except Saturdays) between 11.00 a.m. to 2.00 p.m. upto the date of the Meeting.

The brief profile of the Independent Directors to be appointed is given below:

Mr. Nipun C. Shah

Mr. Nipun C. Shah (age : 52) is a fellow member of Institute of Chartered Accountants of India. He has been in practice as a Chartered Accountant since 1988. His area of practice covers Management Consultancy, Portfolio Management, Taxation and Auditing. He is a senior partner in Nipun Sudhir & Associates, Chartered Accountants.

Presently, Mr. Nipun Shah holds 54,450 equity shares of Rs. 10/- each of the Company as First holder and 24,153 equity shares of Rs. 10/- each as joint holder.

Mr. Yasir J. Varawala

Mr. Yasir J. Varawala (age: 49) is a fellow member of the Institute Of Chartered Accountants of India and is a rank holder on all India level. He has 25 years of post qualification experience and has an expertise in the field of taxation and auditing.

Presently Mr. Varawala holds 50,000 equity shares of Rs. 10/- each of the Company as First holder and 2,000 shares as joint holder.

Mr. Viren A. Merchant

Mr. Viren A. Merchant (age: 48) has decades of experience and expertise in Business Management. He is the Vice Chairman & C.E.O. of ZYG Pharma Pvt. Ltd., a leading manufacturer of Dermatological Creams, Ointments, Lotions and solutions manufactured in Technical Collaboration with Schering Plough Corporation, U.S.A. He is also the Vice-Chairman & C. E. O. of Encore Healthcare Pvt. Ltd., a leading manufacture of tablets, capsules and syrups.

Presently, Mr. Viren A. Merchant holds 50,000 shares under his individual folio and 18,500 equity shares of Rs. 10/- each as a joint holder.

Mr. Jay M. Mehta

Mr. Jay M. Mehta (age: 53) has done B.S. (Industrial Engineering) from Columbia University, New York, U.S.A. with a MBA Degree from IMD, Lausanne, Switzerland. Mr. Mehta is the Executive Vice Chairman of Gujarat Sidhee Cement Limited and Saurashtra Cement Limited and is on the Board of various other private and public limited companies.

Presently, Mr. Jay M. Mehta holds 50,000 equity shares of Rs. 10/- each under his individual folio of the Company.

Mr. Ravinder Kumar Jain

Mr. Ravinder Kumar Jain (age: 67) is a Chemical Engineer from IIT, Delhi and has done a Post Graduate Diploma in Business Administration from IIM, Ahmedabad.

He started his career in 1971 with Warner Hindustan Ltd., a pharma company as a Product manager. He joined UB Group in 1974 as Brand Manager (Wines & Spirits) in Herbertsons Ltd. and moved on to Head of McDowell and Co., another group company. In 1992, he joined Shaw Wallace Ltd. as Managing Director which position he held until he left in 1999. Thereafter he was Managing Director of Millennium Alcobev Pvt. Ltd. a joint Venture (JV) of Scottish & Newcastle, a British company, UB Group and himself. In 2006, he exited the JV by selling his stake to his other partners. In 2006 Mr Jain promoted Vallee de Vin Pvt. Ltd, A company engaged in manufacture, branding and distribution of wines under the brand names of Zampa and One Tree Hill. In 2012 Vallee de Vin Pvt Ltd merged with another leading wine company Grover Vineyard Ltd to form Grover Zampa Vineyards Ltd. Company owns famous brands such as Grover La Reserve and Grover Art Collection etc.

Mr. Ravinder Kumar Jain has spent almost 40 years in beverage alcohol industry. He has been instrumental in developing several green field business in this industry as well as many well known brands like McDowell's Whisky, Bagpiper Whisky etc. Mr. Jain has also been involved in many mergers and acquisitions and has wide experience in managing of large conglomerates.

Presently Mr. Jain holds 50,000 equity shares of Rs. 10/- each of the Company under his individual folio.

Except the independent directors as listed above, none of the directors/Key Managerial Personnel of the company /their relatives is, in any way, concerned or interested financially or otherwise, in the resolution set out at Item Nos. 8 to 12 of the Notice. The relatives of the independent directors may be deemed to be interested in the aforesaid resolution to the extent of their shareholding interest, if any, of the Company.

The Board recommends the Ordinary Resolutions set out at Item Nos. 8 to 12 of the Notice for approval of the shareholders.

Item no. 13

Under the erstwhile Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company could, with the consent of the shareholders obtained by an Ordinary Resolution, borrow moneys, apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

Under the provisions of Section 180 (1)(c) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto 11th September, 2014. As such it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to borrow moneys, apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of paid up capital and free reserves of the Company. The borrowing limit of Rs. 200 Crores under the earlier resolution passed by the shareholders at the Extra-Ordinary General Meeting of the Company held on 14th November, 2007 remains unchanged.

None of the directors/Key Managerial Personnel of the company /their relatives is, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 13 of the Notice.

The Board recommends the Special Resolution set out at Item No. 13 of the Notice for approval of the shareholders.

Item no. 14

Under the erstwhile Section 293(1)(a) of the Companies Act, 1956, the Board of Directors of the Company could, with the consent of the shareholders obtained by an Ordinary Resolution, create charge/mortgage/hypothecation on the company's assets, both present and future, in favour of the lenders, to secure the repayment of moneys borrowed by the Company.

Under the provisions of Section 180(1)(a) of the Companies Act, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per a clarification issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013 i.e. upto 11th September, 2014. As such it is necessary to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create/mortgage/hypothecation/pledge/charge or security in any form on the company's assets, both present and future, in favour of the Lenders, to secure the repayment of moneys borrowed by the company (including fund based and non fund based working capital credit facilities/temporary loans obtained from the Company's bankers in the ordinary course of business). As the documents to be executed between the Company and the Lenders may contain the powers to take over the management of the company in certain events, it is necessary to obtain Member's approval under Section 180(1)(a) of the Companies Act, 2013 by way of a Special Resolution.

The existing limit of Rs. 200 crores remains unchanged.

None of the directors/Key Managerial Personnel of the company /their relatives is, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 14 of the Notice.

The Board recommends the Special Resolution set out at Item No. 14 of the Notice for approval of the shareholders.

Item No. 15 :

In view of the volume of the business activities of the company, the Board of Directors feels it necessary to recommend appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai (Regn no: 104607W) as joint auditors for a term of five years from the conclusion of the ensuing Annual General Meeting subject to ratification by members at every Annual General Meeting. The Company has received a special notice under Section 115 of the Companies Act, 2013 proposing the name of M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai as joint auditors. The copies of the said notice will be available for inspection by the members at the registered office of the Company on any working day (except Saturday) between 11.00 a.m. to 2.00 p.m.

A written certificate has been obtained from M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai, to the effect that the said appointment, if made will be in accordance with regulations as specified under Section 141 of the Companies Act, 2013.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 15 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 15 of the Notice for approval of the shareholders.

Item no 16:

Pursuant to provisions of Section 188 of the Companies Act, 2013 read with Companies (Meetings of Board and Its Powers) Rules, 2014 deal with regard to transaction with related party as defined u/s 2(76) of the Act, with the prior approval of the shareholders accorded by way of a Special Resolution.

Further third proviso of Section 188(1) provides that nothing in this sub-section shall apply to the Company in its ordinary course of business other than the transactions which are not on an arms' length basis.

Accordingly as required under Companies Act, 2013 and subject to member's approval, the Audit Committee and Board of Directors of your company have approved the following related party transactions along with the limits that the Company may enter into with the Related Parties.

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

Name of Related Party	Name of the Director or Key Managerial Personnel who is related	Nature of relationship	Particulars of the contract or arrangement	Nature, material terms, monetary value (Rs. in crore) (per annum)	Any other information relevant or important for the members to make a decision on the proposed transaction
ADF Foods (India) Ltd	-	Wholly owned subsidiary	Sale, purchase or supply of any goods or materials and/or availing of any services	50.00	Duration of Contract is from 01 st April, 2014 to 31 st March, 2017
ADF Foods UK Ltd	-	Wholly owned subsidiary	Sale, purchase or supply of any goods or materials and/or availing of any services	50.00	Duration of Contract is from 01 st April, 2014 to 31 st March, 2017
ADF Holdings (USA) Ltd	-	Step down Subsidiary	Sale, purchase or supply of any goods or materials and/or availing of any services	50.00	Duration of Contract is from 01 st April, 2014 to 31 st March, 2017
ADF Foods (USA) Ltd	-	Step down Subsidiary	Sale, purchase or supply of any goods or materials and/or availing of any services	50.00	Duration of Contract is from 01 st April, 2014 to 31 st March, 2017
M H Foods Pvt. Ltd	Mr. Ashok H. Thakkar Mr. Bimal R. Thakkar Mr. Bhavesh R. Thakkar	Being Relatives	Sale, purchase or supply of any goods or materials and/or availing of any services	0.10	Duration of Contract is from 01 st April, 2014 to 31 st March, 2017

Further pursuant to second proviso of Section 188(1) of the Act, no member shall vote on such special resolution, to approve any contract or arrangement which may be entered by the Company, if such member is a related party.

The Audit Committee and Board of Directors have approved this item in the Board meeting held on 11th August, 2014 and recommends the resolution as set out in the accompanying notice for the approval of members of the Company as Special Resolution.

The draft copy of respective Agreement(s) setting broad terms and conditions and other relevant documents, register etc. are open for inspection during the business hours between 11.00 a.m. to 2.00 p.m. on all working days (except Saturday) at the registered office of the Company upto the date of Annual General Meeting.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, except Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar in the Special Resolution set out at Item No. 17 of the Notice.

Item No. 17 :

Mr. Mishal A. Thakkar was appointed as Manager (Operations) in the Company for a period of three years from 17th June, 2012. The said appointment was approved by the members in the Annual General Meeting held on 8th August, 2012.

Mr. Mishal A Thakkar holds a Business Management Degree from the University of Central Lancashire, UK and joined the company as a Trainee Officer in February 2007. Currently he is holding the position of Manager (Operations) since June 2009. His job profile includes the processing and managing of orders & their dispatch, sourcing and importing material and dealing with international Vendors.

At the meeting of Board Of Directors of the Company held on 11th August, 2014 it was decided to appoint Mr. Mishal Thakkar to hold office or place of profit as Senior Manager (Operations) for a period of 1 (One) year with effect from 1st October, 2014 on revised remuneration in supersession of the special resolution passed at the Annual General Meeting of the Company held on 08th August, 2012 .

As Mr. Mishal A. Thakkar is the son of Mr. Ashok H. Thakkar, Chairman of the Company, his appointment is subject to approval of the members by way of a special resolution under Section 188(1)(f) of the Companies Act, 2013.

The material terms of draft agreement between the Company and Mr. Mishal A. Thakkar as referred to in the resolution at item no. 17 of the notice are as under :

1. Monthly Salary: Rs. 54,000 (from 1st October, 2014 till 30th September, 2015);
2. House Rent Allowance: 40 % of Basic;
3. Leave Travel Allowance for himself and his family in accordance with the rules of the Company subject to a ceiling of ½ months basic salary in a year;
4. Reimbursement of Medical expenses incurred by him and his family subject to a ceiling of ½ months basic salary in a year;
5. Ex-gratia to be given at the time of Diwali after completion of the financial year subject to a ceiling of one month's basic salary;
6. Contribution to the Company's Provident Fund in accordance with the rules of the Funds;
7. Gratuity payable in accordance with the Company's scheme;
8. Provision of a car for use on company's business;
9. Reimbursement of expenses actually and properly incurred by him for the business of the Company and will not be considered as perquisite.

Copies of the aforesaid draft agreement will be available for inspection by the members at the registered office of the Company on any working day (Except Saturdays) between 11.00 a.m. to 2.00 p.m. upto the date of the meeting.

Except Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar, being related to Mr. Mishal A. Thakkar, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution as set out in Item No. 17.

The Board recommends the resolution as set out at Item No. 17 of the notice for your approval.

By order of the Board.
For ADF FOODS LTD.

Shalaka Ovalekar
Company Secretary

Mumbai, 11th August, 2014

Regd. Office :

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

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

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

CIN: L15400GJ1990PLC014265

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Fourth Annual Report together with the Audited Financial Statements for the year ended 31st March 2014.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2014 is summarized below:

(Rs. in Lakhs)

Particulars	2013-14	2012-13
Net sales/Income from operation	14,181.40	12,969.15
Other Income	399.23	340.36
Total Income	14,580.63	13,309.51
Less: Total expenditure		
Manufacturing & Other Expenses	11,934.74	11,478.58
Depreciation	732.72	414.56
Financial Expenses	113.65	162.57
Profit from ordinary activities after finance cost but before exceptional items	1,799.52	1,253.80
Exceptional Items	-	719.75
Profit before tax	1,799.52	1,973.55
Provision for taxation	468.32	289.02
Deferred tax Assets/ (Liabilities)	86.32	125.96
Net Profit (+) / Loss (-)	1,244.88	1,558.57
Prior Period adjustments (Net off)	-	-
Net Profit(+) / Loss(-)	1,244.88	1558.57
Balance brought forward	6,595.96	5503.49
Dividend declared/ paid	330.00	330.00
Tax on dividend	56.08	56.10
Transfer to General Reserve	90.00	80.00
Balance Carried to the Balance Sheet	7,364.76	6,595.96
EPS (Basic)	5.66	7.59
EPS (Diluted)	5.66	7.59

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

FINANCIAL PERFORMANCE

Standalone results

During the year under review, your Company has recorded revenue from operations (net) of Rs. 141.81 Crore as against Rs. 129.69 Crore in the previous year recording an increase of 9% over the previous year. The Net profit (after tax and extra ordinary items) for the financial year ended 31st March 2014 is Rs. 12.44 crore as against Rs. 15.58 Crore in the previous year. Since the Company had an extraordinary income of Rs. 7.20 crores in the previous financial year, the Profit after Tax for the current year is not comparable with that of the last year.

Consolidated Results

Your Company's revenue from operations (net) for the year under review grew by 16 % to Rs 207.46 Crores as against Rs. 178.95 Crores in the previous year. The net profit (after tax and extra ordinary items) for the year is Rs. 4.77 crores, as against Rs. 13.78 Crores during the previous year . As stated in the above paragraph, the Profit after Tax for the current year is not comparable with that of the previous year on account of extraordinary income in the previous year. Further as the domestic business and the USA business of the Company are on the investment mode, the profitability on a consolidated basis may appear restrained.

DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 1.5 per share (i.e. @ 15 %) for the year ended 31st March 2014. The dividend payout, if approved, will result in outflow of Rs. 386 Lakhs inclusive of Rs. 56.08 Lakhs on account of Dividend Distribution Tax.

BUSINESS DEVELOPMENT

The Domestic market:

This year, your Company's domestic business has grown by about 20% over last fiscal. This is a result of our continuous efforts to bring in constant innovation into our products range catering the market taste buds. Our focus on consumer satisfaction and distribution has helped us further strengthen our portfolio. 'ADF SOUL' brand's presence can now be seen in over 30,000 grocery stores across markets. The Company has successfully covered certain cities in the West, South and North regions of India. The feedback on the products has been very encouraging. The Sales team is closely monitoring the market and feedback from the consumers.

Your Company is also excited about re-branding its Brand 'ADF SOUL' and launching its new look by end of this year. The approaching months will witness introduction of exciting products in Pickles and Pastes category. The re-branding requires heavy investment in the areas of sales promotion, advertisements and other marketing activities . The Company will continue to invest in additional manpower as well as upgrading the core R&D function .

Expansions :

Your Company's Greenfield project in Nadiad shall become operational during the current financial year. The same would increase manufacturing capacity of the Company's core products such as pickles, pastes and chutneys.

U.S.A Operations:

Your Company's U.S.A business has grown by 16% over last fiscal. The U.S.A markets continues to offer us great scope for our products. The Company is confident of generating better results in the years to come.

During the year, the new burritos introduced last year were well received by the customers. This year the Company is planning to introduce a range of new products under its Nate's and PJ's brands and to do new listings in major supermarket chains and natural grocery stores all across U.S.A.

The Company maintains its strategic focus on improvement in the product mix, product rationalization, greater marketing synergies and cost-efficiency throughout the organization.

Like past years, this year also the Company participated in the Gulf Food show held in Dubai and received a favorable response.

TECHNOLOGY AND QUALITY

Your Company is committed to deliver highest quality of products by continuous improvement in terms of product quality and achieving customer satisfaction and delight. Your Company has already obtained various quality certifications such as the

Internationally recognized BRC (British Retail Consortium) Global Standard – Foods, ISO 22000/ HACCP & ISO 9001: 2000 certifications for its plants located at Nadiad, Gujarat and Nashik, Maharashtra.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March 2014 on a 'going concern' basis.

LISTING OF SHARES :

The Company's shares are actively traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSEIL).

CORPORATE GOVERNANCE

In compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance along with Auditors' certificate on its compliance has been provided elsewhere in this Annual Report.

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

DIRECTORS AND SENIOR MANAGEMENT

It is with deep regret that we inform you of the sad demise of our Chairman Mr. Ramesh H Thakkar on the 24th December, 2013. The Directors place on record their deep appreciation for his valuable guidance and assistance received during the tenure as a Promoter Director of the Company.

Consequent to death of Mr. Ramesh H Thakkar, Mr. Ashok H. Thakkar, Vice Chairman has been designated as the Chairman of the Company in the Board meeting held on 11th August, 2014.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ashok H. Thakkar, Director, retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

In terms of Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, the Independent Directors can hold office for a term of up to five (5) consecutive years on the Board of Directors of your Company and are not liable to retire by rotation. Accordingly, it is proposed to appoint Mr. Nipun C Shah, Mr. Yasir J Varawala, Mr. Viren A Merchant, Mr. Jay Mehta and Mr. Ravinder Kumar Jain as Independent Directors of your Company for 5 (five) consecutive years up to 24th September, 2014.

The brief particulars of all the Directors, for which approval of members for their reappointment is sought, have been provided in the Notice of the Twenty fourth Annual General Meeting pursuant to the Clause 49 of the Listing Agreement relating to Corporate Governance.

AUDITORS AND THEIR REPORT

M/s. BSR & Co. LLP, Chartered Accountants, Mumbai were appointed as the Statutory Auditors jointly with M/s. D.P. Ghevaria & Co., Chartered Accountants by the Members at the last Annual General Meeting held on 31st July, 2013.

M/s. BSR & Co. LLP had tendered their resignation w.e.f. 24th May, 2014 and had expressed their inability to continue as Statutory Auditors of the Company. In view of this resignation, other joint Auditor M/s. D.P. Ghevaria & Co. continues as the sole Auditor till the ensuing Annual General Meeting.

For the financial year 2014-15, it is proposed to appoint M/s. D.P. Ghevaria & Co., Chartered Accountants, Mumbai as Statutory Auditors subject to approval of members in the ensuing Annual General Meeting.

It is also proposed to appoint M/s. kalyaniwalla & Mistry, Chartered Accountants, Mumbai, as the joint statutory Auditors for a term of five years from conclusion of the ensuing Annual General Meeting subject to approval of the members in the ensuing Annual General Meeting.

The Company has received letters from both the Auditors to the effect that their appointment/re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for appointment/re-appointment.

There are no qualifications contained, in the Auditors Report and therefore there are no further explanations to be provided for in this report.

COST AUDIT

The Company's Cost Auditors, M/s Girikrishna S Maniar, Cost Accountants, conducted the Cost Audit for the financial year 2012-13 and the Cost Audit Report submitted by them was filed with the Central Government accordingly. The Cost Audit Report for the financial year 2013-14 is in the process of being filed with the Central Government.

INTERNAL AUDIT

M/s. Suresh Gandhi & Associates, Surat, and M/s. Pipalia Singhal & Associates, Mumbai, Chartered Accountant Firms, have been associated with your Company as its internal auditor.

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.

WHISTLE BLOWER POLICY

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

With the adoption of this policy, the Company has put in place a mechanism wherein the Employees and the Directors 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. 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. The mechanism shall be reviewed by the Audit Committee of the Company (in accordance with the Listing Agreement).

Whistle Blower Policy of the Company is displayed on the Company's website www.adf-foods.com

RISK MANAGEMENT

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.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is appended hereto and forms part of this report.

TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, dividends pertaining to financial year 2005-06 & 2006-07 (Interim) amounting to Rs. 575,302/- and Rs. 676,523/- respectively which remained unpaid or unclaimed for a period of 7 years was transferred by the Company to the Investor Education and Protection Fund.

PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration exceeding the monetary ceiling of Rs. 60 lakhs or more per annum or Rs. 5 Lakhs or more per month, if employed for a part of the year prescribed under Section 217 (2A) of the Companies Act, 1956 and the Rules made thereunder.

SUBSIDIARY COMPANIES

Your Company has three subsidiaries namely 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.

Power Brands (Foods) Private Limited:

M/s Power Brands (Foods) Pvt. Ltd, 99.99% Subsidiary of the Company, is undergoing Voluntary Liquidation vide Special resolution passed by the Members on 5th November, 2012.

In accordance with the general circular issued by the Ministry Of Corporate Affairs, Government Of India, the annual accounts of the subsidiary companies are not being attached with the financial statements of the Company. The Company will make available the Annual Accounts of the subsidiaries and the related detailed information to any Member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the head office of the holding company and of the subsidiaries concerned and shall be available on the Company's website. Further as required under Listing agreement with the Stock Exchanges, a consolidated financial statement of the Company and all its subsidiaries is attached. We believe that the consolidated accounts present a full and fair picture of the state of affairs and the financial conditions and are globally accepted.

Further as required, the brief financial data of the subsidiaries has been furnished under the head 'Statement pursuant to Section 212(8) of the Companies Act, 1956', related to subsidiary companies forming part of the annual Report.

CASH FLOW STATEMENT

The Cash Flow Statement pursuant to Clause 32 of the Listing agreement is annexed to this Report.

CONSOLIDATED ACCOUNTS

In compliance with Clause 32 of the Listing Agreement with the Stock Exchanges and in accordance with the requirements of Accounting Standards AS-21 prescribed by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company and its subsidiaries are annexed to this Report.

DEPOSIT

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 during the financial year 2013-14.

HUMAN RESOURCE AND EMPLOYEE RELATIONS

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

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

Ashok H. Thakkar
Chairman

Mumbai, 11th August, 2014

Regd. Office :

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

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

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

CIN: L15400GJ1990PLC014265

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE I

Information under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2014

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 :-

	2013-14	2012-13
I Electricity		
a. Purchased Units (KWH)	2,791,314	2,967,165
Total Amount (Rs.)	19,790,478	20,703,389
Average Rate/Unit (Rs.)	7.09	6.98
b. Own Generation		
i. Through Diesel Generator	N.A.	N.A.
Units (KWH)		
Units/Lt.of Diesel		
Cost/Unit (Rs.)		
ii. Through Steam Turbine/Generator	N.A.	N.A.
2 Agro waste & Fire Wood:		
Quantity (kgs)	954,790	826,530
Total Amount (Rs.)	4,318,235	3,739,571
Average Rate/KL (Rs.)	4.52	4.52
3 Fuel Furnace Oil + Light Diesel		
Quantity (K.L.)	299,694	290,762
Total Amount (Rs.)	13,139,117	11,624,638
Average Rate/KL (Rs.)	43.84	39.98
4 Others/internal Generation	N.A.	N.A.

(B) Consumption per unit of production:

Products(with details)

Unit, Electricity, Furnace oil, Agro waste, Coal (specify quantity)
 Since the Company manufactures several items viz. Pickles, chutneys, Pastes and other food stuffs, having regard to other books maintained by the Company, it is impracticable to apportion the utilities.

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

FORM B

Form for disclosure of particulars with respect to absorption

Research and Development (R & D)

1. Specific areas in which R&D carried out by the Company

- Development of new recipes.
- Development of new products.
- Improvement in quality.
- Better packaging.
- Standardisation in packaging.

2. Benefits derived as a result of the above R&D.

Benefits comprise of improved customer satisfaction, introduction of new brands, introduction of new products, meeting world class quality norms, enhancement of exports, reduced costs on packing.

3. The Company will continue its efforts to develop new products, new recipes, reduce costs, improve technology and produce quality products.

4. Expenditure on R&D

	2013-14	2012-13
	Rs.	Rs.
(a) Capital	23864	10423
(b) Recurring	1211843	1019223
(c) Total	1,235,707	1,029,646
(d) Total R&D expenditure as a percentage of total turnover	0.0909%	0.0851%

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:

	2013-14	2012-13
	Rs. (in lacs)	Rs. (in lacs)
Total Foreign Exchange Earned	11714.66	10810.43
Total Foreign Exchange Used	1244.83	929.96

For and on Behalf of the Board of Directors

Ashok H. Thakkar
Chairman

Mumbai, 11th August, 2014

Regd. Office :

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

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

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Industry Structure and Developments

The Indian food processing industry is a high priority sector and is poised for excellent growth in the coming years. The total value of Indian food processing industry is expected to touch US\$ 194 billion by 2015 from a value of US\$ 121 billion in 2012, according to the Indian Council of Agricultural Research (ICAR).

The packaged food sector is presently the fifth largest sector in India and has grown rapidly over the past few years. The industry registered a Compound Annual Growth Rate (CAGR) of 15.6 per cent during FY07-FY13. In India, the industry is largely dominated by ready to eat segment, which contributed nearly 90 per cent of the total sales of packaged foods in India FY13.

The Indian food processing industry is primarily export oriented. India's agri and processed foods exports stood at Rs 116,331.68 crore (US\$ 18.65 billion) during April-March, 2012-13, as compared to Rs 82,480.25 crore (US\$ 13.22 billion) in the corresponding period last year, according to data compiled by the Agricultural and Processed Food Products Export Development Authority (APEDA).

The food processing industry in India attracted foreign direct investments (FDI) worth US\$ 1,970.09 million during April 2000 to July 2013, according to the latest data published by Department of Industrial Policy and Promotion (DIPP).

2. Opportunities, Threats and General Business Outlook

The Company is constantly focusing to establish a strong position in the growing processed foods industry in India and abroad. It is engaged in the manufacturing and trading of various Indian Processed foods. The range of Company's products includes Meal Accompaniments (Pickles, Pastes, Chutneys), Ready-to-eat Curries, Canned Vegetables in Brine, Frozen Foods, Spices in whole and ground form, wet masala, IQF Indian Vegetables, Frozen Parathas, Frozen Continental and Mexican Foods, etc.

The Company is making constant efforts to tap new markets and to innovate and renovate the products in its portfolio to meet changing trends and preferences of the Global consumers. The Company has well established brands and strong distribution networks in Europe, USA, Middle East Countries, Australia, Canada and Asia.

The Domestic market:

The Company's domestic business has grown by about 20% over last fiscal. 'ADF SOUL' brand's presence can now be seen in over 30,000 grocery stores across markets. The Company has successfully covered certain cities in the West, South and North regions of India. The Company will be rebranding its popular brand 'ADF SOUL' and launching its new looks by end of this year. The approaching months will witness introduction of exciting products in Pickles and Pastes category.

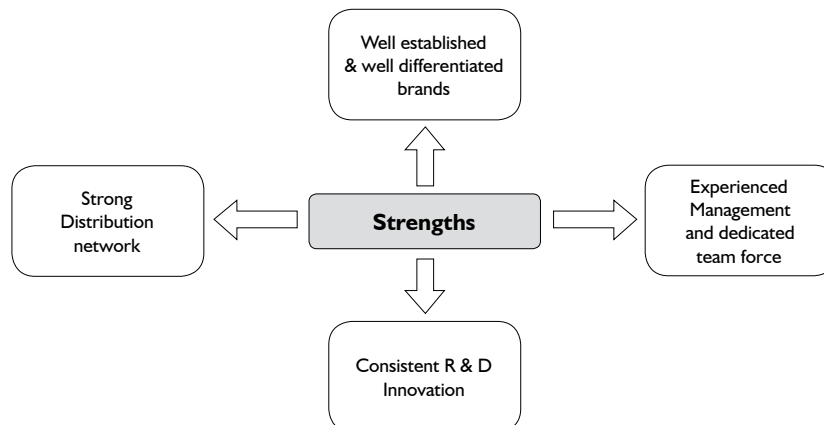
US Operations:

The Company's U.S.A business has grown by 16% over last fiscal.

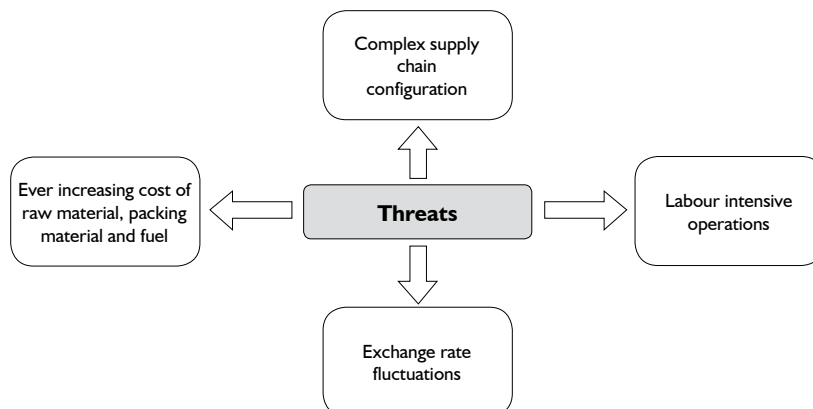
During the year, the new burritos introduced last year were well received by the customers. During this financial year the company is geared up to introduce new products under Nate's and PJ's brands and do new listings in major supermarket chains and natural grocery stores all across U.S.A.

Business Opportunities and threats :

The Company has excellent growth opportunities as it is well equipped with the following strengths :



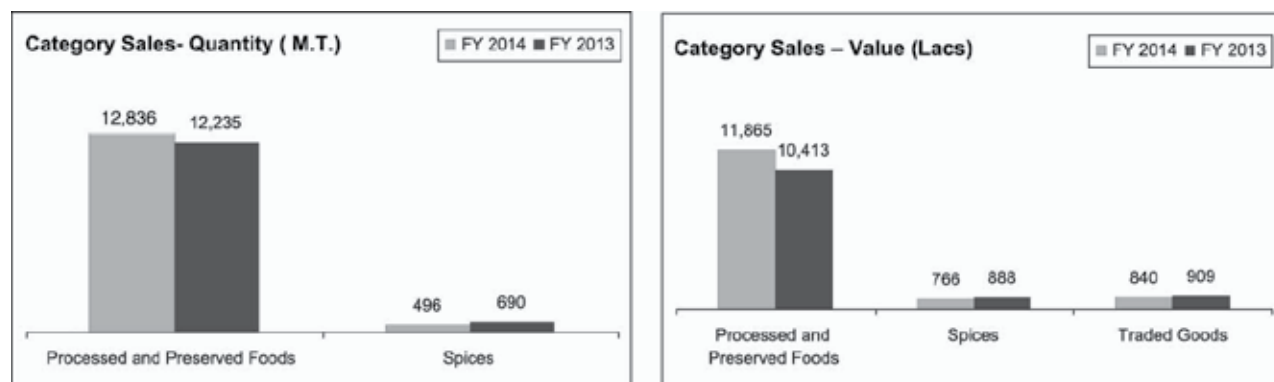
Simultaneously the company is facing certain major threats as under :



3. Product-wise Performance

In accordance with the requirements of Accounting Standard AS-17, “Segmental Reporting”, the Company has determined its business segment as ‘Processed and Preserved Foods’. Since the entire business of the Company is from Processed and Preserved Foods, there are no other primary reportable segments.

The Product-wise Performance of the Company is as follows:



4. Risks and Concerns

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 the same could be mitigated by having a systematic decisions and measures. These industry oriented risks are as listed below :

➤ Competition

Competition, generally perceived as the ‘game changing risk’ is a critical area in Food industry sector. With players continuously entering both the organized as well as unorganized sector, it is bound to increase the pressure on pricing strategies and the demand for Company’s products. There is an apparent rise in the number of international food franchises getting their foothold in India. Even with this, the management is optimistic about its growth .

➤ Food Inflation:

Food Inflation can now be closely associated with the performance of the Food Industry in India. Its correlation to the overall performance of the Company is customary. Since 2010, there has been upsurge in food inflation. In spite of being impacted by the inflationary indexes and it’s repercussions, the Company has been able to drive satisfactory results by managing its operational margins.

➤ **Raw Material prices and operating expenses**

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. The Company is adopting best possible measures to keep operating expenses as much under control and also working on better product mix to maintain the margins

➤ **Exchange Rate Fluctuation**

The Company being engaged in exports, derives approximately 92% of its revenue from export sales. An appreciation of the Indian Rupee can adversely impact the Company's exports. The Company manages this financial risk through booking of forward contracts in the range of approximately 50% of our projected sales.

5. Internal control systems and their adequacy

Identification and monitoring the internal control systems play a crucial role in an organization. The Company has a well established system of internal controls, 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.

Regular audits are conducted by the external agencies at the all the units of the Company in order to ensure the effectiveness and suggest areas of improvement and strengthening. These frequent audits held the Company to identify, gauge and thereby administer the areas where further improvement can be undertaken. The Audit Committee of the Board reviews the adequacy of internal controls.

6. Financial performance with respect to operational performance

Tight budgetary control, over all key operational performance indicators and review of working capital is being exercised for continuous improvement of performance and profitability. Funds have been judiciously deployed to support high quantum of operations without resorting to additional borrowings, wherever possible.

7. Material developments in Human Resources/ Industrial Relations front, including number of people employed

The Company believes in the overall development and continuous growth of its employees. 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 335 employees as on 31st March, 2014.

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 business and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, accountability and equity in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other parties. The Company believes that the Code on Corporate Governance provides a structure by which the rights and responsibilities amongst different participants in the organization, such as the Board, employees and shareholders are distributed. This helps to ensure that the Company's objectives are well defined and performance against those objectives are adequately measured and monitored.

In so far as compliance of Clause 49 of the Listing Agreement of the Stock Exchanges is concerned, the Company has complied in all material respects, with the requirements of Corporate Governance specified in the Listing Agreement of the Bombay Stock Exchange Limited as amended till date.

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

II. BOARD OF DIRECTORS

A. COMPOSITION & MEETINGS

The Board of Directors of your Company represents an optimum mix of professionalism, knowledge and experience. As on 31st March, 2014, the total strength of the Board of Directors of the Company was Eight Directors comprising Three Executive Directors and Five Non-Executive Independent Directors. Your Company immensely benefits from the professional expertise of the Independent Directors in their individual capacity as Independent Professionals/ entrepreneurs and through their valuable experience in achieving corporate excellence. The Non-executive Directors are eminent professionals/ entrepreneurs with wide range of knowledge and experience in business, industry, finance and law.

The composition of the Board, their attendance at the meeting, their Directorship and Memberships of Committees in other Companies as on 31st March, 2014 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	*Directorships in other Companies	* Memberships of Committees of other Companies
		Held	Attended			
Mr. Ramesh H Thakkar (expired on 24 th December 2013)	Chairman Executive Director Promoter	4	1	NO	-	-
Mr. Ashok H. Thakkar	Vice Chairman Executive Director Promoter	4	3	YES	1	1
Mr. Nipun C Shah	Director Non Executive Independent	4	3	YES	1	-
Mr. Yasir J Varawala	Director Non Executive Independent	4	4	NO	1	-
Mr. Jay M Mehta	Director Non Executive Independent	4	1	NO	7	2
Mr. Viren Merchant	Director Non Executive Independent	4	2	NO	-	-
Mr. Bimal R. Thakkar	Managing Director Promoter	4	4	YES	3	1

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	*Directorships in other Companies	* Memberships of Committees of other Companies
		Held	Attended			
Mr. Bhavesh R. Thakkar	Executive Director Promoter	4	0	YES	I	-
Mr. Ravinder Kumar Jain	Director Non Executive Independent	4	3	NO	I	-

*[1] Details of other Directorships and Committee memberships of all Directors are given by way of a separate Annexure.

*[2] Number of Directorships held by the Directors, as mentioned above do not include alternate Directorships and Directorships held in foreign companies, Section 25 Companies and Private Limited Companies incorporated in India.

*[3] Committee membership of only Audit Committee and Shareholders' Grievance Committee of the Companies other than ADF Foods Limited is reckoned.

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

Disclosure of the number of equity shares of the Company held by Non Executive Directors as on 31st March 2014:

Sr. No.	Name of the Non Executive Director	No. of Shares held in the Company (as first holder)
1	Mr. Yasir J Varawala*	50,000
2	Mr. Nipun C Shah*	54,450
3	Mr. Jay Mehta	50,000
4	Mr. Viren Merchant *	50,000
5	Mr. Ravinder Kumar Jain	50,000

* In addition to the above, Mr. Yasir Varawala holds 2,000 shares Mr. Viren Merchant holds 18,500 shares and Mr. Nipun C Shah holds 28,903 shares as joint holders.

B. DETAILS OF SITTING FEES, REMUNERATION, ETC. PAID TO DIRECTORS FOR THE YEAR ENDED 31ST MARCH 2014.

Non-Executive Directors are eligible for only sitting fee not exceeding the limits prescribed under the Companies Act, 1956. The Independent Directors were paid sitting fees @ Rs. 15,000/- for attending every meeting of the Board and Rs. 10,000/- for attending meetings of other Board Committees.

Name of non Executive Director	Sitting fees paid for attending meetings of the Board and/or Audit Committee and/or other Committees
Mr. Nipun C. Shah	Rs. 85,000/-
Mr. Yasir J. Varawala	Rs. 1,30,000/-
Mr. Jay M. Mehta	Rs. 15,000/-
Mr. Viren A. Merchant	Rs. 60,000/-
Mr. Ravinder K. Jain	Rs. 45,000/-

The details of remuneration paid to the Executive Directors during the financial year ended 31st March 2014 are as under:

Sr. No.	Director	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
1	Mr. Ramesh H Thakkar (expired on 24 th December, 2013)	20,17,355	3,42,866	23,60,221
2	Mr. Ashok H. Thakkar	28,98,000	4,63,868	33,61,868
3	Mr. Bimal R. Thakkar	28,98,000	4,59,836	33,57,836
4	Mr. Bhavesh R. Thakkar	28,98,000	4,58,085	33,56,085

NOTES:

- All appointments of Directors are non-contractual except those of Mr. Ramesh H. Thakkar (expired on 24th December, 2013), Chairman, Mr. Ashok H. Thakkar, Vice-Chairman, Mr. Bimal R. Thakkar, Managing Director and Mr. Bhavesh R. Thakkar, Executive Director. Appointment of Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar is for three years with effect from 1st October 2011. The re-appointment of the above managerial personnel is conditional and subject to termination by six calendar months' notice in writing on either side but no severance fees of any other kind is payable.
- Presently, the Company does not have any scheme for grant of Stock Options to its Directors, Managing Director or other employees.
- None of the employees except Mr. Mishal A Thakkar, Manager (Operations) is related to any of the Directors of the Company.

C. 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, 4 meetings of the Board of Directors were held on the following dates:

30th May, 2013, 13th August, 2013, 12th November, 2013, 13th February, 2014.

III. AUDIT COMMITTEE

A. CONSTITUTION & MEETINGS

The Audit Committee was constituted on 13th January 2001. All the members of Audit Committee are Non-Executive and Independent Directors. The Chairman of the Audit Committee is Mr. Nipun C. Shah. The other members of the Audit Committee are Mr. Yasir J. Varawala and Mr. Viren Merchant. The Company Secretary acts as the Secretary to the Committee.

During the year under review, four Audit Committee meetings were held on 29th May, 2013, 12th August, 2013, 11th November, 2013 and 12th February, 2014.

The attendance of each Audit Committee member is given hereunder:

Sr. No.	Name of the Audit Committee Member	No. of meetings attended
1	Mr. Nipun C. Shah - Chairman	4
2	Mr. Yasir J. Varawala	3
3	Mr. Viren Merchant	3

The Executive Directors, General Manager -Finance, General Manager- Accounts and the Statutory Auditors are invited to the Audit Committee meetings.

B. THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

- It shall have the authority to investigate into any matter relating to accounts as referred to it by the Board and for this purpose, shall have full access to information contained in accounting records of the Company.

- Overview of the Company's financial reporting process and manner of disclosure of financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of Statutory Auditors, fixation of audit fees and also approval for payment for any other Services relating thereto.
- Reviewing with the Management the quarterly/ yearly financial statement before submission to the Board.
- Reviewing the adequacy of internal control systems.
- Discussion with internal auditors, any significant findings for follow up.
- Reviewing the uses/ application of funds raised through preferential issue/ rights issue/ public issue
- Looking into the reasons for substantial defaults, if any, in the payment to the shareholders (non- payment of declared dividends, etc.) and creditors, etc.
- And such other matters incidental or as may be delegated by the Board of Directors to the Committee from time to time.

IV SHAREHOLDERS' GRIEVANCE COMMITTEE [renamed as STAKEHOLDERS' RELATIONSHIP/ SHAREHOLDERS GRIEVANCE COMMITTEE in line with the Companies Act, 2013]

A. CONSTITUTION & MEETINGS

The Shareholders' Grievance Committee was constituted on 2nd May 2001. Mr. Ramesh Thakkar ceased to be a Committee member on account of his demise on 24th December, 2013. In his place, Mr. Bimal R. Thakkar, Managing Director has been inducted in the Shareholder's Grievance Committee vide Circular Resolution dated 22nd January, 2014. The Company Secretary acts as the Compliance Officer for the Committee.

During the year, four meetings of the said Committee were held on 29th May 2013, 12th August, 2013, 11th November, 2013 and 12th February, 2014.

The attendance of each member is given hereunder:

Sr. No.	Name of the Shareholders' Grievance Committee Member	No. of meetings attended
1	Mr. Yasir J Varawala – Chairman	4
2	Mr. Ramesh H Thakkar (expired on 24 th December 2013)	3
3	Mr. Bimal R. Thakkar	1

B. THE TERMS OF REFERENCE OF THE SHAREHOLDERS' GRIEVANCE COMMITTEE

The said Committee is entrusted with the same powers and scope as prescribed under Clause 49 of the Listing Agreement viz. Corporate Governance.

The Committee specifically looks into redressing of investors' complaints with respect to non-receipt of shares, non-receipt of declared dividends and ensure expeditious redressal. The Registrar and Share Transfer agents provides 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

20 complaints were received from the shareholders during the financial year ended 31st March 2014, which were attended to by the Registrar and Transfer Agents promptly. Most of the complaints were relating to transfer of shares and non-receipt of demat credit / dividend warrant / share certificate/s.

Apart from the said complaints, the Company also received certain requests / general intimations regarding change of address, revalidation of dividend warrants, sending annual reports, consolidation of multiple folios, transmission of shares, etc. There are no complaints pending to be replied / attended to as at the end of the year under consideration.

V. REMUNERATION COMMITTEE [renamed as NOMINATION & REMUNERATION COMMITTEE in line with the Companies Act, 2013]

The Remuneration Committee was constituted on 8th May 2002 to recommend to the Board the remuneration package for managerial persons.

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

During the year, no meetings of the said Committee were held.

Sr. No.	Name of the Remuneration Committee Member
1	Mr. Yasir J Varawala – Chairman
2	Mr. Nipun C. Shah
3	Mr. Viren Merchant

VI. SHARE TRANSFER COMMITTEE

Mr. Ramesh Thakkar ceased to be a Committee member on account of his demise on 24th December, 2013. In his place, Mr. Bimal R. Thakkar, Managing Director has been inducted in the Share Transfer Committee vide Circular Resolution dated 22nd January, 2014. The Share Transfer Committee comprises of Mr. Ashok H. Thakkar, Vice- Chairman, Mr. Bimal Thakkar, Managing Director and Mr. Bhavesh R. Thakkar, Executive Director.

The Registrar & Transfer Agents of the Company have been delegated authority to approve transfers in physical mode which is done every fortnight. The Committee meets almost every fortnight to review and ratify registration of transfer of shares received from shareholders in physical mode and to transact other share-related agenda.

VII. 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
2010-11	Friday, 15/07/2011	2.00 p.m.	Sheth Khushaldas Gokaldas Municipal Town Hall, Station Road, Nadiad:387001, Gujarat
2011-12	Friday, 08/08/2012	2.00 p.m.	Sheth Khushaldas Gokaldas Municipal Town Hall, Station Road, Nadiad:387001, Gujarat
2012-13	Wednesday 31/07/ 2013	2.00 p.m.	Ipcowala Banquet Hall, Near Amba Ashram Mandir, College Road, Nadiad 387001, Gujarat

B. SPECIAL RESOLUTIONS WHETHER PASSED BY POSTAL BALLOT / AT 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	Friday, 15/07/2011	Issue and allotment of 20,00,000 convertible warrants to the Promoter group on preferential basis.
2	Wednesday, 08/08/2012	To re-appoint Mr. Mishal A. Thakkar in place of profit for a period of three years w.e.f. 17 th June, 2012 pursuant to Section 314(1B) of the Companies Act, 1956.
3	Wednesday, 31/07/2013	None

VIII. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are generally published in the “The Economic Times” (Ahmedabad edition in English and Gujarati) circulating in Nadiad and “The Economic Times” (Mumbai edition in Gujarati). The annual financial results for the financial year ended 31st March 2014 and Notice of this Annual General Meeting has been published in “The Economic Times” (Ahmedabad edition in English and Gujarati) and “The Economic Times” (Mumbai edition in Gujarati).

The financial results and other information is displayed on the Company's website viz. www.adf-foods.com

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.

The Management Discussion and Analysis report is given separately in the Annual Report.

IX. GENERAL SHAREHOLDERS' INFORMATION

A. ANNUAL GENERAL MEETING

Date & Time : 24th September, 2014 at 1.00 p.m.

Venue : Ipcowala Banquet Hall, Near Amba Ashram Mandir, College Road, Nadiad 387001, Gujarat

B. FINANCIAL CALENDAR 2014-15

Schedule of Board Meetings (tentative)

First Quarter ending 30th June 2014 : on or before 14th August 2014

Half Year ending 30th September 2014 : on or before 14th November 2014

Third Quarter ending 31st December 2014 : on or before 14th February 2015

Year ending 31st March 2015 : on or before 30th May 2015

C. DATES OF BOOK CLOSURE

The Share Transfer Register will remain closed from Saturday, 13th September, 2014 to Wednesday, 24th September, 2014 [both days inclusive].

D. DIVIDEND

Dividend Payment Date:

on or before 20th October, 2014

E. LISTING ON STOCK EXCHANGES

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

Listing fee has been paid to the aforesaid Stock Exchanges upto date including fees for the year 2014-15.

F. STOCK CODE/SYMBOL

BSE Limited : 519183

National Stock Exchange of India Ltd : ADF FOODS

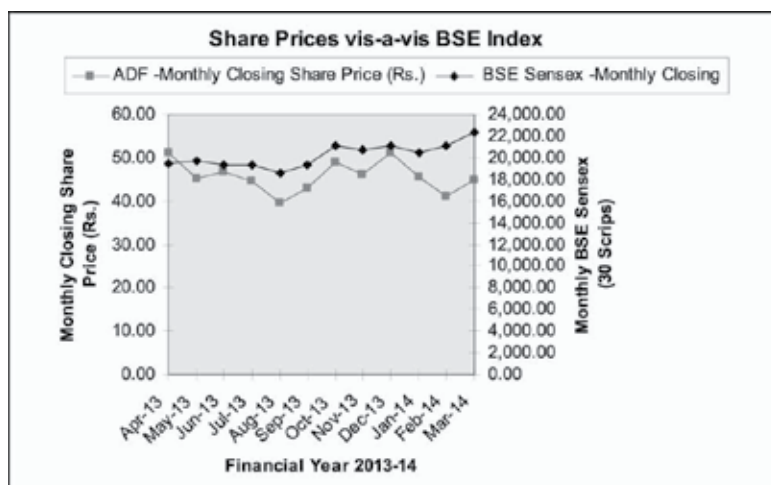
ISIN : INE982B01019

G. MARKET PRICE DATA

The monthly high, low and closing price quotations of the Company's shares traded on the BSE Limited during financial year 2013-2014 are as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume of shares (Nos.)
April 2013	54.90	45.25	51.30	1,09,032
May 2013	57.00	42.00	45.35	1,02,652
June 2013	53.00	42.15	46.80	1,28,385
July 2013	51.00	42.90	44.50	48,955
August 2013	47.70	35.00	39.55	92,936
September 2013	48.60	36.10	42.90	42,937
October 2013	55.90	42.00	49.15	2,68,179
November 2013	55.00	44.60	46.30	1,06,787
December 2013	55.00	44.40	51.30	2,75,426
January 2014	53.90	44.15	45.65	87,235
February 2014	54.30	41.00	41.30	39,316
March 2014	45.90	40.90	44.90	69,192

H. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



I. REGISTRAR & SHARE TRANSFER AGENTS

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

C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai: 400 078, India

Tel.: 022-2596 3838 Fax.: 022-2594 6969

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

J. SHARE TRANSFER SYSTEM

Shares held in the dematerialised form are electronically traded in the Depositories and the Registrar and Share Transfer Agents of the Company, viz. Link Intime (India) Pvt. Ltd., periodically receive the beneficial holdings data from the Depositories so as to enable them to update their records and to send all corporate communications. Physical shares received for dematerialisation are processed and completed within a period of 15 days from the

date of receipt provided they are in order in every respect. Bad deliveries are immediately returned to Depository Participants under advice to the shareholders within the aforesaid period.

K. DISTRIBUTION PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2014

Shareholding of Nominal Value Rs.	No. of shareholders	% of Total	Face Value (Rs.)	% of Total
1 to 5000	15901	93.50	20,801,190	9.46
5001 to 10000	542	3.19	4,464,200	2.03
10001 to 20000	237	1.40	3,706,560	1.68
20001 to 30000	96	0.56	2,491,630	1.13
30001 to 40000	45	0.26	1,592,770	0.73
40001 to 50000	44	0.26	2,086,570	0.95
50001 to 100000	53	0.31	3,810,720	1.73
100001 & above	88	0.52	181,046,360	82.29
Total	17006	100.00	220,000,000	100.00

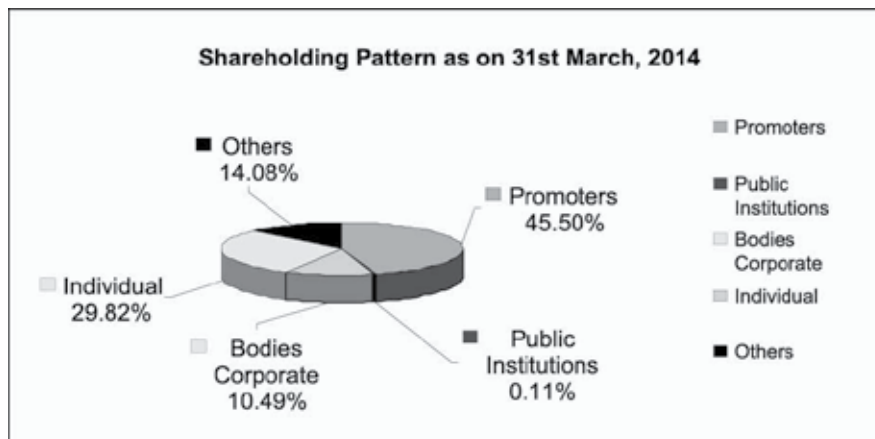
L. DEMATERIALISATION OF EQUITY SHARES

The shares of the Company are compulsorily 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 93.78% of total equity shares of the Company are held in dematerialised form with NSDL & CDSL.

M. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2014

Category	No. of Shares	% Holding
A. Holding of the Promoter Group		
(a) Individual / HUF	97,73,183	44.42
(b) Bodies Corporate	2,38,399	1.08
Total (A)	1,00,11,582	45.50
B. Non-Promoters Holding		
1. Institutional Investors		
(a) Mutual Funds / UTI	18,300	0.08
(b) Financial Institutions / Banks	800	0.00
(c) Any Others	5,300	0.03
Sub Total (B 1)	24,400	0.11
2. Others		
(a) Bodies Corporate	23,08,207	10.49
(b) Individual	65,58,568	29.82
(c) Clearing Member	3,58,609	1.63
(d) Non Resident Indian (Repat/ Non Repat)	88,434	0.40
(e) Overseas Body Corporate/s	26,49,700	12.05
(f) Trust	500	0.00
Sub Total (B 2)	1,19,64,018	54.39
Total B1 + B2 (B)	1,19,88,418	54.50
Grand Total (A)+(B)	2,20,00,000	100.00

SHAREHOLDING PATTERN



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. PLANT LOCATIONS

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

P. ADDRESS FOR INVESTOR CORRESPONDENCE

For any assistance regarding dematerialisation of shares, share transfers, transmissions, change of address or any other query relating to shares, please write to M/s. Link Intime (India) Pvt. Limited, at the addresses mentioned above.

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: Sadhana House, Unit No. 2B, 2nd Floor, 570 P.B. Road, Worli, Mumbai- 400 018.

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

Q. DISCLOSURES

- (i) Disclosure regarding materially significant related party transactions:

No transaction of material nature has been entered into by the Company with its Promoters, Directors or the Management or Relatives etc. that may have potential conflict with the interest of the Company.

Transactions with related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives are covered by contracts which govern the terms and conditions clearly. 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. 28(9) of the Financial Statements.

(ii) 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.

(iii) 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.

(iv) The details of utilization of proceeds raised from the Preferential Issue of Warrants in December 2007, July 2009, September 2009, October 2009, July, 2011, March, 2012 and January, 2013 has been disclosed in the Financial Statements. The Company has not utilized the funds for purposes other than those stated in the notice convening the relevant General Meeting.

(v) The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. Regarding the non-mandatory requirements:

- * A Remuneration Committee has been constituted by the Board.
- * The Company publishes its quarterly financial statements in the newspapers. However, it has not adopted the non-mandatory requirement to send half-yearly declaration of financial performance to each household of shareholders.
- * The Board members are having adequate experience and expertise to deal with the business matters.
- * The Company has formed a Whistle Blower Policy.

R. CODE OF CONDUCT

The Company has adopted the Code of Conduct and Ethics for Directors and Senior Management. As provided under Clause 49 of the Listing Agreement, 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 is given below:

"It is hereby declared that the Company has obtained from all members of the Board and Senior Management Personnel, an affirmation that they have complied with the Code of Conduct for the Board Members and Senior Management Personnel for the financial year ended 31st March, 2014"

Bimal R. Thakkar
Managing Director

S. CEO/CFO CERTIFICATION

A certificate duly signed by the Managing Director, Executive Director, General Manager – Accounts and General Manager- Finance that the Financial Statements reflect true and fair view of the affairs of the Company was placed before the Board.

For ADF Foods Limited

Bimal R. Thakkar
Managing Director

Mumbai, 11th August, 2014

Certificate of Compliance with the Corporate Governance requirements under Clause 49 of the Listing Agreement

To the Members of ADF Foods Limited

We have examined the compliance of conditions of Corporate Governance by ADF Foods Limited ("the Company") for the year ended on 31 March 2014, as stipulated in Clause 49 of the Listing Agreements entered into by the Company with stock exchanges in India.

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

In our opinion, and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

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

For **D.P. Ghevaria & Co**

Chartered Accountants

Firm's Registration No: 103176W

D.P. Ghevaria

Proprietor

Membership No: 32431

Mumbai

11th August 2014

ANNEXURE

REPORT ON CORPORATE GOVERNANCE

DETAILS OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS OF ALL THE DIRECTORS AS ON 31ST MARCH 2014:

[1] MR. ASHOK H. THAKKAR

Other Directorships

- ADF Foods (India) Limited
- Mishal International (India) Private Limited
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]

Committee Memberships

- ADF Foods Limited- Administrative Committee
- ADF Foods Limited- Share Transfer Committee

[2] MR. BIMAL R. THAKKAR

Other Directorships

- Gujarat Sidhee Cement Limited
- Saurashtra Cement Limited
- ADF Foods (India) Limited
- ADF Foods U.K. Limited
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]
- ADF Holdings (USA) Limited
- ADF Foods (USA) Limited

Committee Memberships

- ADF Foods Limited – Share Transfer Committee, Shareholder's Grievance Committee
- Gujarat Sidhee Cement Limited – Audit Committee

[3] NIPUN C. SHAH

Other Directorships

- ADF Foods (India) Limited
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]
- Jush Investment Private Limited
- Nagarwalla Estates Private Limited

- Noshil Estates Private Limited
- Crowe Horwath Advisory Services Private Limited

Committee Memberships

- ADF Foods Limited- Audit Committee
- ADF Foods Ltd- Remuneration Committee
- Power Brands (Foods) Pvt. Ltd. [Under Voluntary Liquidation]- Audit Committee

[4] YASIR VARAWALA

Other Directorships

- ADF Foods (India) Limited
- Abacus Corporation Private Limited
- High Plains Professional Advisory Services Private Limited
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]

Committee Memberships

- ADF Foods Limited- Audit Committee
- ADF Foods Ltd- Remuneration Committee
- ADF Foods Ltd- Shareholders' Grievance Committee
- Power Brands (Foods) Pvt. Ltd. [Under Voluntary Liquidation]- Audit Committee

[5] MR. VIREN A. MERCHANT

Other Directorships

- Encore Natural Polymers Private Limited
- ZYG Pharma Private Limited
- Saidarshan Business Centres Private Limited
- Encore Healthcare Private Limited
- Encore Business Centre Private Limited
- Encore Polyfrac Products Private Limited
- Encore Healthcare International Pvt. Ltd
- Delphinium Realtors Pvt. Ltd

Committee Memberships

ADF Foods Ltd. –Audit Committee

[6] MR. JAY M. MEHTA

Other Directorships

- Saurashtra Cement Limited
- Gujarat Sidhee Cement Limited
- Pranay Holdings Limited
- Prachit Holdings Limited
- Ria Holdings Limited
- Reeti Investment Limited
- Mehta Private Limited
- Agrima Consultants International Limited
- Indiana Polis Hospitality Private Limited
- Galaxy Technologies Private Limited
- Omna Exports Private Limited
- Arclightz & Films Private Limited
- Concorde Cement (Private) Limited
- Good Karma Furnishings Pvt. Limited
- Knight Riders Sports Pvt. Limited
- Bhadra Consultancy Pvt. Ltd
- Parsec Consultancy Pvt. Ltd

Committee Memberships

- Gujarat Sidhee Cement Limited- Share Transfer & Investors' Grievance Committee
- Saurashtra Cement Ltd. - Share Transfer & Investors' Grievance Committee

[7] MR. RAVINDER KUMAR JAIN

Other Directorships

- Grover Zampa Vineyards Limited
- Nector Ramco Trading Private Limited
- Brovel Trading Private Limited
- Newera Milestone Trading and Investments Private Limited
- Accra Investments Private Limited
- Orange City Properties Private Limited
- Nobel Feedback Computers Private Limited
- Spirit Marketing Pvt. Ltd

Committee Memberships

Nil

[8] MR. BHAVESH R. THAKKAR

Other Directorships

- ADF Foods (India) Limited
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]

Committee Memberships

- ADF Foods Limited - Share Transfer Committee

Note: Membership of Audit Committee, Shareholders' Grievance Committee, Share Transfer Committee and Remuneration Committee as referred to in Listing Agreement have only been reckoned in collating the Committee Membership above.

INDEPENDENT AUDITORS' REPORT

To the Members

ADF Foods Limited

Report on the financial statements

1. We have audited the accompanying financial statements of ADF Foods Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements having regard to Note 28(11) in the Notes to Account, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
 - ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii. in case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

8. As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far it appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act; and
- e. on the basis of written representations received from the directors as at 31 March 2014 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

For **D.P. Ghevaria & Co**

Chartered Accountants

Firm's Registration No. 103176W

D.P. Ghevaria

Proprietor

Membership No: 032431

Mumbai

28th May, 2014

ANNEXURE TO THE AUDITORS' REPORT – 31 MARCH 2014

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of ADF Foods Limited on the financial Statements for the year ended March 31, 2014.

The comments given below are based on the data compiled by the Company in order to comply with the requirements of the Order. On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the Management during the year under a programme for phased verification of assets which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of the fixed assets has not disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In respect of inventories lying with third parties, these have substantially been confirmed by them. Having regard to the size of the Company and the nature of its business, in our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures for physical verification of inventories followed by Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) On the basis of our examination of the inventory records, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and book stocks were not material and have been properly adjusted in the books.
- (iii) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and accordingly to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (iv) The Company has neither granted nor taken any loans from companies covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act').
- (v) (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions need to be entered into the register maintained u/s 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government for maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the Company verified by us, in our opinion, the company is generally regular in depositing undisputed statutory dues in respect of Service tax though there has been some delay in a few cases and is generally regular in depositing undisputed statutory dues

including Provident Fund, Investor Education and Protection Fund, Employees State insurance, Income tax, Sales tax, Wealth tax, Custom duty, Excise duty, Cess and other statutory dues as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as on 31st March, 2014 for a period more than six months from the date they became payable. Details in respect of amounts not deposited on account of disputes pending at various forums are given below:

Name of the statute	Nature of dues	Amount (Rs in Lacs)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	140.81	FY.2006-07 to FY. 2010-11	CESTAT
	Service tax penalty and interest	299.19		CESTAT

- (x) The Company does not have any accumulated losses and has not incurred cash losses during in the current financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedure and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanations given to us the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. The Company has, however, given unsecured interest bearing Inter Corporate Deposits to some Companies. The terms and conditions of such deposits are, in our opinion, not prejudicial to the interest of the Company.
- (xiii) the provisions of special statute applicable to Chit Fund, Nidhi or Mutual benefir Fund/ Society are not applicable to the company.
- (xiv) the Nature of Company's business/ activities during the year does not include dealing in shares, securities, debentures or other investments, hence the requirement of offering comments on this clause is not applicable.
- (xv) According to the information and explanations given to us and records made available to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The term loans have been applied for the purpose for which they were raised
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have not been used for long-term investment by the company.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- (xix) During the period covered by our Audit report, the Company has not issued any debentures requiring report under this clause.
- (xx) The Company has not raised any money by way of public issues during the year. Hence, the question of disclosure and verification of end use of such monies does not arise.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For D.P. Ghevaria & Co
Chartered Accountants
Firm's Registration No: 103176W

D.P. Ghevaria
Proprietor
Membership No: 032431

Mumbai
28 May 2014

BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	Note No.	As at 31-Mar-14 Rs. in lacs	As at 31-Mar-13 Rs. in lacs
A EQUITY AND LIABILITIES			
I Shareholders' funds			
(a) Share capital	1	2,237.83	2,237.83
(b) Reserves and surplus	2	14,211.26	13,325.80
(c) Money received against share warrants	3	-	-
Sub Total-Shareholders' Funds		16,449.09	15,563.63
2 Share application money pending allotment		-	-
3 Non- current liabilities			
(a) Long-term borrowings	4	3.07	15.24
(b) Deferred tax liabilities (net)	5	708.38	622.05
(c) Other long term liabilities	6	25.00	25.00
(d) Long-term provisions	7	104.76	99.18
Sub Total-Non Current Liabilities		841.21	761.47
4 Current liabilities			
(a) Short-term borrowings	8	1,507.09	2,528.89
(b) Trade payables	9	879.10	497.47
(c) Other current liabilities	10	348.52	274.41
(d) Short-term provisions	11	460.34	532.54
Sub Total-Current Liabilities		3,195.05	3,833.31
TOTAL-EQUITY AND LIABILITIES		20,485.35	20,158.41
B ASSETS			
I Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	3,831.09	3,907.75
(ii) Intangible assets	12	2,852.57	3,260.91
(iii) Capital work in progress	12	850.50	9.92
		7,534.16	7,178.58
(b) Non-current investments	13	1,696.09	678.89
(c) Long-term loans and advances	14	210.84	312.17
(d) Other non-current assets	15	6.24	450.00
Sub total-Non Current Assets		9,447.33	8,619.64
2 Current assets			
(a) Current investments	16	2,100.00	2,950.00
(b) Inventories	17	2,229.35	2,034.76
(c) Trade receivables	18	2,817.52	3,334.43
(d) Cash and bank balances	19	1,206.64	783.35
(e) Short-term loans and advances	20	2,684.51	2,436.23
Sub total-Current Assets		11,038.02	11,538.77
TOTAL ASSETS		20,485.35	20,158.41

See accompanying notes forming integral part of the financial statements

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In terms of our report attached

For and on behalf of the Board of Directors

For D. P. Ghevaria & Co.
Chartered Accountants
Firm's Registration Number: 103176W

Ashok H. Thakkar
Vice Chairman

Bimal R. Thakkar
Managing Director

D. P. Ghevaria
Proprietor
Membership No: 032431

Shalaka Ovalekar
Company secretary

Place: Mumbai
Date: 28th May 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

PARTICULARS	Note No.	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
A CONTINUING OPERATIONS:			
1 Revenue from operations (gross)	21	14,304.41	13,072.68
Less: Excise duty	21	<u>123.01</u>	<u>103.53</u>
Revenue from operations (net)		14,181.40	12,969.15
2 Other income	22	399.23	340.36
3 Total Revenue		<u>14,580.63</u>	<u>13,309.51</u>
4 Expenses			
(a) Cost of materials consumed	23 (a)	5,900.87	5,715.80
(b) Purchase of traded goods	23 (b)	483.31	584.56
(c) Increase in inventories of finished goods, work-in-progress and traded goods	23 (c)	(86.34)	(159.19)
(d) Employee benefits expenses	24	1,088.06	810.92
(e) Finance cost	25	113.65	162.57
(f) Depreciation and amortisation expenses	26	732.72	414.56
(g) Other expenses	27	4,548.84	4,526.49
Total expenses		<u>12,781.11</u>	<u>12,055.71</u>
5 Profit before exceptional and extraordinary items and tax		<u>1,799.52</u>	<u>1,253.80</u>
6 Exceptional items (refer note 28 (19 and 20))		-	719.75
7 Profit before extraordinary items and tax		<u>1,799.52</u>	<u>1,973.55</u>
8 Extraordinary Items		-	-
9 Profit before tax		<u>1,799.52</u>	<u>1,973.55</u>
10 Tax expenses			
(a) Current tax expenses for current year		468.32	396.44
(b) MAT Credit		-	(115.55)
(c) Current tax expenses related to prior year		-	8.13
(d) Net current tax expense		468.32	289.02
(e) Deferred tax	5	<u>86.32</u>	<u>125.96</u>
		554.64	414.98
11 Profit for the year		<u>1,244.88</u>	<u>1,558.57</u>
15.i Earnings per share (of Rs. 10/- each):			
(a) basic	28 (12)	5.66	7.59
(b) diluted	28 (12)	5.66	7.59

See accompanying notes forming integral part of the financial statements

28

In terms of our report attached

For and on behalf of the Board of Directors

For D. P. Ghevaria & Co.
Chartered Accountants
Firm's Registration Number: 103176W

Ashok H. Thakkar
Vice Chairman

Bimal R. Thakkar
Managing Director

D. P. Ghevaria
Proprietor
Membership No: 032431

Shalaka Ovalekar
Company secretary

Place: Mumbai
Date: 28th May 2014

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Amounts in the financial statements are presented in Rs. Lacs, except for per share data and otherwise stated.

Note I

Share capital	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Authorized shares		
2,50,00,000 (Previous year 2,50,00,000) equity shares of Rs. 10/- each	<u>2,500.00</u>	<u>2,500.00</u>
Issued and subscribed		
2,20,00,000 (Previous year 2,20,00,000) equity shares of Rs. 10/- each	<u>2,200.00</u>	<u>2,200.00</u>
Paid-up		
2,20,00,000 (Previous year 2,20,00,000) equity shares of Rs. 10/- each	2,200.00	2,200.00
Shares forfeited		
7,56,600 (Previous year 7,56,600) equity Shares of Rs. 10/- each; amount originally paid up there on @ Rs.5 per share.	37.83	37.83
Total	<u>2,237.83</u>	<u>2,237.83</u>

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

Equity shares	31st March 2014		31st March 2013	
	No. of shares	Rs. in lacs	No. of shares	Rs. in lacs
At the beginning of the period	22,000,000	2,200	20,200,000	2,020
Add: Shares issued on exercise of conversion of warrants' option	-	-	1,800,000	180
Outstanding at the end of the period	<u>22,000,000</u>	<u>2,200</u>	<u>22,000,000</u>	<u>2,200</u>

Of the above

50,00,490 (Previous year 50,00,490) equity shares were allotted to the shareholders of the erstwhile Lustre Investments Private Limited, for consideration other than cash pursuant to a Scheme of Amalgamation.

26,50,000 (Previous year 26,50,000) equity shares were issued on preferential basis to investors.

43,26,110 (Previous year 43,26,110) equity shares were issued on conversion of preferential warrants. Out of these, 2,00,000 equity shares carry restriction on transfer for a period of three years from the date of their issue i.e. up to 27th March 2015 and 18,00,000 equity shares carry restriction on transfer for a period of three years from the date of issue i.e. upto 22nd January, 2016.

b. Terms/rights attached to equity shares

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

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

The Board of Directors, in their board meeting held on 28 th May 2014, proposed a dividend of Rs. 1.50 per equity share. The total dividend appropriation for the year ended 31st March 2014 amounted to Rs. 386.08 lacs including corporate dividend tax of Rs. 56.08 lacs. The proposal is subject to approval of the shareholders at the Annual General Meeting.

During the year ended 31st March 2013, amount of dividend per share distributed to equity share holders was Rs. 1.50. The total dividend appropriation for the year ended 31st March 2013 amounted to Rs. 386.10 lacs including corporate dividend tax of Rs. 56.10 lacs.

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

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

c. Details of shareholders holding more than 5% shares of the company

Class of shares / name of shareholder

	As on 31st March 2014		As on 31st March 2013	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Credit Renaissance fund, Limited	2,199,700	10.00%	2,200,000	10.00%
Mr. Ashok H. Thakkar	1,836,354	8.35%	1,836,354	8.35%
Top Class Capital Markets Pvt. Ltd.	1,752,859	7.97%	1,752,859	7.97%
Mr. Bimal R. Thakkar	1,866,320	8.48%	1,866,320	8.48%
Mr. Bhavesh R. Thakkar	1,449,450	6.59%	1,449,450	6.59%
Mr. Mishal A. Thakkar	1,821,098	8.28%	1,821,098	8.28%
Mr. Ramesh H. Thakkar *	-	0.00%	1,045,500	4.75%
Mrs. Mahalaxmi R. Thakkar	1,958,022	8.90%	912,522	4.15%
Total	12,883,803	58.57%	12,884,103	58.57%

*the Shares of Late Mr. Ramesh H Thakkar have been transmitted to Mrs Mahalaxmi R Thakkar.

Note 2

Reserves and surplus	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Capital reserve		
Balance as per the last financial statements	105.00	105.00
Closing balance	105.00	105.00
Securities premium reserve		
Balance as per the last financial statements	5,934.33	4,944.33
Additions/Created during the period (refer note no: 3)	-	990.00
Closing balance	5,934.33	5,934.33
General reserve		
Balance as per the last financial statements	548.97	468.97
Add: amount transferred from surplus balance in the statement of profit and loss	90.00	80.00
Closing balance	638.97	548.97
Hedging reserve		
Balance as per the last financial statements	141.54	(270.90)
Additions/Created during the period	26.66	412.44
Closing balance	168.20	141.54
Surplus in statement of profit & loss (Refer note A given below)		
Balance as per the last financial statements	6,595.96	5,503.49
Profit for the period as per note A given below	768.80	1,092.47
Closing balance	7364.76	6,595.96
	14,211.26	13,325.80
Note A		
Profit for the period	1244.88	1,558.57
Prior year's adjustment (net)	-	-
Less:		
Dividend proposed to be distributed to equity shareholders (Rs. 1.50 per share)	330.00	330.00
Tax on dividend	56.08	56.10
Transfer to general reserve	90.00	80.00
	476.08	466.10
Total	768.80	1,092.47

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3

Share warrants	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Issued during the year		
Balance brought forward	-	292.50
Less: Conversion of fully paid share warrants into equity shares (refer note i below)	-	292.50
Closing balance	-	-

Monies received against share warrants

Note

In the financial year 2012-13, the warrants holders exercised their rights in respect of the balance 18,00,000 share warrants and on receipt of the balance amount of Rs. 48.75 per share warrant, aggregating to Rs. 877.50 lacs, the Company converted 18,00,000 share warrants into equivalent number of equity shares on 23rd January 2013. Of the total consideration of Rs. 1,170 lacs received against 18,00,000 share warrants @ Rs. 65 per equity share warrant, Rs. 180 lacs have been transferred to Share capital account and Rs. 990 lacs have been transferred to Securities premium reserve.

Note 4

Long term borrowing	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Secured		
Long term maturities of car finance		
Due to a bank under car loan agreement (secured by hypothecation of asset purchased, repayable in 36 installments) (refer note A (i) below)	3.07	6.42
Due to others under car loan agreements (secured by hypothecation of assets purchased, repayable in 60 installments) (refer note A (ii) below)	-	8.82
Total	3.07	15.24
Note A		
i) Secured by hypothecation of asset purchased, repayable in 36 installments. The loan carries interest of 8% to 10.50% p.a.		
ii) Secured by hypothecation of asset purchased, repayable in 60 installments. The loan carries interest of 8.40% p.a.		

Note 5

Deferred tax liabilities (Net)	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Deferred tax liability at the year end comprises timing differences on account of		
Tax effect of items constituting deferred tax liability		
On difference between book balance and tax balance of fixed assets	771.79	640.55
	771.79	640.55
Tax effect of items constituting deferred tax assets		
Provision for compensated absences, gratuity and other employee benefits	(48.98)	(4.72)
Provision for doubtful advances / debts	(14.43)	(13.78)
	(63.41)	(18.50)
Net deferred tax liability	708.38	622.05

Note 6

Other long term liabilities	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Security deposit received	25.00	25.00
Total	25.00	25.00

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 7

Long-term provisions	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
(a) Provision for employees' benefits (refer note 28 (12))		
(i) Provision for compensated absences	26.61	17.93
(ii) Provision for gratuity	78.15	81.25
Total	104.76	99.18

Note 8

Short-term borrowings	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
(a) Loans repayable on demand		
From banks		
Secured		
(i) State bank of Hyderabad (refer note A below)	323.34	636.90
(ii) Bank of Baroda (refer note A below)	309.37	1,016.81
(iii) HDFC Bank Limited (refer note B below)	874.38	325.18
(iv) Tamilnadu Mercantile Bank Limited (refer note C below)	-	550.00
Total	1,507.09	2,528.89

Note

- A) Secured by equitable mortgage of the Company's Factory, Land & Building situated at Nadiad and Nashik, Plant & Machinery and other Fixed Assets, present and future situated at Nadiad and Nashik and Current Assets, present and future situated at Nadiad, Nashik and Mumbai ranking pari passu in favour of the Company's bankers. The said Working Capital limits are repayable on demand and the interest payable on Rupee borrowings range from 8.25 % to 9 % p.a. and on foreign currency borrowings is LIBOR plus margin (300 to 410 basis points).
- B) Secured by lien on all stocks, shares, securities, property and book debts present and future held / to be held by the Company. The said Working Capital limit is repayable on demand and the interest payable thereon is LIBOR plus margin (250 to 300 basis points).
- C) Previous year's balance was secured by pledge of fixed deposits of Rs. 700 lacs held with Tamilnadu Mercantile Bank Limited which is now fully repaid.

Note 9

Trade payables	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
a) Due to Micro Small and Medium Enterprises (refer note 28 (6))	36.83	29.86
b) Others	842.27	467.61
Total	879.10	497.47

Note 10

Other current liabilities	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
(a) Short term maturities of car finance (refer note 4 - long term borrowings)	11.84	18.57
(b) Unclaimed dividend	75.08	67.13
(c) Other payables		
(i) Statutory remittance (P.F., E.S.I.C., Withholding Tax, VAT, Service Tax etc)	50.13	36.75
(ii) Advances from customers	38.55	12.25
(iii) Book over draft	49.37	76.51
(iv) Others	123.55	63.20
Total	348.52	274.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 11

Short-term provisions	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
(a) Provision for employees' benefits (refer note 28(12))		
(i) Provision for compensated absences	8.87	5.98
(ii) Provision for compensated sick leaves	3.48	-
(iii) Provision for gratuity	9.52	5.94
	21.87	11.92
(b) Provisions Others:		
(i) Provision for tax (net of advance tax Rs. 399.12 lacs)	52.39	134.52
(ii) Provision for proposed equity dividend	330.00	330.00
(iii) Provision for tax on proposed equity dividend	56.08	56.10
	438.47	520.62
Total	460.34	532.54

Note 12

Fixed assets

Rs. in lacs

Descriptions	Gross block				Depreciation / amortization				Net block	
	As at 1st April 13	Additions/ adjustments during the period	Deduction/ adjustment during the period	As at 31st March 14	As at 1st April 13	For the period	Deduction/ adjustment during the period	As at 31st March 14	As at 31st March 14	As at 31st March 13
Tangible assets:										
Leasehold land	100.57	3.40	-	103.97	6.55	1.02	-	7.57	96.40	94.02
Freehold land	4.18	-	-	4.18	-	-	-	-	4.18	4.18
Factory building	2,052.97	5.16	-	2,058.13	685.35	68.93	-	754.28	1,303.85	1,367.62
Office premises	106.56	-	-	106.56	3.68	1.74	-	5.42	101.14	102.88
Plant and machinery	3,438.96	237.92	-	3,676.88	1,428.31	210.38	-	1,638.69	2,038.19	2,010.65
Laboratory equipment	23.49	0.24	-	23.73	12.51	1.10	-	13.61	10.12	10.98
Office equipment	50.40	1.06	2.58	48.88	17.97	2.20	0.28	19.89	28.99	32.43
Computers	81.66	5.26	-	86.92	63.32	4.76	-	68.08	18.84	18.34
Furniture and fixtures	78.56	-	-	78.56	33.16	3.97	-	37.13	41.43	45.40
Vehicles	334.80	-	17.11	317.69	113.55	30.28	14.09	129.74	187.95	221.25
	6,272.15	253.04	19.69	6,505.50	2,364.40	324.38	14.37	2,674.41	3,831.09	3,907.75
Intangible assets:										
Trade marks	4,245.00	-	-	4,245.00	984.09	408.34	-	1,392.43	2,852.57	3,260.91
Goodwill	399.03	-	-	399.03	399.03	-	-	399.03	-	-
	4,644.03	-	-	4,644.03	1,383.12	408.34	-	1,791.46	2,852.57	3,260.91
Total	10,916.18	253.04	19.69	11,149.53	3,747.52	732.72	14.37	4,465.87	6,683.66	7,168.66
Previous year	7,779.99	3,216.23	80.04	10,916.18	3,359.07	414.56	26.11	3,747.52	7,168.66	4,420.92
Capital work-in-progress (Tangible)	9.92	910.23	69.65	850.50	-	-	-	-	850.50	9.92
TOTAL	10,926.10	1,163.27	89.34	12,000.03	3,747.52	732.72	14.37	4,465.87	7,534.16	7,178.58

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 13

Non-current investments	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Investments (At cost)		
Other Investments		
Unquoted:		
Investment in equity instruments of subsidiaries (refer note 28 (9))		
a) ADF Foods (UK) Limited		
19,51,352 (Previous year 9,43,823) equity shares of £1/- each fully paid	1,691.09	673.89
b) Power Brands (Foods) Pvt. Limited		
2,08,85,992 (Previous year 2,08,85,992) equity shares of Rs. 10 each fully paid (refer note 28 (20))	-	-
c) ADF Foods (India) limited		
50,000 (Previous year 50,000) equity shares of Rs. 10/- each fully paid	5.00	5.00
Total	1,696.09	678.89

Note 14

Long-term loans and advances	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Unsecured:		
(a) Capital advance		
Considered good	22.45	37.01
Doubtful	14.63	14.63
Less: Provision for doubtful advances	14.63	14.63
(b) Other deposits		
Considered good	133.79	126.01
(Includes deposit of Rs. 12.50 lacs (Previous year Rs. 13 lacs) paid to a Related Party (Previous year to a Director), refer note 28 (9))		
(c) Loans and advances to employees		
Considered good	19.51	33.60
(d) Others		
Considered good		
(i) MAT Credit	35.09	115.55
Total	210.84	312.17

Note 15

Other non-current assets	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
(a) Advances to suppliers	27.84	27.84
Less: Considered doubtful	27.84	27.84
	-	-
(b) Others		
(i) in deposit accounts (due to mature after 12 months from reporting date) (refer Note 1 below)	6.24	450.00
Total	6.24	450.00

Note 1

The bank fixed deposits aggregating to Rs. Nil (Previous year Rs. 450 lacs) were pledged with Tamilnadu Mercantile Bank Limited, Mumbai against Working Capital limit of Rs. Nil (Previous Year Rs. 350 lacs).

The bank deposits of Rs. 6.24 lacs (Previous year Rs. Nil) have been kept with State Bank of Hyderabad as margin money deposits against bank guarantees.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 16

Current investment	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Quoted		
Investment in mutual funds (At lower of cost or market value):		
BSL dynamic bond fund retail growth	-	500.00
Reliance Dynamic Bond Fund Growth Plan	75.00	325.00
Kotak Bond Scheme Plan A Growth	325.00	325.00
Birla Sunlife Income Plus Growth Regular Plan	350.00	350.00
Templeton India Short Term Income Retail Plan	350.00	500.00
BSL Short Term Opportunities Fund Growth	500.00	-
SBI Debt Fund Series 13 Months 12 Growth	-	450.00
HDFC Short Term Opportunities Fund Growth	500.00	-
ICICI prudential fmp series 63 270 days plan D	-	400.00
LIC Nomura MF Fixed Maturity Plan Series 52	-	100.00
Total	2,100.00	2,950.00
Aggregate amount of current investment (market value)	2,214.17	3,101.08

The above investments in mutual funds (except investments made in Birla Sun Life Income Plus - Growth - Regular Plan Rs 350 lacs, Reliance Dynamic Bond Fund - Growth Plan Rs 75 lacs and Templeton India Short Term Income Retail Plan G Rs. 350 lacs) have been pledged in favour of HDFC Bank Limited, Mumbai against existing term loan of US \$ 2.80 million (Previous year US \$ 3.75 million) granted by HDFC Bank Limited, Bahrain Branch to the Company's indirect subsidiary - ADF Holdings (USA) Limited. On the maturity of the said units, the Company has agreed to provide fresh security to HDFC Bank Limited, Mumbai as and when required.

Note 17

Inventories	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
(At lower of cost and net realizable value)		
Raw materials	271.06	166.70
Semi-finished goods	736.27	901.43
Finished goods (Including goods in transit Rs. 128.41 lacs)	258.90	127.16
Traded goods	85.56	51.80
Packing materials	662.56	658.67
Licenses on hand	215.00	129.00
Total	2,229.35	2,034.76

Note 18

Trade receivables	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered Good	15.13	13.23
Doubtful	-	-
	15.13	13.23
Less: provision for doubtful trade receivables	-	-
	15.13	13.23
Other trade receivables		
Unsecured, considered good	2,802.39	3,321.20
Less: provision for doubtful trade receivables	-	-
	2,802.39	3,321.20
Total	2,817.52	3,334.43
Above includes debts due from related parties: refer note 28(9) for disclosure of their relationship)		
ADF Foods (India) Limited	96.14	80.53
ADF Foods (UK) Limited	-	14.54

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 19

Cash and bank balances	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Cash and cash equivalents		
(a) Cash on hand	9.73	8.11
(b) Cheques, drafts on hand	-	21.57
(c) Balance with banks		
(i) in Current accounts	42.30	23.49
(ii) in EEFC accounts	456.20	2.63
(iii) in deposit accounts		
- with original maturity of less than 3 months	-	100.00
	508.23	155.80
Other bank balances		
(i) in deposit accounts		
- with original maturity for more than 3 months but less than 12 months (refer note 1)	450.00	400.00
(ii) in earmarked accounts		
- Unclaimed dividend accounts	75.08	67.13
(iii) Held as margin money or security against borrowings / guarantees and other commitments (refer note 2):		
(a) with original maturity of less than 3 months	31.47	37.80
(b) with original maturity for more than 3 months but less than 12 months	141.86	122.62
	698.41	627.55
Total	1,206.64	783.35

Note:

- 1) The bank fixed deposits aggregating to Rs. Nil (Previous year Rs. 250 lacs) have been pledged in Tamilnadu Mercantile Bank Limited, Mumbai against Working Capital limit of Rs. Nil (Previous year Rs. 200 lacs).
- 2) Margin money deposits are kept with banks against issue of letters of credit, bank guarantees and for forward contracts.

Note 20

Short- term loans and advances	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Unsecured		
(a) Loans and advances to related parties		
Considered good (refer note 28 (9) for disclosure of their relationship)		
- ADF Foods (India) Limited	-	95.52
- ADF Foods (USA) Limited	26.28	12.56
- ADF Foods (UK) Limited	880.37	424.80
(b) Loans and advances to employees		
Considered good	26.81	29.43
(c) Prepaid expenses	21.53	17.03
(d) Balances with government authorities - considered good		
(i) CENVAT credit receivable	72.78	58.04
(ii) VAT credit receivable	109.90	115.99
(iii) Service tax credit receivable	238.14	228.79
(e) Inter corporate deposit		
Considered good	875.00	1,025.00
(f) Others		
Considered good		
(i) Advances to suppliers for goods	100.08	100.47
(ii) Advances to suppliers for expenses (Includes from ADF Holdings (USA) Limited Rs. 0.95 lacs)	24.75	19.84
(iii) Mark-to-market on derivative contracts	118.51	144.08
(iv) Interest receivable	29.65	36.62
(v) Others	160.71	128.06
Total	2,684.51	2,436.23

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 21

Revenue from operations	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Sale of products		
Manufactured goods *	12,630.17	11,300.43
Less: Excise duty	123.01	103.53
	12,507.16	11,196.90
Traded goods	839.56	908.87
Other operating revenue	834.68	863.38
Total	14,181.40	12,969.15
* Includes sales to related party Rs. 260.21 lacs (Previous year Rs. 540.75 lacs) (refer note no: 28 (9))		
Sale of products comprises		
Manufactured goods		
Meal accompaniments	8,031.71	6,888.17
Frozen foods	1,937.42	1,699.23
Ready to eat	1,348.58	1,259.94
Spices and condiments	765.52	887.66
Others	546.94	565.43
Total - Sale of finished goods (A)	12,630.17	11,300.43
Traded goods		
Tamarind	265.74	520.11
Canned foods	355.11	319.59
Snacks	49.79	55.38
Others	168.92	13.79
Total - Sale of traded goods (B)	839.56	908.87
Total - Sale of products (A + B)	13,469.73	12,209.30
Other operating revenues comprise:		
Sale of import licences	642.81	616.23
Steamer freight assistance	112.50	131.02
Duty drawback	47.61	33.16
Sale of scrap	3.90	4.87
Insurance claim	27.86	78.10
Total - Other operating revenues	834.68	863.38

Note 22

Other income	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Interest income (Refer Note (i) below)	178.88	200.46
Dividend Income from current investments - Others	0.65	-
Net gain on redemption of current investments	170.71	82.73
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	48.99	57.17
Total	399.23	340.36
Note (i)		
Interest income comprises:		
Interest from banks on deposits	71.12	164.22
Interest on loans and advances	93.81	23.51
Other interest	13.95	12.73
Total - Interest income	178.88	200.46
Note (ii)		
Other non-operating income comprises:		
Excess provisions written back	13.96	1.53
Miscellaneous income *	35.03	55.64
Total - Other non-operating income	48.99	57.17
* Includes income received from indirect subsidiary Rs. 15.62 lacs (Previous year Rs. 13.05 lacs) (refer note no: 28 (9))		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 23

23 (a) Cost of materials consumed	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Raw materials consumed :		
Opening Stock	166.70	144.34
Add : Purchases	4,146.94	3,938.96
Add: Carriage inward	31.20	35.55
	4,344.84	4,118.85
Less: Loss of stock due to fire	-	0.58
Less : Closing stock	271.06	166.70
Cost of raw materials consumed	4,073.78	3,951.57
Raw materials consumed comprises:		
Brined fruits and vegetables	1,389.70	1,471.51
Sugar	1,017.95	977.24
Spices	424.29	565.69
Oil	365.93	290.96
Milk and milk products	197.91	186.84
Others	678.00	459.33
	4,073.78	3,951.57
Packing materials consumed :		
Opening stock	658.67	554.81
Add : Purchases	1,830.98	1,915.77
	2,489.65	2,470.58
Less: Loss of stock due to fire	-	47.68
Less : Closing stock	662.56	658.67
Cost of packing materials consumed	1,827.09	1,764.23
Packing materials consumed comprises:		
Glass bottles	517.69	589.57
Carboys	233.02	207.29
Cartons	154.74	152.91
Printed box	142.96	107.65
Others	778.68	706.81
	1,827.09	1,764.23
Total Consumption of materials	5,900.87	5,715.80

23 (b) Purchase of traded goods:	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Purchases	483.31	584.56
Traded goods	483.31	584.56
Traded goods comprises:		
Tamarind	143.86	315.21
Canned foods	264.31	227.78
Snacks	27.66	30.53
Others	47.48	11.04
	483.31	584.56

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

23 (c) Changes in inventories of finished goods and work-in-progress	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Inventories at the end of the year		
Finished goods	258.90	127.16
Work-in-progress	736.27	901.43
Traded goods	85.56	51.80
Licences on hand	215.00	129.00
	1,295.73	1,209.39
Inventories at the beginning of the year		
Finished goods	127.16	107.32
Work-in-progress	901.43	869.75
Traded goods	51.80	16.13
Licences on hand	129.00	57.00
	1,209.39	1,050.20
Net (increase) / decrease	(86.34)	(159.19)

Note 24

Employees' benefit expenses	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Salaries and wages	895.75	681.20
Contribution to PF & other funds		
Gratuity - unfunded	33.00	(2.40)
Others	71.19	64.84
Staff welfare	88.12	67.28
Total	1,088.06	810.92

Note 25

Finance costs	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
(a) Interest expenses on:		
(i) Borrowings	41.77	94.37
(ii) Others		
- Interest on delayed / deferred payment of income tax	0.36	1.52
- Interest on delayed payment of service tax	0.08	0.30
- Interest expense on car finance	1.84	3.06
- Others	9.58	0.30
(b) Other borrowing cost	60.02	63.02
Total	113.65	162.57

Note 26

Depreciation and amortization	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Tangible assets	324.38	280.51
Intangible assets	408.34	134.05
Total	732.72	414.56

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 27

Other expenses	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Excise duty	51.17	13.26
Loss of stock due to fire	-	48.26
Other manufacturing expenses	223.71	224.63
Freezing and preservation charges	9.30	21.12
Power and fuel	372.48	360.68
Electricity	18.58	17.28
Water charges	9.44	7.66
Rent including lease rent	186.80	214.95
Repairs and maintenance - building	40.06	48.51
Repairs and maintenance - machinery	48.44	50.88
Repairs and maintenance - others	35.04	45.36
Insurance	51.98	33.12
Rates and taxes	45.23	27.14
Communication expenses	48.68	45.28
Traveling and conveyance expenses	443.92	353.82
Motor car expenses	33.46	31.18
Printing and stationery	9.45	10.00
Freight and forwarding	995.70	957.08
Compensation for cancellation of contract	-	180.38
Sales commission and claims	153.72	166.94
Advertisement	574.27	348.72
Sales and marketing exp - International	388.25	163.29
Sales and marketing exp - Domestic	240.39	113.81
Donations	19.38	40.63
Legal and professional fees	248.24	275.54
Royalty expenses	-	62.06
Payment to auditors:		
Payment to auditors comprise:		
As auditors - statutory audit	12.00	12.00
For taxation matters	0.50	0.50
For other service	0.83	0.55
Reimbursement of expenses	1.03	0.43
Registration and filing fees	2.75	1.72
Directors sitting fees	3.35	5.25
Bad debts written off	-	0.22
Loss on foreign currency transactions and translations (net)	103.35	483.71
Loss on sale of fixed assets	4.18	7.17
Miscellaneous expenses	173.16	153.36
Total	4,548.84	4,526.49

NOTES ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE FINANCIAL STATEMENTS

Note 28

1. Corporate information

ADF Foods Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in the manufacture and selling of food products like pickles, chutneys, ready to eat items, paste and sauces, frozen foods, spices etc. The Company caters mainly to International markets and domestic market.

2. Significant accounting policies

a. Basis of preparation of financial statements:

The financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting and in accordance with the provisions under sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the 'National Advisory Committee' on Accounting Standards and other pronouncements of the Institute of Chartered Accountants of India.

Current / non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the revised Schedule VI to the Act.

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

b. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities as at the date of financial statements. Changes in estimates are recognized in the year these arise.

c. Fixed Assets

i) Tangible assets

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

ii) Intangible assets

Intangible fixed assets are carried at cost less accumulated amortization and impairment if any. Cost comprises the purchase consideration paid for brands and goodwill and any attributable cost of bringing internally generated asset to its working condition for its intended use.

iii) Capital work in progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure 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.

d. Depreciation

i) Tangible assets

Depreciation has been provided under the straight-line method on all Fixed Assets at the rates specified as per Schedule XIV to the Companies Act, 1956. Depreciation on additions to assets or where any asset has been sold or discarded, is calculated on a pro-rata basis from the date of such addition or up to the date of such sale or discard as the case may be.

ii) Intangible assets

Intangible assets are amortized over a period of 5 years in the case of Goodwill and over a period of 10 years in the case of Brands purchased / acquired.

iii) Leasehold land

Cost of leasehold land is amortized over the balance period of the lease.

iv) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

e. Valuation of stock

- i) In determining cost of raw materials, packing materials, traded items, semi-finished goods, finished goods, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Damaged, unserviceable and inert stocks are suitably written down.
- ii) Traded goods and finished goods are valued at cost or net realizable value whichever is lower. Cost of finished goods and semi-finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location.

f. Employee benefits

i) Short Term Employee Benefits

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

ii) Post-employment benefits

a) Defined contribution plans

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

b) Defined benefit plans

(i) Compensated absences

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

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

(ii) Gratuity scheme

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

g. Foreign Currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign exchange transaction settled during the year are recognized in statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding as at the year-end are translated at the closing exchange rate and the resultant exchange differences are recognized in the statement of Profit and Loss.

Forward contracts, other than those entered to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard 11 ["the effect of changes in foreign exchange rates"]. Exchange differences arising on such contracts are recognized in the period in which they arise.

The premium / discount on a foreign currency forward contract is accounted as expense / income over the period of the contract.

Gains and losses arising on account of roll over / cancellation of forward contracts are recognized as income / expenses of the period in which such rollover / cancellation takes place.

The Company has adopted Accounting Standard 30, Financial Instruments; Recognition and Measurement (AS 30) issued by ICAI to the extent the adoption of AS 30 does not conflict with existing Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006 and other authoritative pronouncements.

Accordingly, the resultant gains or losses or fair valuation / settlement of the derivative contracts covered under Accounting Standard (AS) 30 ["Financial instruments; Recognition and Measurement"] are recognized in the statement of profit and loss or balance sheet as the case may be after applying the test of hedge effectiveness. Where the hedge is effective, the gains or losses are recognized in the "Hedging Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet, while the same is recognized in the statement of Profit and Loss where the hedge is ineffective. The amount recognized in the "Hedging Reserve" is transferred to the statement of Profit and Loss in the period in which the underlying Hedge item affects the statement of profit and loss.

h. Revenue recognition

Revenue from sale of goods is recognized on transfer of all significant risk and rewards of ownership to the buyer on dispatch of goods and is net of sales return, taxes and excise duty.

Scrap sales are accounted upon sales.

Dividend income is recognized when the right to receive payment is established.

Interest, export benefits and other income are recognized on accrual basis.

i. Research and development

Research and Development costs (other than the cost of fixed assets acquired) are charged as expenses in the year in which these are incurred.

j. Provisions and contingencies

The Company creates a provision when there exist a present obligation as a result of past events and that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

k. Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss.

l. Lease accounting

i) Where the Company is lessee

Leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

ii) Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

m. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

n. Government grants and subsidies

Grants and subsidies from the government are recognized when it is probable that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

o. Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between accounting income and taxable income for the period)

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax loss that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to that extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date to reassess realization.

p. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

q. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion and potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity share holders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3. Share warrants / share capital

Out of the total amount of Rs. 4,004.35 lacs received from the preferential allotment of the Shares and Warrants issued from time to time, the Company has utilized these funds in the manner summarized below:

	Rs. in lacs
For expansion / acquisition of fixed assets	3,372.17
Unutilized balance held as fixed deposits with bank and Investment in mutual funds	632.18
Total	4,004.35

4a. Contingent Liabilities

	2013-14	2012-13
Guarantees issued by the banks (net of margin money)	34.18	32.28
Claims against the Company not acknowledged as debts (net of deposits)	15.25	15.25
Disputed Service tax demands of earlier years	440.00	440.00

4b. Capital commitments (net of advances)

	2013-14	2012-13
Capital commitments (net of advances)	278.57	13.40

5. The Company has reviewed the valuation of its intangible assets and investments, based on management estimates. Such valuation does not reflect any impairment of value requiring provision of additional amortization amount.

6. There are no Micro Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2014. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined as below to the extent such parties have been identified on the basis of information available with the Company.

Rs. In lacs

	2013-14	2012-13
Principal amount remaining unpaid to any supplier as at the period/year end	36.83	29.86
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period/year	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/year) but without adding the interest specified under the MSMED	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting period/year	Nil	Nil

7. Loans and advances include

a. Advances to subsidiaries

- ADF Foods India Limited, Rs. Nil, (Previous year Rs. 95.52 lacs), Maximum balance during the year Rs. 108.11 lacs (Previous year Rs. 95.52 lacs)
- ADF Holdings (USA) Limited, Rs. 0.95 lacs, (Previous year Rs. Nil), maximum balance during the year Rs. 0.95 lacs (previous year Rs. Nil)
- ADF Foods (USA) Limited, Rs. 26.28 lacs, (Previous year Rs. 12.56 lacs), maximum balance during the year Rs. 26.28 lacs (previous year Rs. 12.56 lacs)
- ADF Foods (UK) Limited, Rs. 880.37 lacs (Previous year Rs. 424.80 lacs), maximum balance during the year Rs. 898.97 lacs (previous year Rs. 451.55 lacs)

b. Deposits paid to related parties

Interest free security deposit of Rs. 12.50 lacs (Previous year Rs. 13.00 lacs), maximum balance during the year Rs. 13.00 lacs (Previous year Rs. 13.50 lacs) paid for guest house taken on lease from a Related party (Previous year to a Director).

8. Company has taken premises on lease

The future minimum lease rental payments, in respect of operating lease are as follows:

Rs. In lacs

	2013-14	2012-13
i) Not later than one year	142.60	140.90
ii) Later than one year and not later than five years	266.50	383.70
iii) Later than five years	43.33	43.83

Lease payment recognized in the statement of Profit and Loss for the year ended Rs. 143.64 lacs, (Previous year Rs. 180.27 lacs).

9. Related party disclosures

Related parties with whom transactions have taken place during the year

Sr. No:	Related party relationship	Name of the Related Parties
1.	Direct subsidiaries	Power Brands (Foods) Pvt. Limited (Under members' voluntary liquidation-refer note no: 19) ADF Foods UK Limited ADF Foods India Limited
2.	Indirect subsidiaries	ADF Holdings (USA) Limited ADF Foods (USA) Limited
3.	Key managerial personnel	Mr. Ashok H. Thakkar – Vice Chairman Mr. Bimal R. Thakkar – Managing Director Mr. Bhavesh R. Thakkar – Executive Director
4.	Relative of key managerial personnel	Mr. Mishal A. Thakkar – Employee
5.	Some of the Directors of the Company are related to the Directors of the said Pvt. Limited Company	M.H. Foods Pvt. Limited

Rs. In lacs

Particulars	Financial Year	Direct Subsidiaries	Fellow Subsidiaries	Key Managerial Personnel	Relative of Key managerial personnel	Some of the Directors of the Company are the related to the Directors of the said Private Company	Total
Other Income	2013-14	-	15.62	-	-	-	15.62
	2012-13	-	13.05	-	-	-	13.05
Sale of goods	2013-14	240.83	19.38	-	-	-	260.21
	2012-13	540.75	-	-	-	-	540.75
Purchase of goods	2013-14	-	-	-	-	0.82	0.82
	2012-13	-	-	-	-	0.38	0.38
Booking of expenses	2013-14	-	-	125.70	7.95	-	133.65
	2012-13	78.77	-	127.81	7.15	-	213.73
Compensation for cancellation of contract	2013-14	-	-	-	-	-	-
	2012-13	180.38	-	-	-	-	180.38

Balances outstanding at the end of the year:

Non-current investments	2013-14	1,696.09	-	-	-	-	1,696.09
	2012-13	678.89	-	-	-	-	678.89
Long-term loans and advances	2013-14	-	-	12.50	-	-	12.50
	2012-13	-	-	13.00	-	-	13.00
Trade receivable	2013-14	96.14	-	-	-	-	96.14
	2012-13	95.07	-	-	-	-	95.07
Short- term loans and advances	2013-14	880.37	27.23	-	-	-	907.60
	2012-13	520.32	12.56	-	-	-	532.88

10. Financial and derivative instruments

i) Outstanding derivative instruments

Contracts entered into by the Company for hedging in US \$ and outstanding as on 31st March 2014 amount to US \$ 82.50 lacs (Previous year US \$ 90.00 lacs), equivalent to Rs 5,307.04 lacs (Previous year in Rs. 5,164.23 lacs).

Contracts entered into by the Company for hedging in UK £ and outstanding as on 31st March 2014 amount to UK £ 19.00 lacs (Previous year UK £ 13.25 lacs), equivalent to Rs 1,973.81 lacs (Previous year in Rs. 1,206.24 lacs).

All contracts entered by the Company are for hedging of exposures against receivables.

The Company has not entered into any derivative instruments for trading or speculative purpose.

All outstanding forward contracts are recognized in the financial statements at fair value as on the balance sheet date in accordance with the requirements of AS 30.

Accordingly, the resultant gain or loss on fair valuation / settlement of the outstanding forward contracts are recognized in the statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the hedge is effective, the gains or losses are recognized in the "Hedging Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet" and where the hedge is ineffective, the same is recognized in the statement of Profit and Loss. The amount recognized in the "Hedging Reserve" is transferred to statement of profit and loss in the period in which the underlying Hedge item affects the statement of Profit and Loss.

ii) Unhedged foreign currency exposures

Foreign currency exposures on account of trade receivables / trade payables and packing credit foreign currency (PCFC) loan not hedged by derivative instruments are as follows:

a) Trade and other receivables

Rs. In lacs

Foreign currency	2013-14		2012-13	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	24.57	1,494.70	29.66	1,622.83
GBP	21.01	2,102.51	22.29	1,843.74
EURO	0.22	17.98	0.69	48.05

b) Trade payable

Rs. In lacs

Foreign currency	2013-14		2012-13	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	1.14	68.79	1.03	55.78
GBP	0.14	13.93	0.10	7.96

c) Packing credit foreign currency (PCFC) loan

Rs. In lacs

Foreign currency	2013-14		2012-13	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	7.68	461.87	13.94	757.68
GBP	-	-	0.07	5.51

d) EEFC balance

Rs. In lacs

Foreign currency	2013-14		2012-13	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	4.60	276.47	0.01	0.58
GBP	1.80	179.73	0.02	2.05

11. The Company had given unsecured interest bearing Inter Corporate Deposits to five Companies. Of these, two Companies have repaid the deposits but interest of Rs. 7.42 lacs is yet to be received from them.

12. Disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below

a) Defined contribution plans

Amount of Rs 62.97 lacs (Previous year Rs 50.19 lacs) representing contribution to provident fund is recognized as an expense and is included in "Employee benefits expenses" in the statement of profit and loss.

Amount of Rs 7.60 lacs (Previous year Rs 6.66 lacs) representing contribution to Employee State Insurance scheme is recognized as an expense and is included in "Employee benefits expenses" in the statement of profit and loss.

b) Defined benefit plan

Compensated absence

Provision for compensated 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 35.48 lacs (Previous year: Rs 23.91 lacs) has been recognized in balance sheet of which Rs 26.61 lacs (Previous year: Rs 17.93) shown under long term provision and balance Rs 8.87 lacs (Previous year 5.98 Lacs) is shown under short term provision as given in the Actuarial report as on 31 March 2014.

Expenses of Rs 28.65 lacs (Previous year: Rs 17.65 lacs) are recognized 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 en-cashable. Amount of Rs 3.48 lacs (Previous year: Rs Nil) has been recognized in balance sheet of which Rs Nil (Previous years: Nil) shown under long term provision and balance Rs 3.48 lacs (Previous year: Rs. Nil) is shown under short term provision as given in the Actuarial report as on 31 March 2014.

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.

The Present value of the obligation on 31st March 2014 of Rs. 9.52 lacs (Previous year Rs. 5.94 lacs) pertaining to funded gratuity [(net of fund value of Rs 100.21 lacs (Previous year: Rs 100.79 lacs)] payable employees is shown under short-term provision.

Unfunded

There being no short term liability in respect of unfunded gratuity provision, the entire amount of Rs. 78.15 lacs (Previous year Rs. 81.25 lacs) is shown under long-term provision.

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

Rs. In lacs

		Gratuity (funded and unfunded)	
		2013-14	2012-13
I	Change in benefit obligation		
	Liability at the beginning of the year	187.98	172.59
	Interest cost	17.14	13.81
	Current service cost	25.04	17.51
	Benefit paid	(19.48)	(1.62)
	Benefit paid directly by Company	33.00	-
	Actuarial (gain) / loss on obligations	10.20	(14.31)
	Liability at the end of the year	187.88	187.98
II	Fair value of plan assets		
	Fair value of plan assets at the beginning of the year	100.79	87.05
	Actual return on plan assets	8.83	8.34
	Employer's Contributions	10.07	7.02
	Benefit paid	(19.48)	(1.62)
	Fair value of plan assets at the end of the year	100.21	100.79
III	Amount recognised in the balance sheet		
	Liability at the end of the year	187.88	187.98
	Fair value of plan assets at the end of the year	100.21	(100.79)
	Present value of unfunded obligations	87.67	87.19 *
IV	Expenses recognised in the statement of profit and loss		
	Current service cost	25.04	17.51
	Interest cost	17.14	13.81
	Actual return on plan assets	(8.83)	(8.34)
	Net actuarial (gain) / loss to be recognized	10.19	(14.31)
	Expense recognised in statement of profit and loss	43.54	8.67
V	Actuarial assumptions :		
	Discount rate	9.12%	8.00%
	Rate of return on plan assets	8.76%	9.58%
	Salary escalation	8.00%	5.00%

* Under long-term provisions Rs. 78.15 lacs (Previous year Rs. 81.25 lacs) (refer note no: 7) and under short-term provisions Rs. 9.52 lacs (Previous year Rs. 5.94 lacs) (refer note no: 11).

Experience Adjustments for the current and previous four years

Rs. In lacs

Experience	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation	187.88	187.98	172.59	121.03	99.03
Plan Assets	100.21	100.79	87.05	-	-
Status [Surplus / (Deficit)]	(87.67)	(87.19)	(85.54)	-	-
Experience Adjustments of Obligation [(Gain)/Loss]	(22.80)	(14.31)	28.46	4.92	(36.61)
Experience on Plan Assets [Gain/(Loss)]	0.76	1.38	(0.61)	-	-

13. Computation of earnings per share

	2013-14	2012-13
Basic earnings per share:		
Number of shares at the beginning of the year	2,20,00,000	2,02,00,000
Issued during the year	-	18,00,000
Number of shares at the end of the year	2,20,00,000	2,20,00,000
Number of shares (basic weighted average)	2,20,00,000	2,05,35,342
Profit for the year (Rs. in lacs)	Rs. 1,244.88	Rs. 1,558.57
Basic earnings per share (weighted average)	5.66	7.59
Number of shares (diluted)	2,20,00,000	2,05,35,342
Diluted earnings per Share (weighted average)	5.66	7.59

14. Value of Imported and indigenous raw materials and packing materials consumed

Raw materials

Rs. In lacs

	2013-14		2012-13	
	Amount	% of Consumption	Amount	% of Consumption
Imported	106.26	2.61	62.82	1.59
Indigenous	3,967.52	97.39	3,888.75	98.41
	4,073.78	100.00	3,951.57	100.00

Packing materials

Rs. In lacs

	2013-14		2012-13	
	Amount	% of Consumption	Amount	% of Consumption
Imported	136.38	7.46	133.93	7.59
Indigenous	1,690.71	92.54	1,630.30	92.41
	1,827.09	100.00	1,764.23	100.00

15. Value of Imports Calculated on C.I.F basis

Rs. In lacs

	2013-14	2012-13
Raw materials and packing materials	282.94	192.00
Traded goods	-	9.45
Capital goods	116.71	26.42
Others	0.93	4.12
Total	400.58	231.99

16. Expenditure in foreign currency

Rs. In lacs

	2013-14	2012-13
Travelling	117.03	157.50
Advertisement	90.13	126.42
Legal and professional fees	122.96	165.76
Sales and marketing expenses	360.24	115.02
Sales commission and claims	139.86	158.44
Freight and forwarding charges	-	1.31
Others	14.03	3.13
Total	844.25	727.58

17. Remittance in foreign currency on account of dividend

During the year, the Company has not made any remittance in foreign Currency on account of dividend payable to its Non Resident Shareholders. However the details of dividend paid to the Non Resident Shareholders during the financial year is given below.

Particulars	Dividend of 2012-13	Dividend of 2011-12
No. of non-resident Share holders	84	94
No. of shares held by them	28,18,413	28,39,252
Amount of dividend (15 % i.e. Rs. 1.50 Per Share)	42,27,620	42,58,884

18. Earnings in Foreign Currency (accrual basis)

Rs. In lacs

	2013-14	2012-13
F.O.B. Value of Exports	11,699.04	10,801.43
Others	15.62	13.05

19. The Company is engaged mainly in the business of manufacturing and exporting food products like pickles, chutneys, ready to eat items, paste and sauces, frozen foods, spices, etc. local and overseas, which is the only business segment of the Company. The local turnover being less than 10% of the total turnover of the Company, separate geographical segment information has not been given in the financial statements. Hence there are no separate reportable segments, as required by the Accounting Standard 17 on "Segment Reporting" as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards.

20. The Company held majority shareholding in Power Brands (Foods) Private Limited ('PBFPL'). It presently holds 2,08,85,992 fully paid Equity Shares of Rs. 10/- each (including 20,75,992 Equity Shares acquired at Rs. 330.08 lacs in Financial Year 2012-13). PBFPL is presently under voluntary liquidation process.

Pursuant to a special resolution passed on November 5, 2012 by its members, PBFPL went into the members' voluntary liquidation. In the course of liquidation process, the voluntary liquidator, with the prior approval of the members vide their special resolution dated March 8, 2013, distributed PBFPL's intangible asset - Ashoka brand and part of cash and bank balance to its Shareholders in proportion to their respective shareholding in PBFPL while retaining certain other fixed and current assets to meet its contingent and other liabilities.

By virtue of the above distribution, the Company received Ashoka brand in the financial year 2012-13 (valued at Rs. 2,935.99 lacs by an independent valuer) in lieu of its investment in PBFPL's equity shares of Rs. 2,211.08 lacs. Accordingly, the Company capitalised the said brand in its books at Rs. 2,935.99 lacs in the said financial year after adjusting the same against the investment value of Rs. 2,211.08 lacs and carried the balance of Rs. 724.91 lacs to the credit of the statement of profit and loss as an exceptional item in that year.

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.

21. Previous year's figures have been regrouped / recast wherever necessary.

22. Figures have been rounded off to the nearest lacs.

In terms of our report attached

For and on behalf of the Board of Directors

For D. P. Ghevaria & Co.
Chartered Accountants
Firm's Registration Number: 103176W

Ashok H. Thakkar
Vice Chairman

Bimal R. Thakkar
Managing Director

D. P. Ghevaria
Proprietor
Membership No: 032431

Shalaka Ovalekar
Company secretary

Place: Mumbai
Date: 28th May 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2014

Rs. In lacs

Particulars	For the year ended 31st March, 2014	For the year ended 31st March, 2013
A. Cash flow from operating activities		
Net Profit / (Loss) before tax	1,799.52	1,973.55
<i>Adjustments for:</i>		
Depreciation and amortisation	732.72	414.56
(Profit) / loss on sale / write off of assets	4.18	7.17
Finance costs	113.65	162.57
Interest income	(178.88)	(200.46)
Net (gain) / loss on sale of investments	(170.71)	(82.73)
Net gain on liquidation / winding up of subsidiary companies	-	(719.75)
Provision for estimated losses on onerous contracts	26.66	412.44
	527.62	(6.20)
Operating profit / (loss) before working capital changes	2,327.14	1,967.35
<i>Changes in working capital:</i>		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(194.59)	(285.41)
Trade receivables	516.91	(647.91)
Short-term loans and advances	(398.28)	(960.80)
Long-term loans and advances	101.33	164.02
Other non-current assets	-	50.00
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	381.63	89.19
Other current liabilities	74.11	35.58
Short-term provisions	(72.18)	(140.18)
Long-term provisions	5.58	(2.49)
	414.51	(1,698.00)
	2,741.65	269.35
Net income tax (paid) / refunds	468.32	289.02
Net cash flow from / (used in) operating activities (A)	2,273.33	(19.67)
B. Cash flow from investing activities		
Capital expenditure on fixed assets, including capital advances	(1,093.61)	(3,158.00)
Deduction/adjustment of fixed assets	1.14	46.76
Inter-corporate deposits (net)	150.00	(925.00)
Other non-current assets	443.76	-
Bank balances not considered as Cash and cash equivalents	(70.86)	792.32
Current investments not considered as Cash and cash equivalents		
- Purchased	850.00	(1,150.00)
Purchase of long-term investments		
- Subsidiaries	(1,017.20)	-
Proceeds from disposal of non-current investments		
- Subsidiaries	-	1,886.16
- Others	170.71	-
Gain on sale of current investments		
- Others	-	82.73
Gain on disposal of non-current investments		
- Subsidiaries	-	719.75
Interest received		
- Others	178.88	200.46
Net cash flow from / (used in) investing activities (B)	(387.18)	(1,504.82)

Particulars	For the year ended 31st March, 2014		For the year ended 31st March, 2013	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		877.50	
Proceeds from long-term borrowings	(12.17)		(9.13)	
Proceeds from other short-term borrowings	(1,021.80)		915.02	
Finance cost	(113.65)		(162.57)	
Dividends paid	(330.00)		(303.00)	
Tax on dividend	(56.10)		(49.16)	
Net cash flow from / (used in) financing activities (C)		(1,533.72)		1,268.66
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		352.43		(255.83)
Cash and cash equivalents at the beginning of the year		155.80		411.63
Cash and cash equivalents at the end of the year *		508.23		155.80
* Comprises:				
(a) Cash on hand		9.73		8.11
(b) Cheques, drafts on hand		-		21.57
(c) Balances with banks				
(i) In current accounts		42.30		23.49
(ii) In EEFC accounts		456.20		2.63
(iii) In deposit accounts with original maturity of less than 3 months		-		100.00
		508.23		155.80

In terms of our report attached

For and on behalf of the Board of Directors

For D. P. Ghevaria & Co.
Chartered Accountants
Firm's Registration Number: 103176W

Ashok H. Thakkar
Vice Chairman

Bimal R. Thakkar
Managing Director

D. P. Ghevaria
Proprietor
Membership No: 032431

Shalaka Ovalekar
Company secretary

Place: Mumbai
Date: 28th May 2014

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No.

1 4 2 6 5

State Code

0 4

Balance Sheet Date

3 1 - 0 3 - 1 4

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

Public Issue

Nil

Right Issue

Nil

Bonus Issue

Nil

Private Placement

Nil

Conversion of Bonds

Nil

Warrants

Nil

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)

TOTAL OF EQUITY AND LIABILITIES

2,048,535

ASSETS

2,048,535

Share capital

223,783

Fixed assets

753,416

Reserves and surplus

1,421,126

Non-current investments

169,609

Long-term borrowing

307

Long-term loans and advances

21,084

Deferred tax liabilities (net)

70,838

Other non-current assets

624

Other long term liabilities

2,500

Current investments

210,000

Long-term provisions

10,476

Inventories

222,935

Short-term borrowings

150,709

Trade receivables

281,752

Trade payables

87,910

Cash and bank balances

120,664

Other current liabilities

34,852

Short-term loans and advances

268,451

Short-term provisions

46,034

IV. PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover

1,458,063

Total Expenditure

1,278,111

Profit Before Tax

179,952

Profit After Tax

124,488

Earning per share in Rs.

5.66

Dividend %

15%

V. GENERIC NAMES OF PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY (AS PER MONETARY TERMS)

ITEM CODE NO. (ITC CODE)

PRODUCT DESCRIPTION

2005

Other vegetables, preserved or otherwise than by vinegar.

2006

Fruits, nuts, fruitpeel & other products, preserved by sugar.

0904

Pepper of genus piper dried or crushed or the genus pimenta.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1	Name of the Subsidiary	ADF Foods (India) Limited	ADF Foods UK Limited	ADF Holdings (USA) Limited	ADF Foods (USA) Limited
2	The Financial year of the company ended on	31.03.2014	31.03.2014	31.03.2014	31.03.2014
3	Holding company	ADF Foods Limited	ADF Foods Limited	ADF Foods UK limited	ADF Holdings (USA) Limited
4	Holding Company's interest	100%	100%	100%	89%
5	Shares held by the holding company in the subsidiary	50,000 Equity Shares of Rs 10/- each	19,51,352 Equity Shares of £ 1/- each	12,000 Equity Shares of \$ 0.001/- each	89,094 Equity Shares of \$0.001/-each
6	The aggregate of profits or losses for the current financial year of the subsidiary so far as it concerns the members of the holding company				
	a) dealt with or provided for in the accounts of the holding company	NIL	NIL	NIL	NIL
	b) not dealt with or provided for in the accounts of the company	Rs. 30.11 Lacs	(£ 47,867)	\$65,037	(\$11,62,925)
7	The aggregate of profits or losses for the previous financial year of the subsidiary so far as it concerns the members of the holding company				
	a) dealt with or provided for in the accounts of the holding company	NIL	NIL	NIL	NIL
	b) not dealt with or provided for in the accounts of the company	Rs. 33.85 Lacs	£ 11,480	(\$6,775)	(\$3,89,407)

Power Brands (Foods) Pvt. Ltd. (PBFPL), a 99.99% subsidiary of the Company, has gone for voluntary liquidation vide special resolution passed by its' Members' on 5th November, 2012

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of

ADF Foods Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of ADF Foods Limited ("the Company") and its subsidiaries (collectively referred to as "ADF Group"), which comprise of the consolidated Balance Sheet as at 31 March 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS 21) as prescribed by the Companies (Accounting Standards) Rules, 2006.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

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 reports of the other auditors on the financial statements of the subsidiaries as noted below, having regard to note no. 29 (12) in the Notes to Accounts, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other matter

We have not audited the financial statements of foreign subsidiaries mentioned in the Annexure to this report whose total assets and total revenues are mentioned in the Annexure to this report. These financial statements have been audited by other auditors whose reports have been furnished to us for the purpose of consolidation, and our opinion, in so far as it relates to the amounts included in respect of the subsidiaries, is based solely on reports of the other auditors.

The financial statements of ADF Foods (India) Limited (Indian subsidiary) for the year ended 31 March 2014 have been audited by M/s B S R & Co. LLP, Chartered Accountants.

For **D.P. Ghevaria & Co**

Chartered Accountants

Firm's Registration No: 103176W

D.P. Ghevaria

Proprietor

Membership No: 032431

Mumbai, 28 May 2014

Annexure to the Auditors' Report – 31 March 2014

(INR in Lacs)

Name of the Company	Accounting Period	Subsidiary	Total Assets	Total Revenues	Name of the Auditor
ADF Foods UK Limited	April 2013 to March 2014	Direct	2,551.44	325.33	Nagle James Associates Limited
ADF Holdings (USA) Limited	April 2013 to March 2014	Indirect	2,186.05	6,167.16	Funaro & Co

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

PARTICULARS	Note No.	As at 31-Mar-14 Rs. in lacs	As at 31-Mar-13 Rs. in lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	1	2,237.83	2,237.83
(b) Reserves and surplus	2	12,706.82	12,674.37
(c) Money received against share warrants	3	-	-
		14,944.65	14,912.20
Share application money pending allotment		-	-
Minority interest	4	(145.32)	(57.76)
Non-current liabilities			
(a) Long-term borrowings	5	674.10	1,296.41
(b) Deferred tax liabilities (net)	6	90.20	343.01
(c) Other long term liabilities	7	25.00	25.00
(d) Long-term provisions	8	104.76	99.16
		894.06	1,763.58
Current Liabilities			
(a) Short-term borrowings	9	2,097.40	2,975.39
(b) Trade payables	10	1,285.08	814.08
(c) Other current liabilities	11	555.07	598.46
(d) Short-term provisions	12	463.10	532.69
		4,400.65	4,920.62
TOTAL		20,094.04	21,538.64
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	13	4,063.75	4,190.50
(ii) Intangible assets	13	3,932.31	4,558.81
(iii) Capital work in progress	13	850.50	9.92
		8,846.56	8,759.23
(b) Non-current investments	14	0.15	0.15
(c) Long term loans and advances	15	228.88	329.64
(d) Other non-current assets	16	6.24	450.00
		9,081.83	9,539.02
Current assets			
(a) Current investments	17	2,100.00	2,950.00
(b) Inventories	18	2,783.71	2,429.35
(c) Trade receivables	19	3,016.53	3,739.83
(d) Cash and bank balances	20	1,255.85	886.27
(e) Short-term loans and advances	21	1,856.12	1,994.17
		11,012.21	11,999.62
TOTAL		20,094.04	21,538.64

See accompanying notes forming integral part of the financial statements

29

In terms of our report attached

For and on behalf of the Board of Directors

For D. P. Ghevaria & Co.
Chartered Accountants
Firm's Registration Number: 103176W

Ashok H. Thakkar
Vice Chairman

Bimal R. Thakkar
Managing Director

D. P. Ghevaria
Proprietor
Membership No: 032431

Shalaka Ovalekar
Company secretary

Place: Mumbai
Date: 28th May 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	Note No.	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Revenue from operations (gross)	22	20,887.06	17,998.38
Less: Excise duty	22	123.01	103.53
Revenue from operations (net)		20,764.05	17,894.85
Other Income	23	398.46	341.29
Total Revenue		21,162.51	18,236.14
Expenses			
(a) Cost of material consumed	24 (a)	8,554.92	7,323.04
(b) Purchase of traded goods	24 (b)	799.36	630.66
(c) Increase in inventories of finished goods, work-in-progress and traded goods	24 (c)	(211.98)	(173.49)
(d) Employee benefits expenses	25	2,691.68	2,204.21
(e) Finance cost	26	172.66	251.02
(f) Depreciation and amortisation expenses	27	1,117.84	732.94
(g) Other expenses	28	7,337.69	6,253.93
Total expenses		20,462.17	17,222.31
Profit before exceptional and extraordinary items and tax		700.34	1,013.83
Exceptional Items (refer Note 28(19 & 20))		-	719.75
Profit before extraordinary items and tax		700.34	1,733.58
Extraordinary Items		-	-
Profit before tax		700.34	1,733.58
Tax expenses:			
(a) Current tax expenses for current year		475.82	407.35
(b) MAT Credit		-	(115.55)
(c) Current tax expenses related to prior year		-	8.13
(d) Net current tax expense		475.82	299.93
(e) Deferred tax		(252.82)	55.71
		223.00	355.64
Profit for the year before minority interest		477.34	1,377.94
Minority interest		(87.56)	(26.10)
Profit for the year after minority interest		564.90	1,404.04
Earnings per share (of Rs. 10/- each):			
(a) basic	29 (12)	2.17	6.84
(b) diluted		2.17	6.84

See accompanying notes forming integral part of the financial statements

29

In terms of our report attached

For and on behalf of the Board of Directors

For D. P. Ghevaria & Co.

Chartered Accountants

Firm's Registration Number: 103176W

Ashok H. Thakkar

Vice Chairman

Bimal R. Thakkar

Managing Director

D. P. Ghevaria

Proprietor

Membership No: 032431

Shalaka Ovalekar

Company secretary

Place: Mumbai

Date: 28th May 2014

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	31-Mar-14 Rs. in lacs	31-Mar-13 Rs. in lacs
Note 1		
SHARE CAPITAL		
Authorised		
ADF Foods Limited		
2,50,00,000 (Previous year 2,50,00,000) equity shares of Rs. 10/- each	<u>2,500.00</u>	<u>2,500.00</u>
Issued and subscribed		
ADF Foods Limited		
2,20,00,000 (Previous year 2,20,00,000) equity shares of Rs. 10/- each	<u>2,200.00</u>	<u>2,200.00</u>
		-
Paid Up		
ADF Foods Limited		
2,20,00,000 (Previous year 2,20,00,000) equity shares of Rs. 10/- each	2,200.00	2,200.00
Shares Forfeited		
7,56,600 (Previous year 7,56,600) equity Shares of Rs. 10/- each; amount	37.83	37.83
Total	<u>2,237.83</u>	<u>2,237.83</u>

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

Equity shares	31st March 2014		31st March 2013	
	No. of shares	Rs. in lacs	No. of shares	Rs. in lacs
At the beginning of the period	22,000,000	2,200	20,200,000	2,020
Add: Shares issued on exercise of conversion of warrants' option	-	-	1,800,000	180
Outstanding at the end of the period	<u>22,000,000</u>	<u>2,200</u>	<u>22,000,000</u>	<u>2,200</u>

Of the above

50,00,490 (Previous year 50,00,490) equity shares were allotted to the shareholders of the erstwhile Lustre Investments Private Limited, for consideration other than cash pursuant to a Scheme of Amalgamation.

26,50,000 (Previous year 26,50,000) equity shares were issued on preferential basis to investors.

43,26,110 (Previous year 43,26,110) equity shares were issued on conversion of preferential warrants. Out of these, 2,00,000 equity shares carry restriction on transfer for a period of three years from the date of their issue i.e. up to 27th March 2015 and 18,00,000 equity shares carry restriction on transfer for a period of three years from the date of issue i.e. upto 22nd January, 2016.

b. Terms/rights attached to equity shares

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

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

The Board of Directors, in their board meeting held on 28 th May 2014, proposed a dividend of Rs. 1.50 per equity share. The total dividend appropriation for the year ended 31st March 2014 amounted to Rs. 386.08 lacs including corporate dividend tax of Rs. 56.08 lacs. The proposal is subject to approval of the shareholders at the Annual General Meeting.

During the year ended 31st March 2013, amount of dividend per share distributed to equity share holders was Rs. 1.50. The total dividend appropriation for the year ended 31st March 2013 amounted to Rs. 386.10 lacs including corporate dividend tax of Rs. 56.10 lacs.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

c. Details of shareholders holding more than 5% shares of the company

Class of shares / name of shareholder

	As on 31st March 2014		As on 31st March 2013	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
Credit Renaissance fund, Limited	2,199,700	10.00%	2,200,000	10.00%
Mr. Ashok H. Thakkar	1,836,354	8.35%	1,836,354	8.35%
Top Class Capital Markets Pvt. Ltd.	1,752,859	7.97%	1,752,859	7.97%
Mr. Bimal R. Thakkar	1,866,320	8.48%	1,866,320	8.48%
Mr. Bhavesh R. Thakkar	1,449,450	6.59%	1,449,450	6.59%
Mr. Mishal A. Thakkar	1,821,098	8.28%	1,821,098	8.28%
Mr. Ramesh H. Thakkar *	-	0.00%	1,045,500	4.75%
Mrs. Mahalaxmi R. Thakkar	1,958,022	8.90%	912,522	4.15%
Total	12,883,803	58.57%	12,884,103	58.57%

*the Shares of Late Mr. Ramesh H Thakkar have been transmitted to Mrs Mahalaxmi R Thakkar.

Note 2

Reserves and surplus	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Capital reserve:		
Balance as per the last financial statements	105.00	105.00
Closing balance	105.00	105.00
Securities premium reserve		
Balance as per the last financial statements	5,934.33	4,944.33
Additions/Created during the year (refer note no: 3)	-	990.00
Closing balance	5,934.33	5,934.33
General Reserve:		
Balance as per the last financial statements	548.97	468.97
Add: amount transferred from surplus balance in the statement of profit and loss	90.00	80.00
Closing balance	638.97	548.97
Hedging reserve:		
Balance as per the last financial statements	141.54	(270.90)
Additions/Created during the period	26.66	412.44
Closing balance	168.20	141.54
Foreign currency translation reserve:	(108.14)	64.89
Surplus / (deficit) in Statement of Profit & Loss (Refer note A given below)		
Balance as per the last financial statements	5,879.64	3,922.29
Profit for the period as per note A given below	88.82	937.94
Deductions / adjustment during the year (refer note 27 (19 & 20))	-	(1,019.41)
Closing balance	5,968.46	5,879.64
Total	12,706.82	12,674.37
Note A		
Profit for the period	564.90	1,404.04
Prior year's adjustment (net)	-	-
Less:		
Dividend proposed to be distributed to equity shareholders (Rs. 1.50 per share)	330.00	330.00
Tax on dividend	56.08	56.10
Transfer to General Reserve	90.00	80.00
Total	88.82	937.94

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3

Share warrants	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Balance brought forward	-	292.50
Less: Conversion of fully paid share warrants into equity shares (refer note ii below)	-	292.50
Closing balance	-	-

Monies received against share warrants

Note

In the financial year 2012-13, the warrants holders exercised their rights in respect of the balance 18,00,000 share warrants and on receipt of the balance amount of Rs. 48.75 per share warrant, aggregating to Rs. 877.50 lacs, the Company converted 18,00,000 share warrants into equivalent number of equity shares on 23rd January 2013. Of the total consideration of Rs. 1,170 lacs received against 18,00,000 share warrants @ Rs. 65 per equity share warrant, Rs. 180 lacs have been transferred to Share capital account and Rs. 990 lacs have been transferred to Securities premium reserve.

Note 4

Minority interest	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Balance as per the last financial statements	(57.76)	(28.22)
Additions during the year (Minority shareholder)	-	5.45
Additions/Created during the period	(87.56)	(26.10)
Deductions during the year	-	(8.89)
Closing balance	(145.32)	(57.76)

Note 5

Long-term borrowing	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Secured		
Term loan (refer note A (i) below)	632.54	1,227.88
Long term maturities of car finance		
Due to a bank under car loan agreement (refer note A (ii) below)	3.07	6.42
Due to others under car loan agreements A207 (refer note A (iii) below)	38.49	62.11
	41.56	68.53
Total Long Term Borrowings	674.10	1,296.41

Note A

- The above term loan facility is availed by Company's indirect subsidiary - ADF Holdings (USA) Limited and the same is secured against the existing investments in mutual funds of Rs. 1,325 lacs. These securities have been pledged in favour of HDFC Bank Limited, Mumbai against the existing term loan of US \$ 2.8 million granted by HDFC Bank Limited, Bahrain Branch. On the maturity of the said units, the Company has agreed to provide fresh security to HDFC bank Limited, Mumbai as and when required. The loan carries interest of LIBOR plus margin (250 to 400 basis points).
- Secured by hypothecation of asset purchased, repayable in 36 installments. The loan carries interest of 8% to 10.50% p.a.
- Secured by hypothecation of asset purchased, repayable in 60 installments. The loan carries interest of 8.40% p.a.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6

Deferred tax liabilities (Net)	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Deferred tax liability at the year end comprise timing differences on account of:		
Particulars		
Tax effect of items constituting deferred tax liability:		
On difference between book balance and tax balance of fixed assets	771.79	640.55
	771.79	640.55
Tax effect of items constituting deferred tax assets:		
Provision for compensated absences, gratuity and other employee benefits	(48.98)	(4.72)
Provision for doubtful advances / debts	(14.43)	(13.78)
Carry forward loss	(618.18)	(279.04)
	(681.59)	(297.54)
Net deferred tax liability	90.20	343.01

Note 7

Other long term liabilities:	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Security deposit received	25.00	25.00
Total	25.00	25.00

Note 8

Long-term provisions	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
(a) Provision for employees' benefits (Refer note no: 29 (13)):		
(i) Provision for compensated absences	26.61	17.91
(ii) Provision for gratuity	78.15	81.25
Total	104.76	99.16

Note 9

Short-term borrowings	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
(a) Loans repayable on demand		
From banks		
Secured		
- State bank of Hyderabad (refer note A below)	323.34	636.90
- Bank of Baroda (refer note A below)	309.37	1,016.81
- HDFC bank (refer note B below)	1,464.69	771.68
- Tamilnadu Mercantile Bank Limited (refer note C below)	-	550.00
Total	2,097.40	2,975.39

- A) Secured by equitable mortgage of the Company's Factory, Land & Building situated at Nadiad and Nashik, Plant & Machinery and other Fixed Assets, present and future situated at Nadiad and Nashik and Current Assets, present and future situated at Nadiad, Nashik and Mumbai ranking pari passu in favour of the Company's bankers. The said Working Capital limits are repayable on demand and the interest payable on Rupee borrowings range from 8.25 % to 9 % p.a. and on foreign currency borrowings is LIBOR plus margin (300 to 410 basis points).
- B) Secured by lien on all stocks, shares, securities, property and book debts present and future held / to be held by the Company. The said Working Capital limit is repayable on demand and the interest payable thereon is LIBOR plus margin (250 to 300 basis points).
- C) Previous year's balance was secured by pledge of fixed deposits of Rs. 700 lacs held with Tamilnadu Mercantile Bank Limited which is now fully repaid.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 10

Trade Payables	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
(i) Acceptance	-	-
a) Due to Micro Small and Medium Enterprises	36.83	29.86
b) Others	1,248.25	784.22
Total	1,285.08	814.08

Note 11

Other Current Liabilities	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
(a) Current maturities of term loan *		
(i) Short term maturities of car finance (refer note 5 - long term borrowings)	11.84	18.57
(b) Unclaimed dividend	75.08	67.13
(c) Other payables		
(i) Statutory remittance (P.F., E.S.I.C., withholding tax, VAT, service tax etc)	50.42	38.70
(ii) Advances from customers	38.55	12.25
(iii) Book over draft	55.61	76.51
(iii) Others	323.57	385.30
Total	555.07	598.46

* For details refer note no: A (ii) and (iii) of Note: 5

Note 12

Short-term provisions	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
(a) Provision for employee benefits (Refer note no: 29 (13)):		
(i) Provision for compensated absences	8.87	5.98
(ii) Provision for compensated sick leaves	3.54	0.04
(iii) Provision for gratuity	9.71	6.05
	22.12	12.07
(b) Provisions Others:		
(i) Provision for tax (net of advance tax Rs. 401.54 lacs)	54.90	134.52
(ii) Provision for proposed equity dividend	330.00	330.00
(iii) Provision for tax on proposed equity dividend	56.08	56.10
	440.98	520.62
Total	463.10	532.69

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13 Fixed Assets

DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
	As at 1st April 13	Additions/ adjustments during the period	Deduction/ adjustment during the period	As at 31st March 2014	As at 1st April 13	For the yperiod	Deduction/ adjustment during the period	As at 31st March 2014	As at 31st March 2014	As at 31st March 2013
Tangible Assets:										
Leasehold Land	100.57	3.40	-	103.97	6.55	1.02	-	7.57	96.40	94.02
Freehold Land	4.18	-	-	4.18	-	-	-	-	4.18	4.18
Factory Building	2,052.97	5.16	-	2,058.13	685.37	68.93	-	754.30	1,303.83	1,367.60
Office Premises	106.56	-	-	106.56	3.69	1.74	-	5.43	101.13	102.87
Plant & Machinery	3,898.46	316.06	-	4,214.52	1,623.86	345.10	0.01	1,968.95	2,245.57	2,274.60
Laboratory Equipment	23.50	0.24	-	23.74	12.51	1.10	-	13.61	10.13	10.99
Office Equipment	50.10	1.06	2.58	48.58	17.91	2.20	0.28	19.83	28.75	32.19
Computers	97.06	12.64	-	109.70	68.19	9.44	-	77.63	32.07	28.87
Furniture & Fixtures	80.31	5.82	-	86.13	33.55	5.22	-	38.77	47.36	46.76
Vehicles	343.11	-	17.11	326.00	114.69	31.07	14.09	131.67	194.33	228.42
	6,756.82	344.38	19.69	7,081.51	2,566.32	465.82	14.38	3,017.76	4,063.75	4,190.50
Intangible Assets:										
Trade Marks/Brands	6,031.00	-	-	6,031.00	1,446.67	652.02	-	2,098.69	3,932.31	4,558.81
Goodwill	399.03	-	-	399.03	399.03	-	-	399.03	-	-
	6,430.03	-	-	6,430.03	1,845.70	652.02	-	2,497.72	3,932.31	4,558.81
TOTAL	13,186.85	344.38	19.69	13,511.54	4,412.02	1,117.84	14.38	5,515.48	7,996.06	8,749.31
Previous year	12,132.55	3,335.30	2,281.00	13,186.85	4,753.00	732.94	1,048.40	4,437.54	8,749.31	7,379.55
Capital Work-in-Progress (Tangible)	9.92	910.23	69.65	850.50	-	-	-	-	850.50	9.92
TOTAL	13,196.77	1,254.61	89.34	14,362.04	4,412.02	1,117.84	14.38	5,515.48	8,846.56	8,759.23

Note 14

Non Current Investments		31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Investments (At cost)			
a) Other Investments		0.15	0.15
Total		0.15	0.15

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 15

Long-term loans and advances	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Unsecured:		
(a) Capital advance		
Considered good	22.45	37.01
Doubtful	14.63	14.63
Less: Provision for doubtful advances	14.63	14.63
	-	-
(b) Other deposits	6.02	5.45
Considered good	134.04	126.26
(Includes deposit of Rs. 12.50 lacs (Previous year Rs. 13 lacs) paid to a Related Party (Previous year to a Director), refer note 28 (9))		
(c) Loans and advances to employees		
Considered good	19.51	33.60
(d) Others		
Considered good		
(i) Advance income tax (net of provision of Rs. 8.50 lacs, (Previous year Rs. Nil))	11.77	11.77
(ii) MAT Credit	35.09	115.55
Total	228.88	329.64

Note 16

Other non-current assets	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
(a) Advances to suppliers	27.84	27.84
Less: Considered doubtful	27.84	27.84
	-	-
(b) Others		
In deposit accounts (due to mature after 12 months from reporting date)	6.24	450.00
Total	6.24	450.00

Note 1

The bank fixed deposits aggregating to Rs. Nil (Previous year Rs. 450 lacs) were pledged with Tamilnadu Mercantile Bank Limited, Mumbai against Working Capital limit of Rs. Nil (Previous Year Rs. 350 lacs).

The bank deposits of Rs. 6.24 lacs (Previous year Rs. Nil) have been kept with State Bank of Hyderabad as margin money deposits against bank guarantees.

Note 17

Current investment	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Quoted		
Investment in Mutual funds (At lower of cost or market value):		
BSL dynamic bond fund retail growth	-	500.00
Reliance Dynamic Bond Fund Growth Plan	75.00	325.00
Kotak Bond Scheme Plan A Growth	325.00	325.00
Birla Sunlife Income Plus Growth Regular Plan	350.00	350.00
Templeton India Short Term Income Retail Plan	350.00	500.00
BSL Short Term Opportunities Fund Growth	500.00	-
SBI Debt Fund Series 13 Months 12 Growth	-	450.00
HDFC Short Term Opportunities Fund Growth	500.00	-
ICICI prudential fmp series 63 270 days plan D	-	400.00
LIC Nomura MF Fixed Maturity Plan Series 52	-	100.00
Total	2,100.00	2,950.00
Aggregate amount of current investment (market value)	2,214.17	3,101.08

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

The above investments in mutual funds (except investments made in Birla Sun Life Income Plus - Growth - Regular Plan Rs 350 lacs, Reliance Dynamic Bond Fund - Growth Plan Rs 75 lacs and Templeton India Short Term Income Retail Plan G Rs. 350 lacs) have been pledged in favour of HDFC Bank Limited, Mumbai against existing term loan of US \$ 2.80 million (Previous year US \$ 3.75 million) granted by HDFC Bank Limited, Bahrain Branch to the Company's indirect subsidiary - ADF Holdings (USA) Limited. On the maturity of the said units, the Company has agreed to provide fresh security to HDFC Bank Limited, Mumbai as and when required.

Note 18

Inventories (At lower of cost and net realizable value)	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Raw materials	386.28	309.57
Semi-finished goods	736.27	901.43
Finished goods	595.90	338.52
Traded goods	85.56	51.80
Packing materials	764.70	699.03
Licenses on hand	215.00	129.00
Total	2,783.71	2,429.35

Note 19

Trade receivables	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered Good	15.13	13.23
Doubtful	-	-
	15.13	13.23
Less: provision for doubtful trade receivables	-	-
	15.13	13.23
Other trade receivables		
Unsecured, considered good	3,001.40	3,726.60
Less: provision for doubtful trade receivables	-	-
	3,001.40	3,726.60
Total	3,016.53	3,739.83

Note 20

Cash and bank balances	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Cash and cash equivalents		
(a) Cash on hand	10.37	9.51
(b) Cheques, drafts on hand	-	21.57
(b) Balance with banks		
(i) in Current accounts	90.87	125.01
(ii) in EEFC accounts	456.20	2.63
(iii) in deposit accounts		
- with original maturity of less than 3 months	-	100.00
	557.44	258.72
Other bank balances		
(i) in deposit accounts		
- with original maturity for more than 3 months but less than 12 months (refer note 1 below for current year and note 2 below for previous year)	450.00	400.00
(ii) in earmarked accounts		
- Unclaimed dividend accounts	75.08	67.13
(iii) Held as margin money or security against borrowings / guarantees and other commitments (refer note 3 below)		
(a) with original maturity of less than 3 months	31.47	37.80
(b) with original maturity for more than 3 months but less than 12 months	141.86	122.62
	698.41	627.55
Total	1,255.85	886.27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note:

- 1) The bank fixed deposits aggregating to Rs. Nil (Previous year Rs. 250 lacs) have been pledged in Tamilnadu Mercantile Bank Limited, Mumbai against Working Capital limit of Rs. Nil (Previous year Rs. 200 lacs).
- 2) Margin money deposits are kept with banks against issue of letters of credit, bank guarantees and for forward contracts.

Note 21

Short-term loans and advances	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Unsecured		
(a) Loans and advances to employees		
Considered good	27.00	29.63
(b) Prepaid expenses	69.92	73.48
(c) Balances with government authorities - considered good		
(i) CENVATcredit receivable	72.78	58.04
(ii) VATcredit receivable	111.32	119.82
(iii) Service tax credit receivable	238.14	228.79
(d) Inter corporate deposit		
Considered good	875.00	1,025.00
(e) Others		
Considered good		
(i) Advance to suppliers for goods	100.08	100.47
(ii) Advance to suppliers for expenses	23.81	19.84
(iii) Mark-to-market on derivative contracts	118.51	144.08
(iv) Interest receivable	29.65	36.62
(v) Others	189.91	158.40
Total	1,856.12	1,994.17

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22

Revenue from operations	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Sale of products		
Manufactured goods *	18,526.19	15,507.25
Less: Excise Duty	123.01	103.53
	18,403.18	15,403.72
Traded goods	1,526.19	1,627.75
Other operating revenue	834.68	863.38
	20,764.05	17,894.85
Sale of products comprises		
Manufactured goods		
Meal accompaniments	7,771.51	6,694.58
Frozen foods	8,093.66	6,446.78
Ready to eat	1,348.58	1,259.94
Spices and condiments	765.52	887.66
Others	546.92	218.29
Total - Sale of finished goods (A)	18,526.19	15,507.25
Traded goods		
Tamarind	265.74	520.11
Canned foods	355.11	319.59
Snacks	49.79	55.38
Meal accompaniments	363.62	584.67
Others	491.93	148.00
Total - Sale of traded goods (B)	1,526.19	1,627.75
Total - Sale of products (A + B)	20,052.38	17,135.00
Other operating revenues comprise:		
Sale Of import Licences	642.81	616.23
Steamer freight assistance	112.50	131.02
Duty drawback	47.61	33.16
sale of scrap	3.90	4.87
Insurance Claim	27.86	78.10
Total - Other operating revenues	834.68	863.38

Note 23

Other income	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Interest income (Refer Note (i) below)	178.90	204.38
Dividend Income from current investments - Others	0.65	-
Net gain on redemption of current investments	170.71	82.73
Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii) below)	48.20	54.18
Total	398.46	341.29

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Other income	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Note (i)		
Interest income comprises:		
Interest from banks on deposits	71.12	164.22
Interest on loans and advances	93.81	23.51
Other interest	13.97	16.65
Total - Interest income	178.90	204.38
Note (ii)		
Other non-operating income comprises:		
Excess provisions written back	13.96	1.53
Miscellaneous income	34.24	52.65
Total - Other non-operating income	48.20	54.18

Note 24

24 (a) Cost of materials consumed	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Raw materials consumed :		
Opening stock	309.57	209.22
Add : Purchases	6,328.29	5,281.44
Carriage inward	53.29	35.55
	6,691.15	5,526.21
Less: Loss of stock due to fire	-	0.58
Less : Closing stock	386.28	309.57
Cost of raw material consumed	6,304.87	5,216.06
Raw material consumed comprises:		
Brine fruits and vegetables	1,389.70	1,471.51
Sugar	1,017.95	977.24
Spices	424.29	565.69
Oil	365.93	290.96
Organic Chicken	539.82	219.81
Soy contex	-	103.63
Organic flour	267.67	95.77
Dry ice	88.22	-
White eggs	76.56	-
Milk and milk products	197.91	263.27
Others	1,936.82	1,228.18
	6,304.87	5,216.06
Packing materials consumed :		
Opening stock	699.03	568.67
Add : Purchases	2,315.72	2,285.02
	3,014.75	2,853.69
Less: Loss of stock due to fire	-	47.68
Less : Closing stock	764.70	699.03
Cost of packing material consumed	2,250.05	2,106.98
Packing material consumed comprises:		
Glass bottles	517.69	589.57
Carboys	233.02	207.29
Cartons	260.22	207.67
Printed box and bags and films	242.06	199.41
Others	997.06	903.04
	2,250.05	2,106.98
Total Consumption of materials	8,554.92	7,323.04

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
24 (b). Purchase of traded goods:		
Purchases	799.36	630.66
Traded goods	799.36	630.66
Traded goods comprises:		
Tamarind	143.86	315.21
Canned foods	264.31	227.78
Snacks	27.66	30.53
Meal accompaniments	14.26	-
Others	349.27	57.14
	799.36	630.66
24 (c). Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year.		
Finished Goods	595.90	338.52
Work-in-progress	736.27	901.43
Traded goods	85.56	51.80
Licences on hand	215.00	129.00
	1,632.73	1,420.75
Inventories at the beginning of the year.		
Finished Goods	338.52	304.38
Work-in-progress	901.43	869.75
Traded goods	51.80	16.13
Licences on hand	129.00	57.00
	1,420.75	1,247.26
Net (increase) / decrease	(211.98)	(173.49)

Note 25

Employee benefit expenses	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Salaries and wages	2,499.14	2,066.01
Contribution to PF & other funds		
Gratuity - unfunded	33.00	(2.78)
Others	71.36	71.47
Staff welfare	88.18	69.51
Total	2,691.68	2,204.21

Note 26

Finance costs	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
(a) Interest expenses on:		
(i) Borrowings	92.96	174.78
(ii) Others		
- Interest on delayed / deferred payment of income tax	0.36	1.52
- Interest on delayed / deferred payment of service tax	0.08	0.30
- Interest expense on car finance	1.84	3.06
- Others	13.83	4.79
(b) Other borrowing cost	63.59	66.57
Total	172.66	251.02

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 27

Depreciation and amortization	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Tangible assets	465.82	381.96
Intangible assets	652.02	350.98
	1,117.84	732.94

Note 28

Other expenses	31-Mar-14 Rs. In lacs	31-Mar-13 Rs. In lacs
Excise duty	51.17	13.26
Loss of stock due to fire	-	48.26
Other manufacturing expenses	675.91	266.29
Freezing & preservation charges	9.30	21.12
Power and fuel	584.31	517.90
Electricity	18.58	17.28
Water charges	9.44	7.66
Rent including lease rent	399.25	403.20
Repairs and maintenance - building	197.85	207.85
Repairs and maintenance - machinery	48.44	50.88
Repairs and maintenance - others	35.04	45.36
Insurance	84.19	43.67
Rates and taxes	63.57	50.70
Communication expenses	68.84	65.18
Traveling and conveyance expenses	478.72	391.18
Motor car expenses	33.46	31.21
Printing and stationery	9.47	10.51
Freight and forwarding	1,006.00	997.12
Sales commission	362.07	311.62
Advertisement	1,143.73	746.11
Sales and marketing exp - International	1,012.64	724.40
Sales and marketing exp - Domestic	240.39	113.81
Donations and contributions	19.38	40.63
Legal and professional Fees	304.05	312.52
Royalty expenses	-	62.06
Payment to auditors		
Payment to auditors comprise:		
As Auditors - statutory audit	57.92	52.99
For taxation matters	0.50	0.50
For other service	0.83	0.55
Reimbursement of expenses	1.03	0.43
Registration and filing fees	2.75	1.72
Directors Sitting fees	3.35	5.25
Bad trade and other receivables, loans and advances written off	-	0.22
Net loss on foreign currency transactions and translations	168.17	473.12
Loss on fixed assets sold / scraped / written off	8.11	7.17
Miscellaneous expenses (net)	239.23	212.20
Total	7,337.69	6,253.93

NOTES ON SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 29

1. Corporate information

ADF Foods Limited ("the Company") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in the manufacture and selling of food products like pickles, chutneys, ready to eat items, paste and sauces, frozen foods, spices etc. The Company caters mainly to International markets and domestic market.

2. Details of direct and indirect subsidiaries

a. The accompanying consolidated financial statements include the accounts of ADF Foods limited and it's following subsidiaries

i) Direct Subsidiaries

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	Accounting period
ADF Foods (India) Ltd.	India	100 % Subsidiary	1 st April 2013 to 31 st March 2014
ADF Foods (UK) Ltd.	UK	100 % Subsidiary	1 st April 2013 to 31 st March 2014

ii) Indirect Subsidiaries

Subsidiary of ADF Foods (UK) Ltd.

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	Accounting period
ADF Holdings (USA) Ltd.	USA	100 % Subsidiary	1 st April 2013 to 31 st March 2014

Subsidiary of ADF Holdings (USA) Ltd.

Name of the Company	Country of Incorporation	% of Holding as on 31 st March, 2014	Accounting period
ADF Foods (USA) Ltd.	USA	89 % Subsidiary	1 st April 2013 to 31 st March 2014

All significant intercompany balances and transactions between the Company and its subsidiaries have been eliminated in consolidation.

b. Principles of consolidation

- The Consolidated financial statements of ADF foods Ltd. together with audited financial statements of its subsidiaries as described in "a" above have been considered for the purpose of consolidation. The audited financial statements of foreign subsidiaries have been prepared in accordance with the Generally Accepted Accounting Principles of their countries of incorporation or International Financial Reporting Standards. For ADF USA Ltd. and ADF Foods (UK) Ltd., the company has received a fit for control reports in line with General Principal accepted in India.
- To the financial statements of the Parent Company and its subsidiaries as described in "a" above have been combined to the extent possible on a line by line basis by adding together like items of assets, liabilities, income and expenses. The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as the case may be. All significant intra group balances and transactions have been eliminated on consolidation. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the Balance Sheet of the Parent Company and its share in the post-acquisition increase/decrease in the relevant reserves of the subsidiaries.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's financial statements.
- Minority interest in the net income and net assets of the consolidated financial statements are computed and shown separately. Losses applicable to minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the group.
- The unamortised carrying value of goodwill/brands is tested for impairment as at each balance sheet date.

3. Significant accounting policies

a. Basis of preparation

The financial statements have been prepared and presented under the historical cost convention, on accrual basis of accounting and in accordance with the provisions under sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act') and the accounting principles generally accepted in India and comply with the accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the 'National Advisory Committee' on Accounting Standards and other pronouncements of the Institute of Chartered Accountants of India.

Current / non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956.

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out above which are in accordance with the revised Schedule VI to the Act.

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

Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) in India requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities as at the date of financial statements. Changes in estimates are recognized in the year these arise.

c. Fixed Assets

i) Tangible assets

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

ii) Intangible assets

Intangible fixed assets are carried at cost less accumulated amortization and impairment if any. Cost comprises the purchase consideration paid for brands and goodwill and any attributable cost of bringing internally generated asset to its working condition for its intended use.

iii) Capital work in progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure 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.

d. Depreciation

i) Tangible assets

Depreciation has been provided under the straight-line method on all Fixed Assets at the rates specified as per Schedule XIV to the Companies Act, 1956. Depreciation on additions to assets or where any asset has been sold or discarded, is calculated on a pro-rata basis from the date of such addition or up to the date of such sale or discard as the case may be.

ii) Intangible assets

Intangible assets are amortized over a period of 5 years in the case of Goodwill and over a period of 10 years in the case of Brands purchased / acquired.

iii) Leasehold land

Cost of leasehold land is amortized over the balance period of the lease.

iv) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

e. Valuation of stock

i) In determining cost of raw materials, packing materials, traded items, semi-finished goods, finished goods, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Damaged, unserviceable and inert stocks are suitably written down.

ii) Traded goods and finished goods are valued at cost or net realizable value whichever is lower. Cost of finished goods and semi-finished goods includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location

f. Employee benefits

i) Short Term Employee Benefits

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

ii) Post-employment benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

(i) Compensated absences

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

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

(ii) Gratuity scheme

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

g. Foreign Currency transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign exchange transaction settled during the year are recognized in statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies which are outstanding as at the year-end are translated at the closing exchange rate and the resultant exchange differences are recognized in the statement of Profit and Loss.

Forward contracts, other than those entered to hedge foreign currency risk on unexecuted firm commitments or highly probable forecast transactions, are treated as foreign currency transactions and accounted accordingly as per Accounting Standard 11 ["the effect of changes in foreign exchange rates"]. Exchange differences arising on such contracts are recognized in the period in which they arise.

The premium / discount on a foreign currency forward contract is accounted as expense / income over the period of the contract.

Gains and losses arising on account of roll over / cancellation of forward contracts are recognized as income / expenses of the period in which such rollover / cancellation takes place.

The Company has adopted Accounting Standard 30, Financial Instruments; Recognition and Measurement (AS 30) issued by ICAI to the extent the adoption of AS 30 does not conflict with existing Accounting Standards prescribed by Companies (Accounting Standards) Rules, 2006 and other authoritative pronouncements.

Accordingly, the resultant gains or losses or fair valuation / settlement of the derivative contracts covered under Accounting Standard (AS) 30 ["Financial instruments; Recognition and Measurement"] are recognized in the statement of profit and loss or balance sheet as the case may be after applying the test of hedge effectiveness. Where the hedge is effective, the gains or losses are recognized in the "Hedging Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet, while the same is recognized in the statement of Profit and Loss where the hedge is ineffective. The amount recognized in the "Hedging Reserve" is transferred to the statement of Profit and Loss in the period in which the underlying Hedge item affects the statement of profit and loss.

h. Revenue recognition

Revenue from sale of goods is recognized on transfer of all significant risk and rewards of ownership to the buyer on dispatch of goods and is net of sales return, taxes and excise duty.

Scrap sales are accounted upon sales.

Dividend income is recognized when the right to receive payment is established.

Interest, export benefits and other income are recognized on accrual basis.

i. Research and development

Research and Development costs (other than the cost of fixed assets acquired) are charged as expenses in the year in which these are incurred.

j. Provisions and contingencies

The company creates a provision when there exist a present obligation as a result of past events and that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

k. Investments

Investments which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of Profit and Loss.

l. Lease accounting

i) Where the company is lessee:

Leases, which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset or the useful life envisaged in Schedule XIV to the Companies Act, 1956, whichever is lower. However, if there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Schedule XIV to the Companies Act, 1956.

Where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, such leases are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

ii) Where the company is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

m. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

n. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

o. Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the Income tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between accounting income and taxable income for the period)

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates and tax loss that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognized only to that extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date to reassess realization.

P. Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

q. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than conversion and potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity share holders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

4. Share warrants / share capital

Out of the total amount of Rs. 4,004.35 lacs received from the preferential allotment of the Shares and Warrants issued from time to time, the Company has utilized these funds in the manner summarized below:

Rs. in lacs

or expansion / acquisition of fixed assets	3,372.17
Unutilized balance held as fixed deposits with bank and Investment in mutual funds	632.18
Total	4,004.35

5a. Contingent Liabilities

Rs. in lacs

	2013-14	2013-14
Guarantees issued by the banks (net of margin money)	34.18	32.28
Claims against the Company not acknowledged as debts (net of deposits)	15.25	15.25
Disputed Service tax demands of earlier years	440.00	440.00

5b. Capital commitments (net of advances)

Rs. in lacs

	2013-14	2012-13
Capital commitments (net of advances)	278.57	13.40

- The Company has reviewed the valuation of its intangible assets and investments, based on management estimates. Such valuation does not reflect any impairment of value requiring provision of additional asset amortization amounts.
- There are no Micro Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2014. This information as required to be disclosed under the Micro Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined as below to the extent such parties have been identified on the basis of information available with the Company.

Rs. In lacs

	2013-14	2012-13
Principal amount remaining unpaid to any supplier as at the period/year end	36.83	29.86
Interest due thereon	Nil	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period/year	Nil	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/year) but without adding the interest specified under the MSMED	Nil	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting period/year	Nil	Nil

8. Loans and advances includes

Deposits paid to related parties

Interest free security deposit of Rs. 12.50 lacs (Previous year Rs. 13.00 lacs), maximum balance during the year Rs. 13.00 lacs (Previous year Rs. 13.50 lacs) paid for guest house taken on lease from a Related party (Previous year to a Director).

9. Company has taken premises on lease

The future minimum lease rental payments, in respect of operating lease are as follows:

	Rs. In lacs	
	2013-14	2012-13
i) Not later than one year	142.60	140.90
ii) Later than one year and not later than five years	266.50	383.70
iii) Later than five years	43.33	43.83

Lease payment recognized in the statement of Profit and Loss for the year ended Rs. 143.64 lacs, (Previous year Rs. 180.27 lacs).

10. Related party disclosures

Related parties with whom transactions have taken place during the year

Sr. No:	Related party relationship	Name of the Related Parties
1.	Key Managerial Personnel	Mr. Ramesh H. Thakkar – Chairman Mr. Ashok H. Thakkar – Vice Chairman Mr. Bimal R. Thakkar – Managing Director Mr. Bhavesh R. Thakkar – Executive Director
2.	Relative of Key Managerial Personnel	Mr. Mishal A. Thakkar – Employee
3.	Some of the Directors of the Company are related to the Directors of the said Pvt. Limited Company	M.H. Foods Pvt. Limited

Particulars	Financial Year	Key Managerial Persons	Relative of Key managerial persons	Some of the Directors of the Company are the related to the Directors of the said Private Company	Total
Purchase of goods	2013-14	-	-	0.82	0.82
	2012-13	-	-	0.38	0.38
Booking of expenses	2013-14	125.70	7.95	-	133.65
	2012-13	127.81	7.15	-	134.96
Balances outstanding at the end of the year:					
Long-term loans and advances	2013-14	12.50	-	-	12.50
	2012-13	13.00	-	-	13.00

11. Financial and derivative instruments

i) Outstanding derivative instruments

Contracts entered into by the Company for hedging in US \$ and outstanding as on 31st March 2014 amount to US \$ 82.50 lacs (Previous year US \$ 90.00 lacs), equivalent to Rs 5,307.04 lacs (Previous year in Rs. 5,164.23 lacs).

Contracts entered into by the Company for hedging in UK £ and outstanding as on 31st March 2014 amount to UK £ 19.00 lacs (Previous year UK £ 13.25 lacs), equivalent to Rs 1,973.81 lacs (Previous year in Rs. 1,206.24 lacs).

All contracts entered by the Company are for hedging of exposures against receivables.

The company has not entered into any derivative instruments for trading or speculative purpose.

All outstanding forward contracts are recognized in the financial statements at fair value as on the balance sheet date in accordance with the requirements of AS 30.

Accordingly, the resultant gain or loss on fair valuation / settlement of the outstanding forward contracts are recognized in the statement of Profit and Loss or Balance Sheet as the case may be after applying the test of hedge effectiveness. Where the hedge is effective, the gains or losses are recognized in the "Hedging Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet" and where the hedge is ineffective, the same is recognized in the statement of Profit and Loss. The amount recognized in the "Hedging Reserve" is transferred to statement of profit and loss in the period in which the underlying Hedge item affects the statement of Profit and Loss.

ii) Unhedged foreign currency exposures

Foreign currency exposures on account of trade receivables / trade payables and packing credit foreign currency (PCFC) loan not hedged by derivative instruments are as follows:

a) Trade and other receivables

Rs. In lacs

Foreign currency	2013-14		2012-13	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	24.57	1,494.70	29.66	1,622.83
GBP	21.01	2,102.51	22.29	1,843.74
EURO	0.22	17.98	0.69	48.05

b) Trade payable

Rs. In lacs

Foreign currency	2013-14		2012-13	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	1.14	68.79	1.03	55.78
GBP	0.14	13.93	0.10	7.96

c) Packing credit foreign currency (PCFC) loan

Rs. In lacs

Foreign currency	2013-14		2012-13	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	7.68	461.87	13.94	757.68
GBP	-	-	0.07	5.51

d) EEFC balance

Rs. In lacs

Foreign currency	2013-14		2012-13	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	4.60	276.47	0.01	0.58
GBP	1.80	179.73	0.02	2.05

12. The Company had given unsecured interest bearing Inter Corporate Deposits to five Companies. Of these, two Companies have repaid the deposits but interest of Rs. 7.42 lacs is yet to be received from them.

13. Disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below

a) Defined contribution plans

Amount of Rs 62.97 lacs (Previous year Rs 50.19 lacs) representing contribution to provident fund is recognized as an expense and is included in "Employee benefits expenses" in the statement of profit and loss.

Amount of Rs 7.60 lacs (Previous year Rs 6.66 lacs) representing contribution to Employee State Insurance scheme is recognized as an expense and is included in "Employee benefits expenses" in the statement of profit and loss.

b) Defined benefit plan

Compensated absence

Provision for compensated 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 35.48 lacs (Previous year: Rs 23.91 lacs) has been recognized in balance sheet of which Rs 26.61 lacs (Previous year: Rs 17.93) shown under long term provision and balance Rs 8.87 lacs (Previous year 5.98 Lacs) is shown under short term provision as given in the Actuarial report as on 31 March 2014.

Expenses of Rs 28.65 lacs (Previous year: Rs 17.65 lacs) are recognized 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 en-cashable. Amount of Rs 3.48 lacs (Previous year: Rs Nil) has been recognized in balance sheet of which Rs Nil (Previous years: Nil) shown under long term provision and balance Rs 3.48 lacs (Previous year: Rs. Nil) is shown under short term provision as given in the Actuarial report as on 31 March 2014.

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.

The Present value of the obligation on 31st March 2014 of Rs. 9.52 lacs (Previous year Rs. 5.94 lacs) pertaining to funded gratuity [(net of fund value of Rs 100.20 lacs (Previous year: Rs 100.79 lacs)] payable employees is shown under short-term provision.

Unfunded

There being no short term liability in respect of unfunded gratuity provision, the entire amount of Rs. 78.15 lacs (Previous year Rs. 81.25 lacs) is shown under long-term provision.

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

Rs. In lacs

		Gratuity (funded and unfunded)	
		2013-14	2012-13
I	Change in benefit obligation		
	Liability at the beginning of the year	187.98	172.59
	Interest cost	17.14	13.81
	Current service cost	25.04	17.51
	Benefit paid	(19.48)	(1.62)
	Benefit paid directly by Company	33.00	-
	Actuarial (gain) / loss on obligations	10.20	(14.31)
	Liability at the end of the year	187.88	187.98
II	Fair value of plan assets		
	Fair value of plan assets at the beginning of the year	100.79	87.05
	Actual return on plan assets	8.83	8.34
	Employer's Contributions	10.07	7.02
	Benefit paid	(19.48)	(1.62)
	Fair value of plan assets at the end of the year	100.21	100.79
III	Amount recognised in the balance sheet		
	Liability at the end of the year	187.88	187.98
	Fair value of plan assets at the end of the year	100.21	(100.79)
	Present value of unfunded obligations	87.67	* 87.19
IV	Expenses recognised in the statement of profit and loss		
	Current service cost	25.04	17.51
	Interest cost	17.14	13.81
	Actual return on plan assets	(8.83)	(8.34)
	Net actuarial (gain) / loss to be recognized	10.19	(14.31)
	Expense recognised in statement of profit and loss	43.54	8.67
V	Actuarial assumptions :		
	Discount rate	9.12%	8.00%
	Rate of return on plan assets	8.76%	9.58%
	Salary escalation	8.00%	5.00%

* Under long-term provisions Rs. 78.15 lacs (Previous year Rs. 81.25 lacs) (refer note no: 8) and under short-term provisions Rs. 9.71 lacs (Previous year Rs. 6.05 lacs) (refer note no: 12).

Experience Adjustments for the current and previous four years

Rs. In lacs

Experience	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligation	187.88	187.98	172.59	121.03	99.03
Plan Assets	100.21	100.79	87.05	-	-
Status [Surplus / (Deficit)]	(87.67)	(87.19)	(85.54)	-	-
Experience Adjustments of Obligation [(Gain)/Loss]	(22.80)	(14.31)	28.46	4.92	(36.61)
Experience on Plan Assets [Gain/(Loss)]	0.76	1.38	(0.61)	-	-

14. Computation of earnings per share

	2013-14	2012-13
Basic earnings per share:		
Number of shares at the beginning of the year	2,20,00,000	2,03,90,000
Issued during the year	-	18,00,000
Deduction during the year (Liquidation of Power Brand (Foods) Pvt. Ltd.)	-	(1,90,000)
Number of shares at the end of the year	2,20,00,000	2,20,00,000
Number of shares (basic weighted average)	2,20,00,000	2,05,35,342
Profit for the year (Rs. in lacs)	Rs. 564.90	Rs. 1,404.04
Basic earnings per share (weighted average)	2.17	6.84
Number of shares (diluted)	2,20,00,000	2,05,35,342
Diluted earnings per Share (weighted average)	2.17	6.84

15. Value of Imported and indigenous raw materials and packing materials consumed

Raw materials

Rs. In lacs

	2013-14		2012-13	
	Amount	% of Consumption	Amount	% of Consumption
Imported	2,337.36	37.07	1,327.31	25.45
Indigenous	3,967.51	62.93	3,888.75	74.55
	6,304.87	100.00	5,216.06	100.00

Packing materials

Rs. In lacs

	2013-14		2012-13	
	Amount	% of Consumption	Amount	% of Consumption
Imported	559.32	24.86	133.93	6.36
Indigenous	1,690.73	75.14	1,973.05	93.64
	2,250.05	100.00	2,106.98	100.00

16. Value of Imports Calculated on C.I.F. basis

Rs. In lacs

	2013-14	2012-13
Raw materials and packing materials	282.94	192.00
Traded goods	-	9.45
Capital goods	116.71	26.42
Others	0.93	4.12
Total	400.58	231.99

17. Expenditure in foreign currency

Rs. In lacs

	2013-14	2012-13
Travelling	117.03	157.50
Advertisement	90.13	126.42
Legal and professional fees	122.96	165.76
Business promotion	360.24	115.02

Sales commission and claims	139.86	158.44
Freight and forwarding charges	-	1.31
Others	14.03	3.13
Total	844.25	727.58

18. Remittance in foreign currency on account of dividend

During the year, the Company has not made any remittance in foreign Currency on account of dividend payable to its Non Resident Shareholders. However the details of dividend paid to the Non Resident Shareholders during the financial year is given below.

Particulars	Dividend of 2012-13	Dividend of 2011-12
No. of non-resident Share holders	84	94
No. of shares held by them	28,18,413	28,39,252
Amount of dividend (15 % i.e. Rs. 1.50 Per Share)	42,27,620	42,58,884

19. Earnings in Foreign Currency

Rs. In lacs

	2013-14	2012-13
F.O.B. Value of Exports	11,699.04	10,801.43

20. The Company is engaged mainly in the business of manufacturing and exporting food products like pickles, chutneys, ready to eat items, paste and sauces, frozen foods, spices, etc. local and overseas, which is the only business segment of the Company. The local turnover being less than 10% of the total turnover of the Company, separate geographical segment information has not been given in the financial statements. Hence there are no separate reportable segments, as required by the Accounting Standard 17 on "Segment Reporting" as prescribed by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards.

21. The Company held majority shareholding in Power Brands (Foods) Private Limited ('PBFPL'). It presently holds 2,08,85,992 fully paid Equity Shares of Rs. 10/- each (including 20,75,992 Equity Shares acquired at Rs. 330.08 lacs in Financial Year 2012-13). PBFPL is presently under voluntary liquidation process.

Pursuant to a special resolution passed on November 5, 2012 by its members, PBFPL went into the members' voluntary liquidation. In the course of liquidation process, the voluntary liquidator, with the prior approval of the members vide their special resolution dated March 8, 2013, distributed PBFPL's intangible asset - Ashoka brand and part of cash and bank balance to its Shareholders in proportion to their respective shareholding in PBFPL while retaining certain other fixed and current assets to meet its contingent and other liabilities.

By virtue of the above distribution, the Company received Ashoka brand in the financial year 2012-13 (valued at Rs. 2,935.99 lacs by an independent valuer) in lieu of its investment in PBFPL's equity shares of Rs. 2,211.08 lacs. Accordingly, the Company capitalised the said brand in its books at Rs. 2,935.99 lacs in the said financial year after adjusting the same against the investment value of Rs. 2,211.08 lacs and carried the balance of Rs. 724.91 lacs to the credit of the statement of profit and loss as an exceptional item in that year.

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.

22. Previous year's figures have been regrouped / recast wherever necessary.

23. Figures have been rounded off to the nearest lacs.

In terms of our report attached

For and on behalf of the Board of Directors

For D. P. Ghevaria & Co.
Chartered Accountants
Firm's Registration Number: 103176W

Ashok H. Thakkar
Vice Chairman

Bimal R. Thakkar
Managing Director

D. P. Ghevaria
Proprietor
Membership No: 032431

Shalaka Ovalekar
Company secretary

Place: Mumbai
Date: 28th May 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		700.34		1,733.58
<i>Adjustments for:</i>				
Depreciation and amortisation	1,117.84		732.94	
(Profit) / loss on sale / write off of assets	8.11		7.17	
Finance costs	172.66		251.02	
Interest income	(178.90)		(204.38)	
Net (gain) / loss on sale of investments	(170.71)		(82.73)	
Net gain on liquidation / winding up of subsidiary companies	-		(719.75)	
Provision for estimated losses on onerous contracts	26.66		412.44	
Effect of exchange rate change	(173.03)		(15.23)	
		802.63		381.48
Operating profit / (loss) before working capital changes		1,502.97		2,115.06
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(390.14)		(404.20)	
Trade receivables	759.08		(860.16)	
Short-term loans and advances	138.05		(400.95)	
Long-term loans and advances	100.76		(146.80)	
Other current assets	-		50.00	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	471.00		213.87	
Other current liabilities	(43.39)		1.58	
Short-term provisions	(69.57)		(114.13)	
Long-term provisions	5.60		(2.80)	
		971.39		(1,663.59)
		2,474.36		451.47
Net income tax (paid) / refunds		475.82		299.93
Net cash flow from / (used in) operating activities (A)		1,998.54		151.54
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(1,210.46)		(3,277.06)	
Deduction/adjustment of fixed assets	(2.80)		1,225.44	
Inter-corporate deposits (net)			(925.00)	
Other non-current assets	443.76		-	
Inter-corporate deposits (net)				
Bank balances not considered as Cash and cash equivalents	(70.87)		792.32	
Current investments not considered as Cash and cash equivalents				
- Purchased	850.00		(1,150.00)	
Proceeds from sale of / purchase of current investments				
- Others	170.71		82.73	
Gain on disposal of non-current assets				
- Subsidiaries	-		719.75	
Interest received				
- Others	178.90		204.38	
Net cash flow from / (used in) investing activities (B)		359.24		(2,327.44)

Particulars	For the year ended 31 March, 2014		For the year ended 31 March, 2013	
C. Cash flow from financing activities				
Proceeds from issue of equity shares	-		877.50	
Proceeds from issue of share capital to minority	-		5.45	
Deduction / adjustment for liquidated / winding up subsidiaries	-		1,019.41	
Proceeds from long-term borrowings	(622.31)		(486.42)	
Proceeds from other short-term borrowings	(877.99)		1,032.28	
Finance cost	(172.66)		(251.02)	
Dividends paid	(330.00)		(303.00)	
Tax on dividend	(56.10)		(49.16)	
		(2,059.06)		1,845.04
Net cash flow from / (used in) financing activities (C)		(2,059.06)		1,845.04
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		298.72		(330.86)
Cash and cash equivalents at the beginning of the year		258.72		589.58
Cash and cash equivalents at the end of the year		557.44		258.72
* Comprises:				
(a) Cash on hand		10.37		9.51
(b) Cheques, drafts on hand		-		21.57
(c) Balances with banks				
(i) In current accounts		90.87		125.01
(ii) In EEFC accounts		456.20		2.63
(iii) In deposit accounts with original maturity of less than 3 months		-		100.00
		557.44		258.72

In terms of our report attached

For and on behalf of the Board of Directors

For D. P. Ghevaria & Co.
Chartered Accountants
Firm's Registration Number: 103176W

Ashok H. Thakkar
Vice Chairman

Bimal R. Thakkar
Managing Director

D. P. Ghevaria
Proprietor
Membership No: 032431

Shalaka Ovalekar
Company secretary

Place: Mumbai
Date: 28th May 2014

Statement pursuant to Section 212 (8) of the Companies Act, 1956

Sr. No:	Name of the Subsidiary Company	Reprting Currency	Capital	Reserves	Total Assets	Total Liabilities	Investments*	Turnover / Total Income	Profit before taxation	Provision for taxation	Profit after taxation	Proposed dividend	Country
1	ADF Foods (India) Limited	INR	5.00	(70.53)	41.95	41.95	Nil	364.28	37.61	7.50	30.11	Nil	India
2	ADF Foods (UK) Limited	GBP	1,695.80	(26.74)	2,551.44	2,551.44	Nil	325.33	(46.55)	-	(46.55)	Nil	UK
3	ADF Holdings (USA) Limited	USD	1,601.61	(56.91)	2,824.55	2,824.55	Nil	394.12	61.29	21.90	39.39	Nil	USA
4	ADF Foods (USA) Limited	USD	493.11	(1,339.31)	933.89	933.89	Nil	6,167.16	(1,152.75)	(361.04)	(791.71)	Nil	USA

Closing exchange rate as on 31-03-2014 GBP = Rs. 90.88 USD = Rs. 60.12

Average exchange rate as on 31-03-2014 GBP = Rs. 97.26 USD = Rs. 60.92

The above figures are stated before giving effect to the Consolidated adjustments.

* Investments in the Subsidiaries are excluded as per directions given By Ministry of Corporate Affairs vide its General Circular No: 2/2011 dated 08-02-2011



NOTES

Notes section containing multiple horizontal lines for text entry.



ADF FOODS LIMITED

CIN: L15400GJ1990PLC014265

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat; Tel.: 0268-2551381/2 Fax. : 0268-2565068;

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

PROXY FORM

Twenty Fourth Annual General Meeting- 24th September, 2014 at 1.00 P.M.

Name of Member(s) :

Registered Address :

E-mail Id :

Folio No./ DP Id/Client Id :

I/We being member(s) holding number of Shares of the above named Company hereby appoint:

[1] Name:..... Address:.....

E-mail Id: Signature:; or failing him

[2] Name:..... Address:.....

E-mail Id: Signature:; or failing him

[3] Name:..... Address:.....

E-mail Id: Signature:

As my/our proxy to vote for me/us on my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held on 24th September, 2014 at 1.00 PM and at any adjournment thereof in respect of the resolutions as indicated below .

Item No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1.	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors for the year ended 31 st March, 2014.			
2.	Declaration of dividend on equity shares for year ended 31 st March, 2014.			
3.	Re-appointment of Mr. Ashok H Thakkar as Director liable to retire by rotation.			
4.	Appointment of D.P. Ghevaria & Co. as the Statutory Auditors from the conclusion of the ensuing A.G.M till conclusion of the next A.G.M.			

Item No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
5.	Re-appointment of Mr. Ashok H Thakkar, Chairman for a period of 1 (one) year on such terms and remuneration as stated in the A.G.M. notice.			
6.	Re-appointment of Mr. Bimal R Thakkar, Managing Director for a period of 1 (one) year on such terms and remuneration as stated in the A.G.M. notice .			
7.	Re-appointment of Mr. Bhavesh R Thakkar, Executive Director for a period of 1 (one) year on such terms and remuneration as stated in the A.G.M. notice.			
8.	Appointment of Mr. Nipun C Shah as Independent Director for a term of 5 years from 24 th September, 2014 till 23 rd September, 2019.			
9.	Appointment of Mr. Yasir J Varawala as Independent Director for a term of 5 years from 24 th September, 2014 till 23 rd September, 2019.			
10.	Appointment of Mr. Viren A Merchant as Independent Director for a term of 5 years from 24 th September, 2014 till 23 rd September, 2019.			
11.	Appointment of Mr. Jay M Mehta as Independent Director for a term of 5 years from 24 th September, 2014 till 23 rd September, 2019.			
12.	Appointment of Mr. Ravinder K Jain as Independent Director for a term of 5 years from 24 th September, 2014 till 23 rd September, 2019.			
13.	Approval of resolution Under Section 180 (1)(c) of the Companies Act, 2013.			
14.	Approval of resolution Under Section 180 (1)(a) of the Companies Act, 2013.			
15.	Appointment of M/s Kalyaniwalla & Mistry, Chartered Accountants as Joint Statutory Auditors for a term of five years from the conclusion of the ensuing A.G.M.			
16.	Approval of Related party transactions u/s 188(1)(a) and (d) of the Companies Act, 2013.			
17.	Appointment of Mr. Mishal A. Thakkar as person in place of profit u/s 188(1)(f) of the Companies Act, 2013.			

Signed thisday of 2014

Signature of Shareholder:

Affix
Revenue
Stamp

.....
Signature 1st Proxy holder

.....
Signature 2nd Proxy holder

.....
Signature 3rd Proxy holder

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

Our New Factory.

The new factory is located in Nadiad, Gujarat.

It is approximately 50,000 sq. ft.

The new facility will manufacture the Domestic & International range of pickles, pastes, spices and chutneys.





IF UNDELIVERED PLEASE RETURN TO:

ADF Foods Ltd., 83/86 G.I.D.C Industrial Estate, Nadiad 387001, Gujarat, India.

Visit us at www.adf-foods.com