ADF FOODS LTD.
Feeding the world..

29th August, 2017

DCS-CRD
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Scrip Code: 519183

DCS-CRD
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra-Kurla Complex,
Bandra(E),Mumbai-400 051
Scrip Code/Symbol :ADFFOODS

Dear Sir,

Sub : Annual Report for the year ended 31st March, 2017 pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith 27th Annual Report of the Company for the financial year ended 31st March, 2017 for your information and record.

The financial statements (stand-alone and consolidated) along with the Director's Report and Auditor's Report for the financial year ended 31st March, 2017 were approved and adopted by the shareholders of the Company at the 27th Annual General Meeting held on Wednesday, 23rd August, 2017 at 10.00 a.m. at Nadiad Nagar Palika Ipcowala Town Hall, Near City Point, Paras Circle, Santram Road, Nadiad- 387001, Gujarat.

Thanking You,
Yours Truly

For **ADF Foods Limited**

Shalaka Ovalekar
Company Secretary

ADF FOODS LIMITED MUMBAI

Encl: a/a.

CC:
1. **Ahmedabad Stock Exchange Ltd.**
   Kamdhenu Complex, Opp,
   Sahajanand College,
   Panjarapole, Ambawadi,
   Ahmedabad – 380001

ADF FOODS LTD.
Feeding the world..

2. **Metropolitan Stock Exchange of India Ltd**
   Vibgyor Towers, 4th floor, Plot No C 62, G Block,
   Bandra Kurla Complex, Mumbai -400098

3. **The Calcutta Stock Exchange Ltd.**
   7, Lyons Range, Dalhousie, Murgighata,
   B B D Bagh, Kolkata, West Bengal 700001

4. **Magadh Stock Exchange Ltd.**
   9th Floor AShana Plaza,
   Budh Barg Patna 800001

Regd Off : 83/86, G.I.D.C Industrial Estate, Nadiad - 387 001, India. Tel.: +91 268 2551381/82 Fax : +91 268 2565068
Email : nadiadfactory@adf-foods.com CIN: L15400GJ1990PLC014265
Corp. Off : Sadhana House, Unit No. 2B, Second Floor, 570, P. B. Road, Worli, Mumbai 400 018, India.
Tel.: +91 22 6141 5555, Fax: +91 22 6141 5577, Email : info@adf-foods.com, Web : www.adf-foods.com

ADF FOODS LTD.
Feeding the world..

12th May, 2017

DCS-CRD
BSE Limited,
Phiroze Jeejeeboy Towers,
Dalal Street,
Mumbai – 400 001
Scrip Code: 51983

DCS-CRD
National Stock Exchange of India Ltd.,
Exchange Plaza,
Bandra – Kurla Complex,
Bandra (E),
Mumbai – 400 051
Scrip Code/Symbol: ADFFOODS

Subject: Declaration under Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Dear Sir,

Pursuant to the provisions of Regulation 33(3)(d) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, read with SEBI circular no. CIR/CFD/CMD/56/2016 dated 27th May, 2017, we hereby declare that the Auditor's Reports on the standalone & consolidated financial results of the Company for the financial year ended 31st March, 2017 as issued by the statutory auditor of the Company, M/s. Kalyaniwalla & Mistry LLP (FRN 104607W/W100166) are with an unmodified opinion.

Thanking you,

Yours faithfully,
For ADF Foods Limited

Bimal R Thakkar
Managing Director
DIN: 00087404

Regd Off : 83/86, G.I.D.C Industrial Estate, Nadiad - 387 001, India. Tel.: +91 268 2551381/82 Fax : +91 268 2565068
Email : nadiadfactory@adf-foods.com CIN: L15400GJ1990PLC014265
Corp. Off : Sadhana House, Unit No. 2B, Second Floor, 570, P. B. Road, Worli, Mumbai 400 018, India.
Tel.: +91 22 6141 5555, Fax: +91 22 6141 5577, Email : info@adf-foods.com, Web : www.adf-foods.com

27TH ANNUAL REPORT 2016-17

ADF FOODS LTD.
Feeding the world..

Celebrating culinary excellence with our award-winning products.





Chairman speaks

Dear Shareholders,

I take this opportunity to share with you the achievements of your company during the fiscal 2016-17. Despite many economic and business challenges, your company has managed to achieve steady performance. I am pleased to inform you that our 'Truly Indian' organic product category was nominated in the recent prestigious SOFI awards of 2017, held by Specialty Foods Association, USA, and it bagged 2 silver awards. Our products, Delhi Lentils (Dal Makhani) won a silver award under the Savory Appetizer, Soup & Stew category and Delhi Potatoes (Aloo Matar) secured a silver award under the Vegan Product category.

To highlight the financial performance, the fiscal year 2016-2017 showcased steady performance with standalone revenue from operations (net) of Rs. 166.73 Crore as against Rs. 160.90 Crore in the previous financial year. The net profit (after tax and extraordinary items) for the financial year 2016-17 was Rs. 12.37 Crore as against Rs. 14.10 Crore in the previous year. The reduction in the net profit is mainly due to two factors. One of these is the high input cost of major raw materials and the other is the devaluation of sterling pound on account of Brexit, which has impacted revenue and profits of our UK business.

Our consolidated revenue from operations for the financial year 2016-2017, was recorded at Rs.202.25 crore as against the previous year's figure of Rs. 210.05 Crore. Despite the slight reduction in the revenue, we managed to achieve an impressive growth of over 60% in the net profit over the previous year. The net profit for the year under review, stood at Rs. 10.84 Crore while the previous year's net profit stood at Rs. 6.61 Crore. This improvement in the profitability could be achieved on account of improvement in our US operations through cost control measures.

During the year under review, we launched four exciting new dipping sauces under our Flagship brand 'ADF Soul' in the domestic market. Moreover, we have widened the product portfolio of our International brand 'Ashoka' by launching 'Dosa Wraps'. All the new products have received an encouraging response from the consumers.

During the financial year 2016-17, your company successfully completed the buyback of 798,539 equity shares through open market route. A sum of Rs. 9,63,07,029/- excluding the transaction cost was spent by the company, for the buyback, which is represented by 53.50% of maximum buyback size.

I am delighted to inform you that the Board of Directors has recommended a dividend of 25%, which is by far the highest ever to be paid by your company.

As you are aware, your Company is commited to relentless CSR programs as a responsible corporate citizen. Our CSR activities include educational aid for the underprivileged and disabled students, medical aid for the needy people, eradication of poverty and hunger, animal welfare and environment protection.

I would like to take this opportunity to thank all our stakeholders for their continuous support to ADF. With the trust and confidence of our shareholders, we are ready to take on more challenges. Thank you.

With warm regards,

Ashok H. Thakkar
(Chairman)

BOARD OF DIRECTORS

BOARD OF DIRECTORS	Mr. Ashok H. Thakkar	Chairman
	Mr. Bimal R. Thakkar	Managing Director & C.E.O.
	Mr. Bhavesh R. Thakkar	Executive Director & C.F.O.
	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
	Ms. Anjali K. Seth	Director
	Mr. Naresh L. Kothari	Director (w.e.f. 12th May, 2017)
SENIOR MANAGEMENT	Mr. Mishal A. Thakkar	Vice President
	Mr. Dilip S. Golwala	General Manager – Accounts
	Mr. Dinesh Jaiswal	General Manager – Works (Nashik)
	Mr. Raj Roop Singh	General Manager –Works (Nadiad)
	Mr. Maneck Katpitia	Vice President- International Business
COMPANY SECRETARY & COMPLIANCE OFFICER	Ms. Shalaka Ovalekar	
COUNTRY MANAGERS	Mr. Upinder Thakur	Ethnic Division- UK & Europe
	Mr. Vimal Bhalla	North America
	Mr. Prashant Patil	Asia Pacific & Africa
STATUTORY AUDITORS	M/s. Kalyaniwalla & Mistry LLP Chartered Accountants	
INTERNAL AUDITORS	M/s. Suresh Gandhi & Co., Surat M/s. B. K. Khare & Co., Mumbai	
SOLICITORS	M/s. DSK Legal	
BANKERS	State Bank of India (erstwhile State Bank of Hyderabad) Bank of Baroda HDFC Bank Ltd.	
REGISTERED OFFICE	83/86 G.I.D.C Industrial Estate, Nadiad- 387 001, Gujarat, India Tel.: 0268-2551381 / 2 Fax: 0268-2565068 E-mail: nadiadfactory@adf-foods.com	
CORPORATE IDENTITY NUMBER [CIN]	L15400GJ1990PLC014265	
CORPORATE OFFICE	Sadhana House , Unit 2 B, 2nd 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	
REGISTRAR AND SHARE TRANSFER AGENTS	**LINK INTIME (INDIA) PRIVATE LIMITED** (Formerly known as Intime Spectrum Registry Limited) C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400 083, India Tel: 022-49186270 , Fax: 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in website: www.linkintime.co.in	

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27th Annual General Meeting
Wednesday 23rd August, 2017 at 10.00 a.m.

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

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

NOTICE OF THE 27TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twenty Seventh Annual General Meeting** of the members of **ADF FOODS LIMITED** will be held at Nadiad Nagar Palika Ipcowala Town Hall, Near City Point, Paras Circle, Santram Road, Nadiad - 387 001 on Wednesday, 23rd August, 2017 at 10.00 a.m. to transact the following business:

ORDINARY BUSINESS

(I) To receive, consider and adopt the Audited Financial Statements of the Company, namely

a) the Audited Standalone and Consolidated Balance Sheet as at 31st March, 2017;

b) The Audited Standalone and Consolidated Statement of Profit and Loss for the financial year ended 31st March, 2017;

c) the Audited Standalone and Consolidated Cash Flow Statement for the financial year ended 31st March, 2017;

d) Notes annexed to, or forming part of, the documents referred to in (a) to (c) above and the Reports of the Board of Directors and Auditors thereon.

(2) To declare dividend on equity share for the financial year ended 31st March, 2017.

(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 ratify appointment of 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 the provisions of Section 139, 142, 177 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any statutory amendment(s) or modification(s) thereto or enactment or re-enactment thereof for the time being in force and pursuant to the recommendation of the Audit Committee and pursuant to the resolutions passed by the members at the Annual General Meeting held on September 24, 2014, the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Registration No. 104607W/W100166), as the Statutory Auditors of the Company to hold office till the conclusion of Annual General Meeting to be held for the Financial Year 2018-19 be and is hereby ratified and the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2018 as may be determined by the Board Of Directors in consultation with Auditors."

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 the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory amendment(s) or modification(s) thereto or enactment or re-enactment thereof for the time being in force and pursuant to Regulations 25 & 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, Mr. Naresh L. Kothari (DIN: 00012523), who was appointed as an Additional Director with effect from 12th May, 2017 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company for a period upto 11th May, 2022, not liable to retire by rotation."

(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, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, including any

statutory amendment(s)/ modification (s) thereto or enactment or re-enactment thereof for the time being in force or any amendments and/ or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time and in terms of recommendation of the 'Nomination and Remuneration Committee' in its meeting held on 20th July, 2017 and the approval of the Board of Directors of the Company in its meeting held on 20th July, 2017, approval of Members of the Company be and is hereby accorded to the re-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, 2017 till 30th September, 2018 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 and vary the terms and conditions of said appointment and/or remuneration and/or agreement or any amendments thereto as may be agreed between the Board and Mr. Ashok H. Thakkar, subject to such other approvals of applicable authority(ies), if any, as may be required under the applicable law for such re-appointment/ alteration(s)/ variation(s)/ amendment(s);

RESOLVED FURTHER THAT where in the financial year during which Mr. Ashok H. Thakkar's term of office as a Chairman, 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 any Director and/ or the Company Secretary of the Company be and are hereby authorised severally to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution and matters incidental thereto."

(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, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any statutory amendment(s) or modification(s) thereto or enactment or re-enactment thereof for the time being in force or any amendment(s) and/ or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time and in terms of recommendation of the 'Nomination and Remuneration Committee' in its meeting held on 20th July, 2017 and the approval of the Board of Directors of the Company in its meeting held on 20th July, 2017, approval of Members of the Company be and is hereby accorded to the re-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, 2017 till 30th September, 2018 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 and vary the terms and conditions of said appointment and/or remuneration and/or agreement or any amendments thereto as may be agreed between the Board and Mr. Bimal R. Thakkar, subject to such other approvals of applicable authority(ies), if any, as may be required under the applicable law for such re-appointment/ alteration(s)/ variation(s)/ amendment(s);

RESOLVED FURTHER THAT where in the financial year during which Mr. Bimal R. Thakkar's term of office as a Managing Director, 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 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 any Director and/or Company Secretary of the Company be and are hereby authorised severally to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution and matters incidental thereto."

(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 Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any statutory amendment(s) or modification(s) thereto or enactment or re-enactment thereof for the time being in force or any amendment(s) and/ or modification(s) that may hereafter be made thereto by the Central Government in that behalf from time to time and in terms of recommendation of the 'Nomination and Remuneration Committee' in its meeting held on 20th July, 2017, and the approval of the Board of Directors of the Company in its meeting held on 20th July, 2017, approval of Members of the Company be and is hereby accorded to the re-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, 2017 till 30th September, 2018 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 and vary the terms and conditions of said appointment and/or remuneration and/or agreement or any amendments thereto as may be agreed between the Board and Mr. Bhavesh R. Thakkar, subject to such other approvals of applicable authority(ies), if any, as may be required under the applicable law for such re-appointment/ alteration(s)/ variation(s)/ amendment(s);

RESOLVED FURTHER THAT where in the financial year during which 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 any Director and/ or Company Secretary of the Company, be and are hereby authorised severally to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution and matters incidental thereto."

(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 Section 188(1)(f) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, including any amendment(s) or modification(s) thereto or enactment or re-enactments thereof for time being in force, 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 of place of profit in the Company as Vice President, for a period of one year with effect from 1st October, 2017 till 30th September, 2018 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 any Director and/or the Company Secretary of the Company be and are hereby authorized severally to execute any statement, declaration, undertaking and do all such acts, deeds and things as are necessary to give effect to the aforesaid resolution and for matter connected therewith or incidental thereto in the best interest of the Company."

NOTES

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

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

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

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

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

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

3. The relevant details of directors seeking appointment / reappointment under Items 5 to 8 of the Notice, as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereafter referred as the Listing Regulations, 2015) and Secretarial Standards 2 are also annexed.

4. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th August, 2017 to 23rd August, 2017 (both days inclusive).

5. All the documents, papers, agreements, etc referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the business hours on all working days except Saturdays, Sundays & Public Holidays between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting. Further, the copies thereof are also available for inspection at the Corporate office of the Company situated at Sadhana House, Unit 2B, Second Floor, 570, P. B. Road, Worli, Mumbai-400 018 upto the date of Annual General Meeting.

6. The dividend, if any, which may be declared, shall be payable within 30 days from the date of declaration to those Members of the Company whose names appear:-

   a) as Beneficial Owners as at the close of the business hours on 16th August, 2017 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 16th August, 2017 in respect of shares held in physical form.

7. The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatorily use the Electronic Clearing Services (ECS) mandate facility wherever possible for payment of dividend to the Members. In view of this stipulation, the Company has implemented the ECS facility. Members holding shares in physical form are requested to provide the Company with ECS details for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to co-ordinate with the bankers only on receipt of necessary information. The Members holding shares in electronic form may instruct their Depository Participants (DPs) accordingly.

8. Members are hereby informed that dividends for the Financial Years 2009-10, 2010-11, 2011-12 , 2012-13, 2013-14 and 2014-15 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). During the year under review, dividends pertaining to the financial year 2008-09 (Final) amounting to Rs. 8,33,060/- which remained unpaid or unclaimed for a period of 7 years were transferred by the Company to the Investor Education and Protection Fund.

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

Year	Type of Dividend	Dividend per share	Date of Declaration	Due date for transfer to IEPF
2009-10	Final	Rs.1.50	28th July, 2010	28th August, 2017
2010-11	Final	Rs. 1.50	15th July, 2011	17th August, 2018
2011-12	Final	Rs. 1.50	8th August, 2012	9th September, 2019
2012-13	Final	Rs. 1.50	31st July, 2013	31st August, 2020
2013-14	Final	Rs.1.50	24th September, 2014	24th October, 2021
2014-15	Final	Rs.1.50	30th September, 2015	30th October, 2022

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

Members are requested to note that no claim shall lie against the Company or the said Fund in respect of any amounts which are unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.

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 2010-11 onwards. The said list shall be updated every year within Ninety (90) days from the date of Annual General Meeting.

Shares on which dividend remains unpaid/unclaimed for seven consecutive years will be transferred to IEPF as per Section 124 of the Companies Act, 2013 and the applicable Rules.

9. 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.

10. Members holding shares in physical form are requested to notify/ send the following to the Company's Registrar and Share Transfer Agents to facilitate better service:

    (i) any change in their address / mandate / bank details,

    (ii) particulars of their bank account in case the same have not been sent earlier, and

    (iii) share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.

11. 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 & Share Transfer Agents.

12. 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.

13. The Members or proxies are requested to bring the attendance slip duly filled in and signed for attending the meeting. They are also requested to bring their copies of Annual Report to the Annual General Meeting.

14. The register of Director and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Annual General Meeting.

    The Register of Contracts and Arrangement in which the Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the Annual General Meeting.

15. Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the DP for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

16. Pursuant to the provisions of Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 36 of the Listing Regulations, 2015, Electronic copy of the Annual Report 2016-17 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 2016-17 is being sent in the permitted mode.

    Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report 2016-17 will be available on the Company's website www.adf-foods.com.

17. Nomination facility for shares is available for members. For members holding shares in physical form, the prescribed format can be obtained from the Company's Registrar and Share Transfer Agents, M/s Link Intime (India) Private Limited having address at C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400 083. For members holding shares in electronic form, you are requested to approach your Depository Participant (DP) for the same.

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

19. 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.

20. The Route map of the Venue of the AGM is annexed to this Notice.

The instructions for e-voting are as under:

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and Regulation 44 of Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The shareholder who do not have access to e-voting or who do not wish to cast the vote electronically may request the Company for physical ballot paper for casting their vote, which will be provided by the Company upon request. Such ballot paper duly filled in may be sent to the Scrutinizer C/o ADF Foods Ltd., Sadhana House, Unit 2B, Second Floor, 570, P.B. Road, Worli, Mumbai-400 018 so as to reach the scrutinizer on or before 5.00 p.m. on 22nd August, 2017.

III. The members who have cast their vote by remote e-voting prior to the Annual General Meeting a Member may participate in the General Meeting even after exercising his right to vote through Remote e-voting but shall not be entitled to vote again.

IV. The remote e-voting period commences on Saturday, 19th August, 2017 (9.00 a.m.) and ends on Tuesday, 22nd August, 2017 (5.00 p.m.). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of 16th August, 2017 , may cast their vote by remote e-voting. Remote e-voting shall not be allowed beyond the said date and time. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Member as on the cut-off date shall only be entitled for availing the Remote e-voting facility or vote, as the case may be, in the General Meeting.

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

V. The process and manner for remote e-voting is as under:

A. In case a Member receives an e-mail from NSDL [for Members whose e-mail addresses are registered with the Company/Depository Participant(s)]:

(i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

*NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file "*remote e-voting.pdf*".*

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put your user ID and password. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "ADF Foods Limited".

(viii) Now you are ready for remote 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 you have voted on the resolution, you will not be allowed to modify your vote.

(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 scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for Members whose e-mail addresses are not registered with the Company/Depository Participant(s)] or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast the vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and remote e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com or call on toll free no 1800 222 990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN No+Folio No).

VIII. You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16th August, 2017.

X. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of notice and holding shares as of the cut-off date i.e. 16th August, 2017 may obtain the login ID and password by sending a request to evoting@nsdl.co.in by mentioning their Folio No. / DP ID and Client ID No or to the R&T Agents.

However, if you are already registered with NSDL for remote e-voting, then you can use your existing User ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or R&T agents at rnt.helpdesk@linkintime.co.in or contact NSDL at the following Toll Free No: 1800 222 990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Ms. Ashita Golwala, Practicing Company Secretary (Membership No. ACS 42900), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting / physical ballot facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.adf-foods.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The result of the voting, along with the Scrutinizer's Report shall also be displayed on the Notice Board of the Company at its Registered Office and its Corporate Office.

XVII. The members may contact Ms. Shalaka Ovalekar, Company Secretary at co_secretary@adf-foods.com or at contact number : (022) 61415555 on their grievances connected with voting by electronic means.

Mumbai, 20th July, 2017

By order of the Board
For ADF FOODS LIMITED

Shalaka Ovalekar
Company Secretary
ACS 15274

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 Regulation 25 & 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 102(1) of the Companies Act, 2013, the following explanatory statement sets out all material facts relating to Item No. 5 to 9 of the Notice.

Item No. 5 : Appointment of Mr. Naresh L. Kothari as an Independent Director :

The Board of Directors appointed Mr. Naresh L. Kothari as an Additional Director in the category of Independent Director of the Company with effect from May 12, 2017, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Naresh L. Kothari will hold office up to the date of the ensuing Annual General Meeting.

The Company has received from Mr. Naresh L. Kothari (i) consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under the provisions of sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013. Further, the Company has received notice from a member signifying his intention to propose appointment of Mr. Naresh L. Kothari along with the requisite deposit.

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

Mr. Naresh L. Kothari (age 47 years) has done MBA from the Indian Institute Of Management (IIM), Ahmedabad and Bachelor of Engineering in Computer Science from the University of Mumbai.

He is a seasoned financial services professional with over 23 years of experience in business building and capital markets. During his career, he has held various operating as well as management responsibilities.

He was one of the earliest Senior Partners at Edelweiss Financial Services, and was a key person involved in shaping it into one of the leading financial services firms of India. During his more than 13 year tenure at Edelweiss, Mr. Naresh Kothari held various management roles including President of Edelweiss Capital, Senior member of Management Committee, Co-Head of Edelweiss Alternative Asset Advisors, Head of Coverage & ECM, and Co-Head of Institutional Equities.

Along with building various financial services businesses, he has also played an active role in advising Corporate India on business and capital markets strategy. He remains an active Board member on a few of these corporates.

Mr. Naresh Kothari has also done extensive analytical work including identifying some of the most successful investment themes in India. His deep understanding of various asset classes and how they play out across business cycles is now being used in building out some of the most innovative strategies for alternative investing in India through his new firm Alpha Alternatives.

Presently, Mr. Naresh Kothari holds 4,00,000 equity shares of Face Value of Rs. 10/- each in the Company.

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

Name of Company	Committee Memberships
B L Kashyap And Sons Limited	1. Audit Committee 2. Nomination and Remuneration Committee
Bhagwati Products Limited	Nil
Alpha Alternatives Holdings Private Limited	Nil
Soul Space Projects Limited	Nil
Essar Steel Algoma Inc.	Nil

Mr. Naresh Kothari is not related to any other Directors of the Company.

Mr. Naresh Kothari's appointment as an Independent Director of the Company would be upto 11th May, 2022. During the tenure he shall be paid remuneration by way of sitting fees for the meetings of the Board and its committees as may be decided by the Board from time to time.

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

In compliance with provisions of section 149 read with Schedule IV of the Companies Act, 2013, the appointment of Mr. Naresh Kothari as an Independent Director not liable to retire by rotation, is now being placed before the Members for their approval.

The copy of the draft letter of appointment and the terms and conditions of appointment of Mr. Naresh Kothari , shall be open for inspection by the Members at the Registered Office of the Company during business hours between 11.00 a.m. and 1.00 p.m. on all working days, excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting. The copies thereof are also available for inspection at head office of the Company situated at Sadhana House, Unit 2B, Second Floor, 570, P. B. Road, Worli, Mumbai-400 018 and at the Meeting also.

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

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

Except Mr. Naresh L. Kothari, being an appointee, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested financially or otherwise in the Resolution set out in Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended from time to time. .

Item Nos. 6 to 8: Renewal of employment agreements of the Managing Director and the Whole Time Directors :

Mr. Ashok H. Thakkar was appointed as the Chairman to hold office as a Whole Time director of the Company for one year with effect from 1st October 2016. Mr. Bimal R. Thakkar was appointed as the Managing Director to hold office as the Managing Director of the Company for one year with effect from 1st October, 2016. Mr. Bhavesh R. Thakkar was appointed as an Executive Director to hold office as a Whole Time director for one year with effect from 1st October, 2016.

The appointment and remuneration payable to Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar was approved by the Members in their Annual General Meeting held on 28th September, 2016.

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, 2017.

As per the recommendation of the 'Nomination and Remuneration Committee' at the meeting held on 20th July, 2017 and Board Of Directors of the Company in the meeting held on 20th July, 2017 it was decided to renew employment agreements of the above Managerial Personnel, subject to the approval of the Members 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, 2017.

(b) Mr. Bimal R. Thakkar, Managing Director liable to retire by rotation for a period of one year from 1st October, 2017.

(c) Mr. Bhavesh R. Thakkar, Executive Director liable to retire by rotation for a period of one year from 1st October, 2017.

The re-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 brief profile of the Directors seeking re-appointment is as under:

I. Mr. Ashok H.Thakkar

Mr. Ashok H Thakkar (age: 64) is a commerce graduate. He 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 4,61,354 shares of Face Value Rs. 10/- in the Company.

Mr. Ashok H. Thakkar has been inducted on the Board of Directors since 26th August, 1993.

Mr. Ashok H. Thakkar attended all 5 Board meetings held during the Financial Year 2016-17.

During the Financial Year 2016-17 ,Mr. Ashok H. Thakkar has received a remuneration of Rs. 54,63,226/ - (including perquisites) from the Company.

He is on the Share Transfer Committee of the Company.

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

Company Directorships	Committee Memberships
Power Brands (Foods) Private Limited (under voluntary liquidation)	Nil
ADF Foods (India) Ltd.	Nil
Mishal International (India) Private Limited	Nil
ADF Foods UK Ltd	Nil
ADF Holdings (USA) Ltd	Nil
ADF Foods (USA) Ltd.	Nil

Mr. Ashok H. Thakkar is related to Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar as their father's brother. Apart from this he is not related to any other directors, managers and/ or Key Managerial Personnel.

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

a) Monthly basic salary Rs. 4,40,000 (from 1st October, 2017 till 30th September, 2018);

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 by self and the spouse including travel, hotel and other related expenses for himself and spouse incurred in India and abroad. For spouse the reimbursement of expenses will be restricted to two foreign trips in a year;

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 every 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 under Schedule V of the Companies Act, 2013.

II. Mr. Bimal R. Thakkar

Mr. Bimal R. Thakkar (age: 51 years) is a Commerce Graduate and has done a Course in International Business and Marketing from Trade Development Institute of Ireland. He is the Managing Director of ADF Foods Limited and has played an instrumental role in initial public offer, subsequent private placements, settings up of factory at Nasik, expansion of factory at Nadiad, introduction and promotion of the Company's products in domestic and international markets, development of Brands and new products, tapping new markets for the products, international acquisitions, setting up of subsidiary companies in U.K., Mauritius and U.S.A.

Presently, Mr. Bimal R. Thakkar holds 22,76,074 shares of Face Value Rs. 10/- under his individual folio in the Company.

Mr. Bimal R. Thakkar has been inducted on the Board of Directors since 30th May, 2003.

Mr. Bimal R. Thakkar attended all 5 Board meetings held during the Financial Year 2016-17.

During the Financial Year 2016-17 ,Mr. Bimal R. Thakkar has received a remuneration of Rs. 54,67,172/- (including perquisites) from the Company.

He is on the Shareholder's Grievance/Stakeholder's Relationship Committee, Share Transfer Committee & CSR Committee of the Company.

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

Company Directorships	Committee Memberships
Gujarat Sidhee Cement Limited	- Audit Committee - Share Allotment Committee
Saurashtra Cement Limited	- Nomination & Remuneration Committee - Stakeholders Relationship & Grievances Committee
ADF Foods (India) Limited	Nil
Power Brands (Foods) Private Limited (under voluntary liquidation)	Nil
ADF Foods U.K. Limited	Nil
ADF Holdings (USA) Limited	Nil
ADF Foods (USA) Limited	Nil
Villa Trading Private Limited	Nil

Mr. Bimal R.Thakkar is related to Mr. Ashok H. Thakkar as nephew (Brother' son) and to Mr. Bhavesh R. Thakkar as brother. Apart from them, Mr. Bimal R. Thakkar is not related to any other directors, managers and/ or Key Managerial Personnel.

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

a) Monthly basic salary Rs. 4,40,000 (from 1st October, 2017 till 30th September, 2018);

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 by self and the spouse including travel, hotel and other related expenses for himself and spouse incurred in India and abroad. For spouse the reimbursement of expenses will be restricted to two foreign trips in a year;

   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 every 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 under Schedule V of the Companies Act, 2013.

III. Mr. Bhavesh R. Thakkar

Mr. Bhavesh R. Thakkar (age: 44) is a Commerce Graduate. He has over 2 decades of experience in this industry and has played an instrumental role in the management of the day to day financial and administrative affairs of the Company. He has also been a stalwart for setting up new factories as EOU divisions at Nashik & Nadiad.

Presently, Mr. Bhavesh R. Thakkar holds 11,76,450 shares of Face Value Rs. 10/- under his individual folio.

Mr. Bhavesh R. Thakkar has been inducted on the Board of Directors since 27th May, 2008.

Mr. Bhavesh R. Thakkar attended 5 Board meetings held during the Financial Year 2016-17.

During the Financial Year 2016-17, Mr. Bhavesh R. Thakkar has received a remuneration of Rs. 53,10,886/- (including perquisites) from the Company.

He is on the Share Transfer Committee of the Company.

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

Company Directorships	Committee Memberships
ADF Foods (India) Limited	Nil
Power Brands (Foods) Pvt. Ltd [under Voluntary liquidation]	Nil
ADF Foods (USA) LTD	Nil
ADF Foods UK Ltd.	Nil
ADF Holdings (USA) Ltd	Nil

Mr. Bhavesh R. Thakkar is related to Mr. Ashok H. Thakkar as nephew (Brother' son) and to Mr. Bimal R.Thakkar as brother. Apart from them, Mr. Bhavesh R. Thakkar is not related to any other directors, managers and/ or Key Managerial Personnel.

The material terms of draft supplementary agreement between the Company and Mr. Bhavesh R. Thakkar as referred to in the resolution at item no. 8 of the notice are as under :

a) Monthly basic salary Rs. 4,40,000 (from 1st October, 2017 till 30th September, 2018);

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 by self and the spouse including travel, hotel and other related expenses for himself and spouse incurred in India and abroad. For spouse the reimbursement of expenses will be restricted to two foreign trips in a year;
   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 every 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, otherwise approved by Central Government, 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. ('The Act')

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. 6, 7 and 8 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 resolutions 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.

The Copies of the aforesaid draft supplementary agreements will be available for inspection by the members at the Registered Office of the Company during business hours between 11.00 a.m. and 1.00 p.m. on all working days, excluding Saturdays, Sundays and Public Holidays upto the date of Annual General Meeting. The copies thereof are also available for inspection at the Corporate office of the Company situated at Sadhana House, Unit 2B, Second Floor, 570, P. B. Road, Worli, Mumbai-400 018 and at the Meeting also.

The Board recommends the resolutions as set out at Item Nos. 6, 7 and 8 of the notice for your approval.

Item no 9: Renewal of employment agreement of Mr. Mishal A. Thakkar :

Mr. Mishal A. Thakkar was appointed as Vice President in the Company for a period of one year from 1st October, 2016. The said appointment was approved by the members in the Annual General Meeting held on 28th September, 2016.

Mr. Mishal A. Thakkar (Age: 32 years) 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 position of Vice President in the Company. 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 20th July, 2017, it was decided to re-appoint Mr. Mishal A. Thakkar as Vice President for a period of 1 (one) year with effect from 1st October, 2017.

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 an ordinary 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. 9 of the notice are as under:

1. Monthly Salary: Rs.100,000 (from 1st October, 2017 till 30th September, 2018);
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 half months basic salary in a year;
4. Reimbursement of Medical expenses incurred by him and his family subject to a ceiling of half months basic salary in a year;
5. 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;

6. 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;
7. Contribution to the Company's Provident Fund in accordance with the rules of the Funds;
8. Gratuity payable in accordance with the Company's scheme;
9. Provision of a car with driver for use on Company's business;
10. Reimbursement of expenses actually and properly incurred by self and the spouse for the business of the Company and will not be considered as perquisite. For spouse the reimbursement of expenses will be restricted to two foreign trips in a year.

The copies of the aforesaid draft agreement will be available for inspection by the members at the Registered Office of the Company during business hours between 11.00 a.m. and 1.00 p.m. on all working days, excluding Saturdays, Sundays and Public Holidays upto and including the date of Annual General Meeting. The copies thereof are also available for inspection at the Corporate office of the Company situated at Sadhana House, Unit 2B, Second Floor, 570, P. B. Road, Worli, Mumbai-400 018 and at the Meeting also.

Mr. Ashok H. Thakkar, Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar are interested in the resolution set out respectively at Item no. 9 of the Notice.

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.

The Board recommends the resolution as set out at Item No. 9 of the notice for your approval.

By order of the Board.
For **ADF FOODS LTD.**

Shalaka Ovalekar
Company Secretary
ACS 15274

Mumbai, 20th July, 2017

Regd. Office :

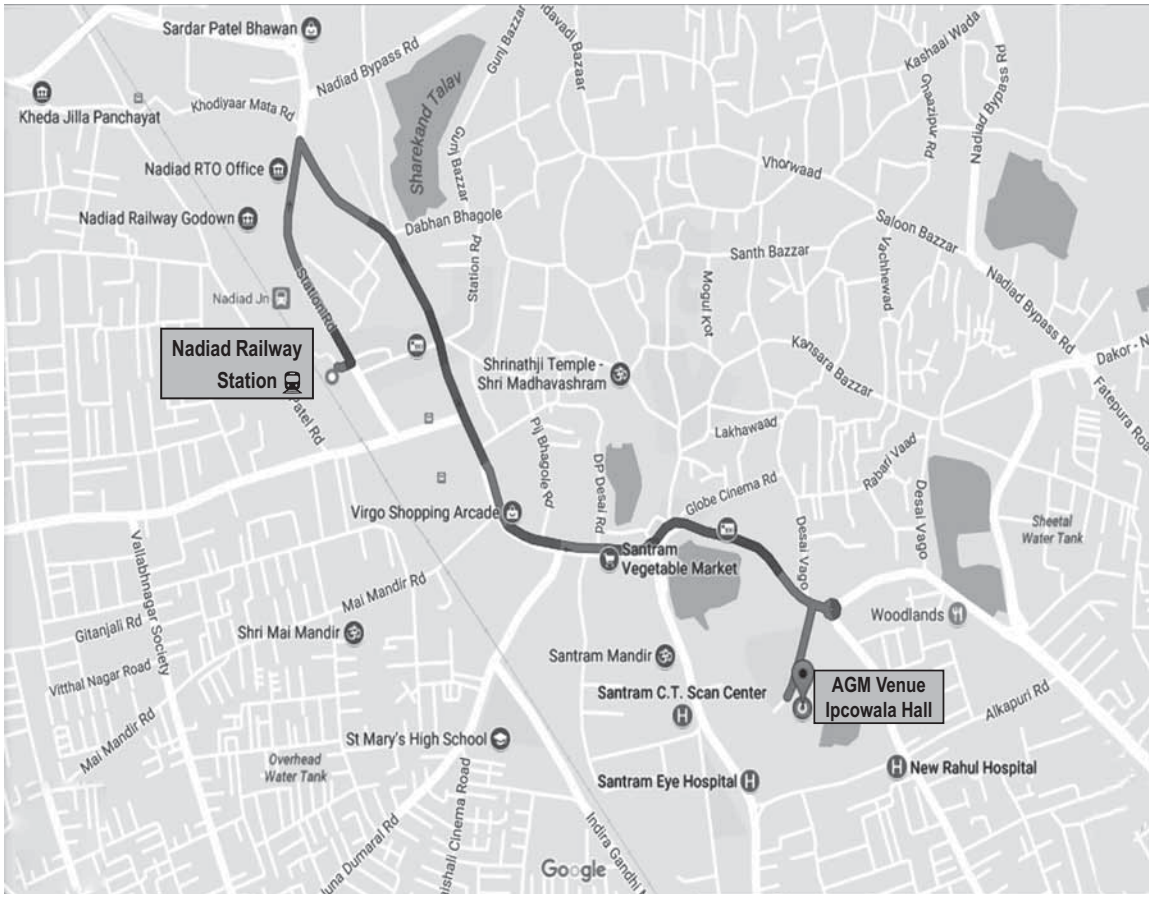
83/86 GIDC Industrial Estate,
Nadiad 387001, Gujarat
Tel.: 0268-2551381/2
Fax. : 0268-2565068;
E-mail: info@adf-foods.com;
website: www.adf-foods.com
CIN: L15400GJ1990PLC014265

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ADF FOODS LIMITED

Route map to AGM Venue located at:

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



The Statement of disclosures pursuant to Secretarial Standard-2 on General Meetings and Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended, is as under:

Particulars	Mr. Naresh L. Kothari	Mr. Ashok H. Thakkar	Mr. Bimal R Thakkar	Mr. Bhavesh R. Thakkar
Director Identification Number	00012523	00087465	00087404	00939805
Age	47	64 years	51 years	44 years
Date of Birth	03rd September, 1970	12th May, 1953	17th September, 1965	18th September, 1972
Date of Appointment on Board	12th May, 2017	26th August, 1993.	30th May, 2003	27th May, 2008
Qualifications	Bachelors of Engineering in Computer Science and MBA from IIM Ahmedabad	Bachelor of Commerce	Bachelor of Commerce	Bachelor of Commerce
Experience/ Expertise	Mr. Naresh L. Kothari is a seasoned financial services professional with over 23 years of experience in business building and capital markets. During his more than 13 year tenure at Edelweiss, Mr. Kothari held various management roles including President of Edelweiss Capital, Senior member of Management Committee, Co-Head of Edelweiss Alternative Asset Advisors, Head of Coverage & ECM, and Co-Head of Institutional Equities. He spent the initial years of his career in building and running an Institutional Equities Sales & Trading desk at ICICI Securities. Along with building various financial services businesses, he has also played an active role in advising Corporate India on business and capital markets strategy. He remains an active Board member on a few of these corporates.	Mr. Ashok H Thakkar 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.	Mr. Bimal R. Thakkar has done a Course in International Business and Marketing from Trade Development Institute of Ireland. He is the Managing Director of ADF Foods Limited and has played an instrumental role in initial public offer, subsequent private placements, settings up of factory at Nasik, expansion of factory at Nadiad, introduction and promotion of the Company's products in domestic and international markets, development of Brands and new products, tapping new markets for the products, international acquisitions, setting up of subsidiary companies in U.K., Mauritius and U.S.A.	Mr. Bhavesh Thakkar is the Executive Director of ADF Foods Ltd. He has over 2 decades of experience in this industry and has played an instrumental role in the management of the day to day financial and administrative affairs of the Company. He has also been a stalwart for setting up new factories as EOU divisions at Nashik & Nadiad.
Terms and Conditions of Appointment or re-appointed along with remuneration	Mr. Naresh L. Kothari appointed as Independent Director for a period of 5 years with effect from May 12, 2017. He will be entitled to Sitting Fees, Commission and re-imbursement of expenses for attending the meetings of Board and Committees thereof.	a) Monthly basic salary Rs. 4,40,000 (From 1st October, 2017 till 30th September, 2018); 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;	a) Monthly basic salary Rs. 4,40,000 (From 1st October, 2017 till 30th September, 2018); 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;	a) Monthly basic salary Rs. 4,40,000 (From 1st October, 2017 till 30th September, 2018); 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 by self and the spouse including travel, hotel and other related expenses for himself and spouse incurred in India and abroad. For spouse the reimbursement of expenses will be restricted to two foreign trips in a year; 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.	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 by self and the spouse including travel, hotel and other related expenses for himself and spouse incurred in India and abroad. For spouse the reimbursement of expenses will be restricted to two foreign trips in a year; 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.	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 by self and the spouse including travel, hotel and other related expenses for himself and spouse incurred in India and abroad. For spouse the reimbursement of expenses will be restricted to two foreign trips in a year; 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 every 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.	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 every financial year subject to overall 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.	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 every 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, otherwise approved by Central. Government, 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
The last drawn remuneration	*Not applicable*	*Rs. 54,63,226/- (For the FY 2016-17)*	*Rs. 54,67,172/- (For the FY 2016-17)*	*Rs. 53,10,886/- (For the FY 2016-17)*
Shareholding in the Company	4,00,000 equity shares	4,61,354 equity shares	22,76,074 equity shares	11,76,450 equity shares
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Naresh Kothari is not related with any other director, Manager, and Key Managerial Personnel of the Company.	Mr. Ashok Thakkar is related to Mr. Bimal Thakkar and Mr. Bhavesh Thakkar as their father's brother. Apart from them, Mr. Ashok Thakkar is not related to any other directors, managers and/ or Key Managerial Personnel.	Mr. Bimal Thakkar is related to Mr. Ashok Thakkar as nephew (Brother' son) and to Mr. Bhavesh Thakkar as brother. Apart from them, Mr. Bimal Thakkar is not related to any other directors, managers and/ or Key Managerial Personnel.	Mr. Bhavesh Thakkar is related to Mr. Ashok Thakkar as nephew (Brother' son) and to Mr. Bimal Thakkar as brother. Apart from them, Mr. Bimal Thakkar is not related to any other directors, managers and/ or Key Managerial Personnel.
The Number of Meetings of the Board attended during the year	Not applicable as the appointment was done post completion of FY 2016-17.	5	5	5
Other Directorships	a. B L Kashyap And Sons Limited b. Bhagwati Products Limited c. Alpha Alternatives Holdings Private Limited d. Soul Space Projects Limited e. Essar Steel Algoma Inc.	a. Power Brands (Foods) Private Limited (under voluntary liquidation) b. ADF Foods (India) Ltd. c. Mishal International (India) Private Limited d. ADF Foods U.K. Limited e. ADF Holdings (USA) Limited f. ADF Foods (USA) Limited	a. Gujarat Sidhee Cement Limited b. Saurashtra Cement Limited c. ADF Foods (India) Limited d. Power Brands (Foods) Private Limited (under voluntary liquidation) e. ADF Foods U.K. Limited f. ADF Holdings (USA) Limited g. ADF Foods (USA) Limited h. Villa Trading Private Limited	a. ADF Foods (India) Limited b. Power Brands (Foods) Pvt. Ltd [under Voluntary liquidation] c. ADF Foods U.K. Limited d. ADF Holdings (USA) Limited e. ADF Foods (USA) Limited

Memberships/ Chairmanship of Committees of other companies	**Member:** **1. Audit Committee:** B L Kashyap And Sons Limited **2. Nomination and Remuneration Committee:** B L Kashyap And Sons Limited	NIL	**Member:** **1. Audit Committee** Gujarat Sidhee Cement Limited **2. Share Allotment Committee** Gujarat Sidhee Cement Limited **3. Nomination & Remuneration Committee-** Saurashtra Cement Ltd. **4. Stakeholders Relationship & Grievances Committee**- Saurashtra Cement Ltd.	NIL

DIRECTORS' REPORT

Dear Shareholders,

ADF Foods Limited

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the Audited Financial Statements for the Financial Year ended 31st March 2017.

A. FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2017 is summarized below:

(Rs. in Lakhs)

Particulars	**Standalone**		**Consolidated**	
	Audited		**Audited**	
	2016-17	**2015-16**	**2016-17**	**2015-16**
Net sales/Income from operation	16,672.62	16,090.06	20,224.60	21,005.01
Other Income	533.37	405.41	608.94	444.92
Total Income	**17,205.99**	**16,495.47**	**20,833.54**	**21,449.93**
Less: Total expenditure				
Cost of materials consumed	7,910.45	7,419.84	7,910.45	8,876.52
Purchase of Stock-in-trade	1,109.38	663.67	3,086.44	1,707.01
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(80.85)	(179.66)	(75.14)	53.18
Employee benefits expense	1,377.68	1,235.43	1,736.56	2,349.21
Financial Expenses	94.56	113.68	97.22	136.97
Depreciation and amortization	712.27	789.18	1,001.16	1,196.22
Other expenses	4,179.79	4,231.47	5,376.00	6,047.49
Total expenses	**15,303.28**	**14,273.61**	**19,132.69**	**20,366.60**
Profit before exceptional and extraordinary items and tax	**1,902.71**	**2,221.86**	**1,700.85**	**1,083.33**
Exceptional Items	-	-	-	-
Profit before tax	**1,902.71**	**2,221.86**	**1,700.85**	**1,083.33**
Current tax	637.45	761.05	638.56	768.05
Deferred tax	26.05	50.75	(27.84)	(344.00)
Prior year's tax adjustment	2.44	-	5.93	(1.46)
Total tax expenses	**665.94**	**811.80**	**616.65**	**422.59**
Prior Period adjustments (Net off)	-	-	-	-
Net Profit (+) / Loss (-)	**1,236.77**	**1,410.06**	**1,084.20**	**660.74**
Less : share of minority interest	-	-	-	-
Profit/loss for the period after minority interest	**1,236.77**	**1,410.06**	**1,084.50**	**660.74**
EPS (Basic)	**5.74**	**6.41**	**5.03**	**3.00**
EPS (Diluted)	**5.74**	**6.41**	**5.03**	**3.00**

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. 166.73 Crore as against Rs. 160.90 Crore in the previous year. The Net profit (after tax and extra ordinary items) for the financial year ended 31st March 2017 was Rs.12.37 Crore as against Rs. 14.10 Crore in the previous year. The reduction in the net profit is mainly due to two factors. One of these is high input cost of major raw materials and the other is devaluation of sterling pound on account of Brexit which has impacted revenue and profits of our UK business.

- **Consolidated Results**

  Your Company has recorded revenue from operations (net) of Rs. 202.25 Crore as against Rs. 210.05 Crore in the previous year. The net profit (after tax and extra ordinary items) for the financial year was Rs.10.84 Crore, as against Rs. 6.61 Crore during the previous year recording an impressive increase over 60%. The improvement in the profitability could be achieved on account of improvement in our US operations through cost control measures.

B. BUSINESS DEVELOPMENT

Our Truly Indian Organic Ready to Eat product category bagged 2 silver awards at the prestigious SOFI Awards 2017, held by Specialty Foods Association, USA which honours the best and the most innovative products in specialty food. Our products, Delhi Lentils (Dal Makhani) won silver award in the Savoury Appetizer, Soup & Stew category and Delhi Potatoes (Aloo Matar) received the Silver Award in the vegan products category. The general review of the major business developments during the year under review is as under:

Domestic Business :

The Company has launched four delicious dipping sauces in very attractive packaging. The same have received warm response from the consumers. The Company also invested in product sampling as a part of its brand promotion program and showcased its brand 'ADF Soul' at major supermarkets across the metro cities. However, the distribution ramp up did not pay off as expected due to lack of demand in general trade. The same was mainly attributable to lack of purchasing power on account of demonetization.

The Company is focused to strengthen its marketing and distribution network in the current fiscal year.

US Business :

The Company has moved all its production to a contract packer located in Ohio. The contract manufacturing would help the Company to reduce considerably the cost of operation & improve financial position. We expect an improvement in the US operations in the year to come.

We are looking forward to the launch of new and exciting products in the US market during the current fiscal year.

International Business :

Brexit had an adverse impact on the Company's business in the U.K. On account of the Brexit, the average realization of pound has gone down. Hence the revenue, EBITDA and profitability were affected.

'Ashoka' has launched a new range of Frozen products called 'Dosa Wrap'. These Dosa Wraps are available in three exciting and delicious variants. The Company is all set to launch an exciting range of healthy snack items shortly.

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

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

D. SHARE CAPITAL :

The paid up Equity Share Capital as on March 31, 2017 was Rs. 21.20 Crore. During the year under review, the Company has not issued or allotted any securities. During the year, there was a reduction in the paid up equity share capital from Rs. 22 Crore to Rs. 21.20 Crore on account of buyback of equity shares.

E. BUYBACK :

The Board of Directors in its meeting held on 27th July, 2016 approved buyback of Equity Shares at a price not exceeding Rs.125 per equity share of Rs. 10/- each ('Maximum Buyback Price') for an aggregate amount not exceeding Rs.18 Crore ('Maximum Buyback Size'). The Company adopted the Open Market Route in accordance with the provisions contained in SEBI (Buyback of Securities) Regulations, 1998 (including any statutory modification(s), or re-enactments for the time being in force).

The buyback commenced from August 10, 2016 and closed on November 15, 2016. The Company bought back 798,539 equity shares at an average price of Rs.120.60 per share. The Company had thus spent Rs. 9,63,07,029/- (Rupees Nine Crore Sixty Three Lakhs Seven Thousand and Twenty Nine Only) excluding the transaction cost. Till closure of the buyback, the Company has utilized 53.50% of the maximum buyback size authorized for the buyback. In respect of the shares so extinguished, the Company has adjusted an amount of Rs. 79,85,390/- against paid up equity shares and Rs. 8,83,21,639/- against securities premium.

F. DIVIDEND :

Your Directors are pleased to recommend a Dividend of Rs. 2.50 per equity share (i.e. @ 25%) for the financial year ended 31st March, 2017. The dividend payout, if approved, will result in outflow of Rs. 709.87 Lakhs inclusive of Rs. 179.84 Lakhs on account of Dividends Distribution Tax.

G. TRANSFER TO RESERVES :

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

H. SUBSIDIARY COMPANIES :

Your Company has three subsidiaries viz. ADF Foods UK Ltd, Power Brands (Foods) Pvt. Ltd. and ADF Foods (India) Ltd. and two step down subsidiaries viz. ADF Holdings (USA) Ltd. and ADF Foods (USA) Ltd as on 31st March, 2017.

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.

During the year, the Board of Directors reviewed the affairs of the subsidiaries in accordance with Section 129(3) of the Companies Act, 2013. We have prepared consolidated financial statements of the Company which form part of the Annual Report. The salient features of the financial statement of the subsidiaries are set out in the prescribed form AOC-1 which is attached to the financial statements. The statement also provides the details of performance and financial position of the Company's subsidiaries.

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

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

I. BOARD OF DIRECTORS AND COMMITTEES :

- **Directors**

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

  During the year, Mr. Ashok H. Thakkar, Chairman of the Company was appointed as the Whole Time Director for a period of one year from 1st October, 2016, Mr. Bimal R Thakkar , Managing Director to hold office as the Managing Director for a period of one year from 1st October, 2016, and Mr. Bhavesh R. Thakkar, Executive Director to hold office as a Whole Time Director for a period of one year from 1st October, 2016.

  The Board of Directors has appointed Mr. Naresh L. Kothari as an Additional Director of the Company in the category of Independent Director w.e.f. 12th May, 2017.

  The brief particulars of Mr. Naresh L. Kothari, for which approval of Members for his appointment is sought have been provided in the notice of the 27th Annual General Meeting of the Company pursuant to Regulation 25 of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

- **Relationship Between Directors Inter-SE**

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

- **Meetings of Board of Directors**

  Five meetings of the Board of Directors of the Company were held during the year. For detail of the meetings, please refer to Clause II E of the Corporate Governance Report, which forms part of this Report.

- **Committees of the Board**

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

  The Board of Directors of the Company has formed an Audit Committee which consist of the Independent Directors viz. Mr. Nipun C. Shah as the Chairman, Mr. Yasir J. Varawala, Mr. Viren A. Merchant and Mr. Ravinder Kumar Jain.

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

  The other Committees of the Board are:

  i) Nomination and Remuneration Committee

  ii) Stakeholders Relationship / Shareholders Grievance Committee

  iii) Corporate Social Responsibility Committee

  iv) Share Transfer Committee

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

- **DIRECTORS' RESPONSIBILITY STATEMENT**

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

  a) that in the preparation of the annual financial statements for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

  b) that such accounting policies as mentioned in Note 2 of the Notes to the Standalone Financial Statements and in Note 3 of the Notes to the Consolidated Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year;

  c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

  d) that the annual financial statements have been prepared on a going concern basis;

  e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

  f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

- **Independent Directors' Declaration :**

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

- **Meeting of Independent Directors**

  During the year under review the meeting of the Independent Directors was held on 3rd March, 2017. Subsequently additional meeting of Independent Directors was held on 20th July, 2017. The performance of the Board as a whole, the Chairman and the non Independent Directors was reviewed in the said meetings.

- **Performance Evaluation of the Board**

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

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

- **Familiarization Program for Independent Directors**

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

  Familiarization program of the Company as specified under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is displayed on the Company's website www.adf-foods.com and is available under the weblink: http://www.adf-foods.com/wp-content/uploads/2017/06/ADF-Familiarisation-Program-%E2%80%93-F.Y.-2016-2017.pdf

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

  In accordance with the provisions of Section 134(3)(e) of the Companies Act, 2013 ("the Act") read with Section 178(3) of the Act and The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters, which is covered in the Corporate Governance Report which forms part of this Report. Further, information about elements of remuneration package of individual directors is provided in the extract of Annual Return as provided under Section 92(3) of the Act at Annexure-V in the prescribed form MGT-9 and forms part of this Report.

J. CASH FLOW STATEMENT :

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

K. CONSOLIDATED ACCOUNTS :

In compliance with Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

L. GOVERNANCE :

- **Report on Corporate Governance**

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

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

  Various information required to be disclosed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the Annexure-I and forms part of this report.

- **Vigil Mechanism/Whistle Blower Policy**

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

  With the adoption of this policy, the Company has put in place a mechanism wherein the Employees are free to report to the management any actual or possible violation of the Principles or any other unlawful or unethical or improper practice or act, or activity of the Company. 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 & Audit Committee. The mechanism is reviewed by the Audit Committee of the Company in accordance with the SEBI (LODR) Regulations, 2015. The Company did not receive any such complaints during the year.

  Whistle Blower Policy of the Company is displayed on the Company's website www.adf-foods.com and is available under the weblink http://www.adf-foods.com/wp-content/uploads/2017/03/ADF-Whistle-Blower-policy.pdf

- **Nomination & Remuneration Policy :**

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

- **Risk Management Framework**

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

- **Internal Financial Controls**

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

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

  In accordance with the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed Policy for determination of Materiality for disclosure of events or information. The same has been hosted on the website of the Company at the link: http://www.adf-foods.com/wp-content/uploads/2016/01/POLICY.Material-events.pdf

The details of the other policies of the Company can be obtained using the following weblinks :

Sr No	Policy	Link
1	Code of Conduct	http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf
2	Nomination and Remuneration Policy	http://www.adf-foods.com/wp-content/uploads/2016/12/NOMINATION-REMUNERATION-POLICY.pdf
3	Insider Trading Code 2015	http://www.adf-foods.com/wp-content/uploads/2017/07/ADF-Insider-Trading-Code.pdf
4	Whistle Blower Policy	http://www.adf-foods.com/wp-content/uploads/2017/03/ADF-Whistle-Blower-policy.pdf
5	Related Party Transactions Policy	http://www.adf-foods.com/wp-content/uploads/2017/03/ADF-Related-Party-Transactions-Policy.pdf
6	Material Subsidiary Policy	http://www.adf-foods.com/wp-content/uploads/2017/06/Policy-for-determinig-the-Material-Subsidiary.pdf
7	CSR Policy	http://www.adf-foods.com/wp-content/uploads/2016/01/CSR-Policy.pdf
8	Familiarisation Program	http://www.adf-foods.com/wp-content/uploads/2017/06/ADF-Familiarisation-Program-%E2%80%93-F.Y.-2016-2017.pdf
9	Board Diversity Policy	http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Board-Diversity-Policy.pdf
10	Sexual Harassment policy	http://www.adf-foods.com/wp-content/uploads/2016/01/Sexualharasspolicy.pdf
11	Preservation of Documents	http://www.adf-foods.com/wp-content/uploads/2016/01/POLICY.PRESERVATION-OF-DOCUMENTS.pdf
12	Archival Policy	http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Archival-Policy.pdf

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

  The Company has a policy on Prevention of Sexual Harassment of Women at Workplace pursuant to the provisions of The Sexual Harassment of Woman at Workplace (Prevention, Prohibition & Redressal) Act 2013. The Company did not receive any such complaints during the year.

  The Prevention of Sexual Harassment Policy of the Company is displayed on the Company's website www.adf-foods.com and is available under the weblink: http://www.adf-foods.com/wp-content/uploads/2016/01/Sexualharasspolicy.pdf.

M. PARTICULARS OF EMPLOYEES :

- **Key Managerial Personnel (KMP)**

  Mr. Ashok H. Thakkar, Chairman, Mr. Bimal R. Thakkar, Managing Director & CEO, Mr. Bhavesh R. Thakkar, Executive Director & CFO and Ms. Shalaka Ovalekar, Company Secretary & Compliance Officer are the KMPs of the Company.

  During the period under review there was no change in KMPs.

- **Employees**

  There were no employees drawing remuneration exceeding the monetary ceiling of Rs. 1.02 Crores per annum or Rs. 8.50 Lakhs per month during the financial year 2016-17, if employed for a part of the year prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

  The information required under Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given at Annexure 1 that forms part of the Board's Report.

- **Human Resource and Employee Relations**

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

N. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 of the Companies Act, 2013 :

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

O. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :

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

Pursuant to requirements of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Company has formulated a 'Policy on determining Material Subsidiaries'.

The Policy is posted on website of the Company viz. www.adf-foods.com.

The web link of the said Policy is http://www.adf-foods.com/wp-content/uploads/2017/06/Policy-for-determinig-the-Material-Subsidiary.pdf

P. PUBLIC DEPOSITS :

Your Company has not accepted any deposit within the meaning of Section 73 and 76 of the Companies Act, 2013 and the rules made thereunder during the financial year 2016-17.

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

Pursuant to erstwhile Section 205A and 205C of the Companies Act, 1956, dividends pertaining to the financial year 2008-09 (Final) amounting to Rs. 8,33,060/- which remained unpaid or unclaimed for a period of 7 years were transferred by the Company to the Investor Education and Protection Fund during the financial year under review.

Transfer of Equity Shares to the IEPF Suspense Account -

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 notified by the Ministry of Corporate Affairs (MCA) effective from September 7, 2016 all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more would get transferred to the Demat Account of IEPF Authority. The said Rules have also laid down the procedure for transfer of the shares to IEPF Authority.

Accordingly, the Company has intimated all the concerned shareholders via letter dated 30th November, 2016 to claim their unclaimed/unpaid dividends. The Company had also published the notices to the said effect in the Financial Express (English & Gujarati editions) on 6th December, 2016 and 12th May, 2017 respectively. The Company has also uploaded on its website the list of the shareholders whose dividend has remained unpaid/unclaimed for seven consecutive years or more since the F.Y. 2008-09. The same can be accessed by following the weblink http://www.adf-foods.com/wp-content/uploads/2017/07/Transfer-of-Equity-Shares-to-the-IEPF-Suspense-Account-Shareholder-List-20.07.2017.pdf.

The MCA had notified the due date of transfer as 31st May, 2017.

The MCA vide its latest General Circular no. 06/2017 dated 29.05.2017 has stated that the revised due date of transfer /transmittal of shares shall be notified soon. Accordingly the Company will initiate the necessary action.

R. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES :

The Company has a Corporate Social Responsibility (CSR) policy and set up CSR Committee comprising of three members viz. Mr. Viren Merchant, Independent Director, Mr. Nipun Shah, Independent Director and Mr. Bimal R. Thakkar, Managing Director.

During the Financial Year 2016-17 the Company was required to spend an amount of Rs. 56.73 Lakhs on the CSR activities (including Rs. 17.24 Lakhs for Financial Year 2015-16) pursuant to Section 135 of the Companies Act, 2013. During the year, the Company had undertaken various meaningful CSR activities in the areas such as educational aid for underprivileged and disabled, health, eradication of hunger and poverty, animal and environment protection etc. and the amount spent on these activities was Rs. 54.97 Lakhs. The amount of Rs. 1.76 Lakhs remained unspent as few CSR activities that were planned could not materialize during the said financial year on account of administrative delays on part of a N.G.O. The Company is committed to spend the remaining CSR funds during the Financial year 2017-18 along with other CSR activities.

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

S. EXTRACT OF ANNUAL RETURN :

Pursuant to sub-section 3 (a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2017 forms part of this report as Annexure V.

T. AUDITORS AND THEIR REPORT :

- **Statutory Auditors**

  For the financial year 2017-18, it is proposed to ratify appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Registration no. 104607W/W100166) as Statutory Auditors subject to approval of the Members in the ensuing Annual General Meeting.

  The Company has received letters from the Auditors to the effect that their 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 re-appointment.

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

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

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

- **Secretarial Audit**

  Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Keyul M. Dedhia & Associates, Company Secretary in Practice (C.P. No. 8618), to undertake the Secretarial Audit of the Company for the Financial Year 2016-17. The Secretarial Audit Report is annexed herewith as "Annexure III". There are no qualifications reservations or adverse remarks contained, in the said Report. However the Secretarial Auditors have stated the following observation in their Report:

  The Company has an unspent amount during the year in the amount to be spent towards Corporate Social Responsibility.

  The explanation for the above observation is mentioned above, under the head Corporate Social Responsibility Initiative.

- **Internal Audit**

  M/s. Suresh Gandhi & Co., Chartered Accountants, Surat (Registration no. 114917W) have been associated with your Company as Internal Auditor for Nadiad Division.

  For the financial year 2017-18 in place of Company's outgoing Internal Auditors M/s S M S R & Co LLP, Chartered Accountants, Mumbai, (Registration no. 110592W/W100094) M/s. B.K. Khare & Co., Chartered Accountant, Mumbai (Registration no. 105102W) have been appointed as Internal Auditors for Mumbai and Nasik divisions of the Company.

  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.

U. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS :

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

V. LISTING OF SHARES :

The Company's shares are actively traded on BSE Limited and the National Stock Exchange of India Limited

W. TECHNOLOGY AND QUALITY :

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

X. ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE :

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

Y. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT :

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

Z. ACKNOWLEDGEMENTS :

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

For and on Behalf of the Board of Directors

Bimal R. Thakkar	**Bhavesh R. Thakkar**
Managing Director	**Executive Director**
DIN: 00087404	**DIN: 00939805**

Mumbai, 20th July, 2017

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-I

1. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Companies Act, 2013 and the Rules made there-under, in respect of employees of the Company, is as follows:-

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

Name of Executive Director	Ratio to Median Remuneration
Mr. Ashok H. Thakkar	26.32
Mr. Bimal R. Thakkar	26.34
Mr. Bhavesh R. Thakkar	25.59

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

Name of Person	% increase in Remuneration
Mr. Ashok H. Thakkar- Chairman	13.64
Mr. Bimal R. Thakkar – Managing Director & CEO	13.64
Mr. Bhavesh R. Thakkar- Executive Director & CFO	13.64
Ms. Shalaka Ovalekar- Company Secretary	15

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

(iii) The percentage increase in the median remuneration of employees in the financial year:

11%

(iv) The number of permanent employees on the payroll of Company:

317

(v) The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 15% in India. The individual increments were given based on their individual performance. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects Company performance, the commission payable to the Whole Time Directors and the Managing Director as one of the remuneration components is linked to the net profit as calculated u/s 198 of the Companies Act, 2013.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Rs. In lakhs

Particulars	Amount
Remuneration of Key Managerial Personnel (KMP) during financial year 2016-2017 (aggregated)	183.96
Revenue from operations	16,672.62
Remuneration (as % of revenue)	1.10%
Profit Before Tax (PBT)	1,902.71
Remuneration (as % of PBT)	9.67%

(vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out

with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:

Particulars	Unit	As at 31st March 2017	As at 31st March 2016	Variation
Closing rate of share at BSE	Rs.	173.05	83.00	108.49%
EPS (consolidated)	Rs.	5.03	3.00	67.67%
Market capitalization	Rs. In Lac	36,689.13	18,260	100.93%
Price Earning Ratio (Consolidated)	Ratio	34.40	27.66	24.37%

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2016-17 was 15%. Percentage increase in the managerial remuneration for the year was 13.60%.

(ix) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

Rs. In Lakhs

Particulars	Mr. Ashok H. Thakkar	Mr. Bimal R. Thakkar	Mr. Bhavesh R. Thakkar	Ms. Shalaka Ovalekar
Remuneration	54.63	54.67	53.11	21.55
Revenue from operations				16,672.62
Remuneration as % of revenue	0.33	0.33	0.32	0.13
Profits Before Tax (PBT)				1902.71
Remuneration as % of PBT	2.87	2.87	2.79	1.13

(x) The key parameters for any variable component of remuneration availed by the directors:

Members at the Annual General Meeting of the Company held on 28th September, 2016 approved payment of commission to the Executive Directors on net profit of the Company as calculated under Section 198 of the companies Act, 2013. Such commission is payable to the Executive Directors at such rate as may be fixed by the Board of Directors based on the performance of the Executive Directors.

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

None of the employees who is not a director received remuneration higher than the highest paid director during the year.

(xii) Affirmation that the remuneration is as per the remuneration policy of the Company:

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

2. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

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

ANNEXURE II

NOMINATION AND REMUNERATION POLICY

Introduction:

The Company considers human resources as its prime invaluable asset. ADF believes in harmonizing the aspirations of human resources to be consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time.

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee on 9th August, 2014 and approved by the Board of Directors in their meeting on 11th August, 2014.

I) Objective and purpose of the Policy:

The objective and purpose of this policy is:

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

Effective Date:

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

Constitution of the Nomination and Remuneration Committee:

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

The Nomination and Remuneration Committee comprises of following Directors:

i) Mr. Yasir J. Varawala, Chairman [Non-Executive Independent Director]

ii) Mr. Nipun C. Shah, Member [Non-Executive Independent Director]

iii) Mr. Viren A. Merchant, Member [Non-Executive Independent Director]

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

Definitions:

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company or ADF means ADF Foods Limited.
- Independent Director means a director referred to in Section 149(6) of the Companies Act, 2013.

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

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

Applicability

The Policy is applicable to:

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

General

This Policy is divided in three parts:

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

Part – B covers the appointment and nomination and

Part – C covers remuneration and perquisites etc.

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

PART – A

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

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

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

- Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

3. The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term / Tenure:

1. Managing Director/Whole-time Director:

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

2. Independent Director:

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

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1st October, 2014 as per regulatory requirement, he / she shall be eligible for appointment for one more term of 5 years only.

Evaluation:

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

Removal:

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

Retirement:

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

PART – C

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

General:

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

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

- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. Fixed pay:

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

2. Minimum Remuneration:

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

3. Provisions for excess remuneration:

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

- **Remuneration to Non-Executive / Independent Director:**

1. Sitting Fees:

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

2. Commission:

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

3. Stock Options:

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

Annexure III

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
ADF Foods Limited
Corporate Identification Number: L15400GJ1990PLC014265
83/86, GIDC Industrial Area, Nadiad, Gujarat - 387 001.

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

Based on our limited verification of the Company's Books, Papers, Minute Books, Forms and Returns filed with applicable regulatory authority(ies) and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2017 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of the management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2017, as per the provisions of:

(i) The Companies Act, 1956 / The Companies Act, 2013, to the extent applicable, ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the Audit period);

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the Audit period);

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015.

(vi) We relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for the compliance of the following laws applicable specifically to the Company:

1. Food Safety and Standards Act, 2006.
2. Food Safety and Standards Rules, 2011.
3. The Food Safety and Standards (Packaging and Labeling) Regulations, 2011.

We have also examined compliance with the applicable clauses of:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India under the provisions of Companies Act, 2013; and

(ii) The Listing Agreements entered into by the Company with Stock Exchange(s).

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

We further report that the Company has an unspent amount during the financial year under review in the amount to be spent towards Corporate Social Responsibility for the financial year ended March 31, 2017.

We further report that:

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

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

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

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

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

a. The Company has bought back 798,539 equity shares for an aggregate value of Rs. 96,307,029/-.

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

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

2nd May, 2017, Mumbai

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

'Annexure A'

To,
The Members,
ADF Foods Limited
Corporate Identification Number: L15400GJ1990PLC014265
83/86, GIDC Industrial Area, Nadiad, Gujarat- 387 001.

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

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

For Keyul M. Dedhia & Associates
Company Secretaries

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

2nd May, 2017, Mumbai

ANNEXURE IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

   Weblink of CSR Policy is stated herein below:

   http://www.adf-foods.com/wp-content/uploads/2016/01/CSR-Policy.pdf

2. Composition of the CSR Committee:

   Mr. Viren A. Merchant — Chairman (Independent Director)

   Mr. Nipun C. Shah — Member (Independent Director)

   Mr. Bimal R. Thakkar — Member (Managing Director)

3. Average net profit of the Company for last three financial years: Rs. 2,008.65 Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): Rs. 40.17 Lakhs

   During the FY 2016-17 the Company was required to spend Rs. 56.73 Lakhs towards CSR (including Rs. 17.24 for FY 2015-16).

5. Details of CSR spend for the financial year

   a. Total amount spent for the financial year: Rs. 54.97 lakhs out of which Rs. 17.24 lakhs pertains to the FY 2015-16.

   b. Amount unspent, if any: Rs. 1.76 Lakhs remains unpaid for the FY 2016-17.

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

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertake	Amount outlay(budget) project or programs wise	Amount spent on the projects or programs Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Sponsoring School fees	education	Mumbai, Nadiad & Nashik	Rs. 9,23,000	Rs. 9,23,000	Rs. 9,23,000	through implementing agencies i.e. Aarambh- Rs. 3,53,000, Gauri Samajik Kalyan Sanstha - Rs. 289,000 and Nirant Seva Trust- Rs.2,81,000.
2	Construction of toilets	Swatcch Bharat mission	Nadiad	Rs. 4,80,000	Rs. 4,80,000	Rs. 12,00,000	direct

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertake	Amount outlay(budget) project or programs wise	Amount spent on the projects or programs Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
3	Sponsoring Food expenses of girls hostel and residential care center for disabled	Eradication of hunger	Mumbai	Rs. 5,77,005	Rs. 5,77,005	Rs. 5,77,005	through implementing agency GSB Mandal- Rs.27,005, Cheshire Home- Rs.3,00,000 and Premdan- Rs. 2,50,000.
4	Donation for medical purpose	health	Mumbai and Nadiad	Rs. 7,65,500	Rs. 7,65,500	Rs. 7,65,500	through implementing agency Aditya Eye Jyot Hospital – Rs.5,00,000 Aarambh- Rs.2,37,000 and Nirant Seva Trust – Rs. 28,500.
5	Sponsoring girl child	Women empowerment	Mumbai	Rs. 30,000	Rs. 30,000	Rs. 30,000	through implementing agency viz. Adapt
6	Hospital construction	health	Nadiad	Rs. 34,00,000	Rs. 19,56,427	Rs. 31,53,710	through implementing agency viz. Nirant Seva Trust
7	Donation to animals care center	Animal Welfare	Mumbai	Rs. 2,00,000	Rs. 2,00,000	Rs. 2,00,000	through implementing agency viz. IDA
8	Donation to NGO for conducting 'No to Plastic bags' Campaign	Environment Sustainability	Mumbai	Rs. 1,75,000	Rs. 1,75,000	Rs. 1,75,000	through implementing agency viz. Utkarsh Star Mitra Mandal
9	Aid to the center imparting education for visually challenged students	Promoting education for disabled	Mumbai	Rs. 3,90,000	Rs. 3,90,000	Rs. 3,90,000	through implementing agency viz. SIES
	Total Direct expenses of projects & programs (A)				Rs. 52,96,932		
	Overheads Expenses (B)				Rs. 2,00,000		
	Total (A) + (B)				Rs.54,96,932		

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

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

Viren A. Merchant	**Bimal R. Thakkar**	**Nipun C. Shah**
Director & Chairman – CSR Committee	Managing Director	Director
DIN:00033464	DIN:00087404	DIN:00195076

Date: 08th May, 2017

Place: Mumbai

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Introduction:

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

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

Applicability:

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

CSR Committee :

CSR Committee will be a Board level committee known as Corporate Social Responsibility Committee. The constitution of CSR Committee is in accordance with the applicable provisions of the Act and comprises of the Managing Director and two independent directors.

The composition of the said committee is as under:

1. Mr. Viren A. Merchant, Chairman (Independent Director)
2. Mr. Nipun C. Shah, Member (Independent Director)
3. Mr. Bimal R. Thakkar, Member (Managing Director)

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

CSR Activities as per Schedule VII and CSR Rules:

1. eradicating extreme hunger and poverty;
2. promotion of education;
3. promoting gender equality and empowering women;
4. reducing child mortality and improving maternal health;
5. combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
6. ensuring environmental sustainability;
7. employment enhancing vocational skills;
8. social business projects;

9. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

10. Other activities as prescribed under Guidelines for CSR activities/projects/programs:

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

Provided that -

a. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees is in a position to report separately on such projects or programs in accordance with the CSR Rules;

b. The CSR projects shall be only taken up in India;

c. The CSR projects or programs or activities shall not only benefit the employees of the Company;

d. Company shall not contribute to any Political Party under CSR activities.

Guidelines for monetary contributions :

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

Provided that-

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

Accounting and reporting:

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

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

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

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

ANNEXURE V

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- L15400GJ1990PLC014265

ii) Registration Date : 27/08/1990

iii) Name of the Company: ADF Foods Limited

iv) Category / Sub-Category of the Company: Company having Share Capital

v) Address of the Registered office and contact details:

83/86, G.I.D.C. Industrial Estate, Nadiad- 387001, Gujarat, India.
Tel: 0268-2551381/2 Fax: 0268-2565068
E-mail: nadiadfactory@adf-foods.com

vi) Whether listed Company Yes -/~~No~~

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime (India) Private Ltd.
C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 .
Tel.: 022 49186270 Fax.: 022 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	ITC Code of the Product/ services	% to total turnover of the Company
1	Meal Accompliments	20019000	47
2	Can Food & Ready to eat	20051000	12
3	Frozen Foods	20049000	23

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	ADF Foods (India) Ltd.	U15132GJ2009PLC058782	Subsidiary	100%	2(87)
2	ADF Foods (UK) Ltd.	Foreign Company	Subsidiary	100%	2(87)
3.	*Power Brands (Foods) Pvt Ltd.	U15490MH2007PTC170748	Subsidiary	99.99%	2(87)
4.	ADF Holdings (USA) Ltd	Foreign Company	Step down Subsidiary	100%	2(87)
5.	ADF Foods (USA) Ltd	Foreign Company	Step down Subsidiary	100%	2(87)

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

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

i) *Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year as on 01.04.2016				No. of Shares held at the end of the year as on 31.03.2017				% change during the year
	Demat	Physical	total	% of total Shares of the Company	Demat	Physical	Total	% of total Shares of the Company	
A. Promoters (1) Indian									
a) Individual/HUF	1,12,78,251	-	1,12,78,251	51.27	1,12,78,251	-	1,12,78,251	53.20	1.93
b) Central Govt	-	-	-	-	-	-	-	-	-
c) Sate Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp	2,38,399	-	2,38,399	1.08	2,38,399	-	2,38,399	1.12	0.04
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub total (A)(1)	**1,15,16,650**	**-**	**1,15,16,650**	**52.35**	**1,15,16,650**	**-**	**1,15,16,650**	**54.32**	**1.97**
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**1,15,16,650**	**-**	**1,15,16,650**	**52.35**	**1,15,16,650**	**-**	**1,15,16,650**	**54.32**	**1.97**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	18,300	18,300	0.08	-	18,300	18,300	0.09	0.01
b) Banks / FI	23,247	500	23,747	0.11	30,438	500	30,938	0.15	0.04
c) Central Govt.	-	-	-	-	-	-	-	-	
d) State Govt	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	
f) Insurance Companies	-	-	-	-	-	-	-	-	
g) FIIs	1,05,000	5,300	1,10,300	0.50	51,721	5,300	57,021	0.27	(0.23)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	
i) Others (specify)	-	-	-	-	-	-	--	-	
Sub-total (B)(1):-	**1,28,247**	**24,100**	**1,52,347**	**0.69**	**82,159**	**24,100**	**1,06,259**	**0.51**	**(0.18)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	24,31,286	17,600	24,48,886	11.13	17,42,425	17,600	17,60,025	8.30	(2.83)
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year as on 01.04.2016				No. of Shares held at the end of the year as on 31.03.2017				% change during the year
	Demat	Physical	total	% of total Shares of the Company	Demat	Physical	Total	% of total Shares of the Company	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	34,63,971	12,62,667	47,26,638	21.48	34,11,976	12,31,867	46,43,843	21.90	0.42
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	21,91,876	-	21,91,876	9.96	22,04,202	-	22,04,202	10.40	0.44
c) Others (specify)									
i) NRI (Repat)	2,09,100	1200	2,10,300	0.96	1,30,156	1200	1,31,356	0.62	(0.34)
ii) NRI (non Repat)	16,305	-	16,305	0.07	34,732	-	34,732	0.16	0.09
iii) Clearing member	91,320	-	91,320	0.42	1,83,782	-	1,83,782	0.87	0.45
iv) Directors/ relative	3,02,853	-	3,02,853	1.38	2,87,853	-	2,87,853	1.36	(0.02)
v) Trusts	500	-	500	0.00	500	-	500	0.00	-
vi) HUF	3,42,325		3,42,325	1.56	3,32,259	-	3,32,259	1.57	0.01
Sub-total (B)(2)	**90,49,536**	**12,81,467**	**1,03,31,003**	**46.96**	**83,27,885**	**-**	**95,78,552**	**45.18**	**(1.78)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**91,77,783**	**13,05,567**	**1,04,83,350**	**47.65**	**84,10,044**	**12,74,767**	**96,84,811**	**45.68**	**(1.97)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2,06,94,433**	**13,05,567**	***2,20,00000**	**100.00**	**1,99,26,694**	**12,74,767**	***2,12,01,461**	**100**	**-**

*On account of buyback of 7,98,539 equity shares during the FY 2016-17, the total number of equity shares have been reduced to that extent.

(ii) ***Shareholding of Promoters***

Sr No.	Shareholder's Name	Shareholding at the beginning of the year as on 01.04.2016			Share holding at the end of the year as on 31.03.2017			* % change as a % of total shares of the Company
		No. of Shares	*% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Ashok H. Thakkar	18,36,354	8.66	Nil	14,61,354	6.89	Nil	(1.77)
2	Bimal R. Thakkar	22,01,074	10.38	Nil	22,76,074	10.74	Nil	0.36
3	Bimal Thakkar (HUF)	5,95,246	2.81	Nil	5,95,246	2.81	Nil	0.00
4	Bhavesh R. Thakkar	11,76,450	5.55	Nil	11,76,450	5.55	Nil	0.00
5	Bhavesh R. Thakkar(HUF)	2,73,000	1.29	Nil	5,73,000	2.70	Nil	1.41
6	Mishal A. Thakkar	18,21,098	8.59	Nil	18,21,098	8.59	Nil	0.00
7	Mahalaxmi R. Thakkar	19,58,022	9.24	Nil	19,58,022	9.24	Nil	0.00
8	Parul B. Thakkar	3,16,007	1.49	Nil	3,16,007	1.49	Nil	0.00
9	Priyanka B. Thakkar	11,01,000	5.19	Nil	11,01,000	5.19	Nil	0.00
10	H J Thakkar Property Investments Ltd.	2,38,399	1.12	Nil	2,38,399	1.12	Nil	0.00
	Total	**1,15,16,650**	**54.32**	**Nil**	**1,15,16,650**	**54.32**	**Nil**	0.00

*As on 1st April, 2016 the paid-up capital was 2,20,00,000 Equity Shares, however as on 31st March, 2017 the same has been reduced to 2,12,01,461 Equity shares due to buyback. For the purpose of comparison the no. of shares as on 31st March, 2017 have been considered as base capital.

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

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Change in the shareholding during the year		Shareholding at the end of the year as on 31.03.2017	
		No of shares	**% of the total Shares of the Company	No of shares	**% of the total Shares of the Company	No of shares	**% of the total Shares of the Company
1	*Ashok H. Thakkar	18,36,354	8.66	3,75,000	(1.77)	14,61,354	6.89
2.	*Bimal R. Thakkar	22,01,074	10.38	75,000	0.36	22,76,074	10.74
3	Bimal Thakkar HUF	5,95,246	2.81	Nil	Nil	5,95,246	2.81
4	Bhavesh R. Thakkar	11,76,450	5.55	Nil	Nil	11,76,450	5.55
5	*Bhavesh Ramesh Thakkar HUF	2,73,000	1.29	3,00,000	1.41	5,73,000	2.70
6	Mishal A. Thakkar	18,21,098	8.59	Nil	Nil	18,21,098	8.59
7	Mahalaxmi R. Thakkar	19,58,022	9.24	Nil	Nil	19,58,022	9.24
8	Parul B. Thakkar	3,16,007	1.49	Nil	Nil	3,16,007	1.49
9	Priyanka B. Thakkar	11,01,000	5.19	Nil	Nil	11,01,000	5.19
10	H J Thakkar Property Investments Ltd.	2,38,399	1.12	Nil	Nil	2,38,399	1.12

**As on 1st April, 2016 the paid-up capital was 2,20,00,000 Equity Shares, however as on 31st March, 2017 the same has been reduced to 2,12,01,461 Equity shares due to buyback. For the purpose of comparison the no. of shares as on 31st March, 2017 have been considered as base capital.

**Note: Ashok H. Thakkar*

Decrease: 3,75,000 equity shares , inter se transfer on 10/06/2016

Note: Bimal R.Thakkar

Increase: 75,000 equity shares , inter se transfer on 10/06/2016

Note: Bhavesh R. Thakkar (HUF)

Increase: 3,00,000 equity shares, inter se transfer on 10/06/2016

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

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Change in the shareholding during the year		Shareholding at the end of the year as on 31.03.2017	
		No of shares	**% of the total Shares of the Company	No of shares	**% of the total Shares of the Company	No of shares	**% of the total Shares of the Company
1.	NIRMAL ARORA	8,00,000	3.77	-	-	8,00,000	3.77
2.	TOP CLASS CAPITAL MARKETS PRIVATE LIMITED	7,87,535	3.71	-	-	7,87,535	3.71
3.	*Lashit Sanghvi	3,33,750	1.57	(50,000)	(0.24)	2,83,750	1.33
4.	ASHWIN KEDIA	2,50,000	1.18	-	--	2,50,000	1.18
5.	*Dolly Khanna	1,01,635	0.48	1,19,981	0.57	2,21,616	1.05
6.	*Pranav Financial Services Private Limited	1,11,836	0.53	68,308	0.32	1,80,144	0.85
7.	*Sanand Properties Pvt. Ltd.	2,30,191	1.09	(69,411)	(0.33)	1,60,780	0.76
8.	*ZAKI ABBAS NASSER	1,00,000	0.47	60,000	0.28	1,60,000	0.75
9.	*Porinju V Veliyath	0	0	1,25,000	0.59	1,25,000	0.59
10.	*Accounts Receivables Management Services (India) Limited	3,15,000	1.48	(2,16,460)	(1.02)	98,540	0.46

**As on 1st April, 2016 the paid-up capital was 2,20,00,000 Equity Shares, however as on 31st March, 2017 the same has been reduced to 2,12,01,461 Equity shares due to buyback. For the purpose of comparison the no. of shares as on 31st March, 2017 have been considered as base capital.

Note:

1. **LASHIT SANGHVI*

   Decrease: Sold 50,000 shares as on 19 Aug 2016

   Reason: Market Sale

2. ** DOLLY KHANNA*

   Increase: Acquired 7,638 shares on 13.05.2016 ; 4,450 shares on 20.05.2016, 7,350 shares on 24.06.2016, 18,550 shares on 30.06.2016,16,800 shares on 01.07.2016, 27,033 shares on 08.07.2016, 6,550 shares on 15.07.2016, 15,750 shares on 05.08.2016, 2,625 shares on 12.08.2016 , 5900 shares on 19.08.2016, 3,700 shares on 02.09.2016, 2,285 shares on 04.11.2016, 4,350 shares on 13.01.2017.

   Reason: Market Purchase.

   Decrease: sold 1,000 shares on 17.02.2017,2,000 shares on 10.03.2017

   Reason: Market Sale.

3. ** PRANAV FINANCIAL SERVICES PRIVATE LIMITED*

   Increase: Acquired 26,690 shares on 08.04.2016, 7,500 shares on 15.04.2016, 19,808 shares on 15.07.2016, 88,875 shares on 22.07.2016

   Reason: Market Purchase.

   Decrease: Sold 3,000 shares as on 29.04.2016, 12,712 shares on 06.05.2016, 58,853 shares on 31.03.2017

   Reason: Market Sale

4. **SANAND PROPERTIES PVT LTD*

   Decrease: Sold 3,411 shares on 12.08.2016, 23,000 shares on 19.08.2016, 25,000 shares on 26.08.2016,5,000 shares on 02.09.2016,13,000 shares on 28.10.2016

   Reason : Market Sale

5. ** ZAKI ABBAS NASSER*

   Increase: Acquired 20,000 shares on 20.05.2016, 30,000 shares on 12.08.2016, 10,000 shares as on 19.08.2016, 40,000 shares on 02.09.2016, 10,000 shares on 16.09.2016, 10,000 shares on 23.09.2016

   Reason: Market Purchase.

   Decrease: Sold 10,000 shares as on 25.11.2016, 10,000 shares on 02.12.2016, 20,000 shares as on 09.12.2016, 20,000 on 20.01.2017

   Reason: Market Sale.

6. **PORINJU V VELIYATH*

   Increase: Acquired 125,000 SHARES AS ON 05.08.2016

7. **ACCOUNTS RECEIVABLES MANAGEMENT SERVICES (INDIA) LIMITED*

   Decrease: Sold 46,127 shares on 19.08.2016, 19,211 shares on 26.08.2016, 49,695 shares on 02.09.2016, 8,552 shares on 09.09.2016,115 shares on 16.09.2016, 5,300 shares on 23.09.2016,16,535 shares on 30.09.2016,1,000 shares on 07.10.2016, 8,465 shares on 21.10.2016, 61,460 shares on 28.10.2016.

   Reason : Market Sale.

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Change in the shareholding during the year		Shareholding at the end of the year as on 31.03.2017	
		No of shares	*% of the total Shares of the Company	No of shares	% of the total Shares of the Company	No of shares	*% of the total Shares of the Company
1.	Mr. Ashok H. Thakkar, Chairman	18,36,354	8.66	3,75,000	1.77	14,61,354	6.89
2.	Mr. Bimal R. Thakkar, Managing Director & CEO	22,01,074	10.38	75,000	0.36	22,76,074	10.74
3.	Mr. Bhavesh R. Thakkar, Executive Director & CFO	11,76,450	5.55	Nil	Nil	11,76,450	5.55
4.	Mr. Nipun C. Shah, Independent Director	54,450	0.26	Nil	Nil	54,450	0.26
5.	Mr. Yasir J Varawala, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Viren A. Merchant, Independent Director	50,000	0.24	Nil	Nil	50,000	0.24
7.	Mr. Jay M. Mehta, Independent Director	50,000	0.24	Nil	Nil	50,000	0.24
8.	Mr. Ravinder Kumar Jain, Independent Director	50,000	0.24	Nil	Nil	50,000	0.24
9.	Ms. Anjali Seth, Independent Director	Nil	Nil	Nil	Nil	Nil	Nil
10.	Ms. Shalaka Ovalekar, Company Secretary	Nil	Nil	Nil	Nil	Nil	Nil

*As on 1st April, 2016 the paid-up capital was 2,20,00,000 Equity Shares, however as on 31st March, 2017 the same has been reduced to 2,12,01,461 Equity shares due to buyback. For the purpose of comparison the no. of shares as on 31st March, 2017 have been considered as base capital.

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

(Rs. In lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	588.79	-	-	588.79
ii) Interest due but not paid	0.16	-	-	0.16
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	588.95	-	-	588.95
Change in Indebtedness during the financial year				
● Addition	10.00	-	-	10.00
● Reduction	119.93	-	-	119.93
Net Change	109.93	-	-	109.93
Indebtedness at the end of the financial year				
i) Principal Amount	479.02	-	-	479.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	479.02	-	-	479.02

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount in Rupees

Sr. No.	Particulars	Names of Directors			
		Mr. Ashok H.Thakkar, Chairman	Mr. Bimal R.Thakkar, Managing Director & CEO	Mr. Bhavesh R.Thakkar, Executive Director & CFO	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	47,25,000	47,25,000	47,25,000	1,41,75,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,38,226	7,42,172	5,85,886	20,66,284
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	54,63,226	54,67,172	53,10,886	1,62,41,284
	Ceiling as per the Companies Act, 2013				1,90,27,100

B. Remuneration to other directors:

Amount in Rupees

Sr. no.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr.Nipun C. Shah	Mr.Yasir J. Varawala	Mr. Viren Merchant	Mr. Jay Mehta	Mr. Ravinder Kumar Jain	Ms. Anjali Seth	
1.	Independent Directors							
	• Fee for attending board / committee meetings	3,30,000	270,000	2,10,000	150,000	2,70,000	120,000	13,50,000
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	3,30,000	270,000	2,10,000	1,50,000	2,70,000	120,000	13,50,000
2.	Other Non-Executive Directors							
	• Fee for attending board / committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	3,30,000	270,000	2,10,000	1,50,000	2,70,000	120,000	13,50,000
	Total Managerial Remuneration	Not Applicable as the same comprises of sitting fees paid to the independent directors for attending board and committee meetings.						
	Overall Ceiling as per the Companies Act, 2013							1,90,27,100

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER /WTD.

Amount in Rupees

Sr. no	Particulars of Remuneration	Details of KMP	
		Company Secretary	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	21,54,956	21,54,956
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total	21,54,956	21,54,956

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

ANNEXURE VI

FORM no. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis : The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2016-17.

2. Details of contracts or arrangement or transactions at arm's length basis:

Name of Related Party	Nature of Relationship	Nature of Contracts / salient features	Duration of Contract	Board's approval date	Member's approval date	Monetary value during the FY 2016-17 (Rs.)
ADF Foods (India) Ltd	Wholly owned subsidiary	Sale, purchase or supply of any goods or materials and/or availing or rendering of any services Maximum Limit Rs. 50 crore per annum	Duration of Contract is from 01st April, 2014 to 31st March, 2017.	11th August, 2014	24th September 2014	Rs.1,63,25,143/-
ADF Foods USA Ltd	Step down Subsidiary	Sale, purchase or supply of any goods or materials and/or availing or rendering of any services. Maximum Limit Rs. 50 crore per annum	Duration of Contract is from 01st April, 2014 to 31st March, 2017.	11th August, 2014	24th September 2014	Rs.1,67,28,771/-
Mishal A. Thakkar	Person in place of profit	Employment contract. Basic : Rs.90,000/-; HRA : 40% of basic; LTA: for himself and his family subject to a ceiling of ½ months basic salary in a year; Reimbursement of medical expenses incurred by him and family subject to a ceiling of ½ months basic salary in a year; Ex gratia at the time of Diwali subject to one month's basic salary; Other benefits such as PF and Gratuity; Provision of a car for use on Company's business.	Duration of Contract is from 01st October, 2016 to 30th September, 2017 .	27th July 2016	28th September 2016	Rs.14,69,673/-

Name of Related Party	Nature of Relationship	Nature of Contracts / salient features	Duration of Contract	Board's approval date	Member's approval date	Monetary value during the FY 2016-17 (Rs.)
Mahalaxmi R. Thakkar	Relative of Directors	Lease of bunglow at Nadiad Rent – Rs.50,000 /-per annum and Interest Free Refundable Security Deposit of Rs.11,00,000/-	Duration of Contract is for 99 years w.e.f. from 01st April, 2007.	12th August, 2015	30th September, 2015	Rs.50,000/-

For and on Behalf of the Board of Directors

Bimal R. Thakkar
Managing Director
DIN: 00087404

Bhavesh R. Thakkar
Executive Director
DIN: 00939805

Mumbai, 20th July, 2017

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 VII

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March 2017.

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 :-

		2016-17	2015-16
1	**Electricity**		
	a. Purchased Units (KWH)	3,500,756	3,287,013
	Total Amount (Rs.)	27,190,091	25,795,651
	Average Rate/Unit (Rs.)	7.77	7.85
	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)	1,416,860	1,200,205
	Total Amount (Rs.)	6,166,354	5,285,795
	Average Rate/KL (Rs.)	4.35	4.40
3	**Fuel Furnace Oil & Light Diesel**		
	Quantity (K.L.)	314,461	314,633
	Total Amount (Rs.)	8,193,931	8,317,381
	Average Rate/KL (Rs.)	26.06	26.44
4	**Others/internal Generation**	N.A.	N.A.

(B) Consumption per unit of production:

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

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

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

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

	2016-17	2015-16
	Rs.	Rs.
(a) Capital	11,000	7,800
(b) Recurring	1,764,848	1,564,917
(c) Total	1,775,848	1,572,717
(d) Total R&D expenditure as a percentage of total turnover	0.118%	0.102%

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:

	2016-17	2015-16
	Rs. (in lacs)	Rs. (in lacs)
Total Foreign Exchange Earned	14,838.72	14,223.34
Total Foreign Exchange Used	1,032.87	944.29

For and on Behalf of the Board of Directors

Bimal R. Thakkar
Managing Director
DIN: 00087404

Bhavesh R. Thakkar
Executive Director
DIN: 00939805

Mumbai, 20th July, 2017

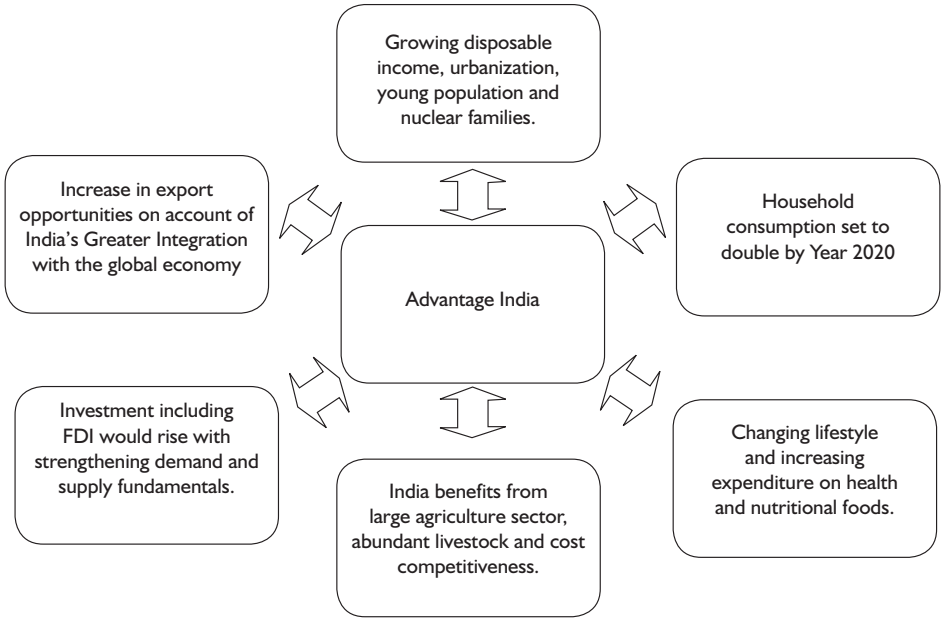
Regd. Office :
83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat
Tel.: 0268-2551381/2 Fax. : 0268-2565068;
E-mail: info@adf-foods.com; website: www.adf-foods.com
CIN: L15400GJ1990PLC014265

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. OVERVIEW OF THE FOOD PROCESSING SECTOR

The food processing sector in India has gained prominence in recent years. A well-developed food processing sector with higher level of processing helps in the reduction of wastage, improves value addition, promotes crop diversification, ensures better return to the farmers, promotes employment as well as increases export earnings. This sector is also capable of addressing critical issues of food security, food inflation and providing wholesome, nutritious food to the masses.

The India's food processing Industry is poised for huge growth. It is likely to grow from USD 258 billion in the year 2015 to USD 482 billion in the year 2020. Some of the food processing growth drivers are listed below:



The exports of food items have been rising steadily. During FY 2011–2016, India's exports of processed food and related products grew at a Compound annual growth rate (CAGR) of 11. 74 per cent, reaching US$ 16.2 billion.

The Department of Industrial Policy and Promotion (DIPP) has stated that the food processing has been identified as one of the 10 key sectors under Make in India initiative as it presents an attractive capital and technology investment opportunity for domestic and foreign investors.

According to the data provided by the Department of Industrial Policies and Promotion (DIPP), the food processing sector in India has received around US$ 7.47 billion worth of Foreign Direct Investment (FDI) during the period April 2000-December 2016. The Confederation of Indian Industry (CII) estimates that the food processing sectors have the potential to attract as much as US$ 33 billion of investment over the next 10 years and also to generate employment of nine million person-days.

Road Ahead : Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP) and Good Hygienic Practices (GHP) by the food processing industry offers several benefits. It would enable adherence to stringent quality and hygiene norms and thereby protect consumer health, prepare the industry to face global competition, enhance product acceptance by overseas buyers and keep the industry technologically abreast of international best practices. **(Source:** *Ministry of Food Processing Industries (MOFPI), Agricultural and Processed Food Products Export Development Authority (APEDA), Media reports and Press Releases, Department of Industrial Policy and Promotion (DIPP), Press Information Bureau (PIB), Confederation of Indian Industries (CII), Union Budget 2016-17, Make in India (Food processing.)*

2. OPPORTUNITIES, THREATS AND GENERAL BUSINESS OUTLOOK:

The range of Company's products includes Meal Accompaniments (Pickles, Pastes, Chutneys), Ready-to-eat Curries, Canned Vegetables in Brine, Spices in whole and ground form, blended masala , IQF Indian Vegetables, Frozen snacks,

Frozen Parathas, Frozen Continental and Mexican Foods, sauces etc. The Company has well established brands and strong distribution networks in Europe, USA, Middle East Countries, Australia, Canada and Asia. Simultaneously the Company has been establishing its footprints in the domestic market under its brand ADF Soul.

BUSINESS DEVELOPMENT:

Our Truly Indian Organic Ready to Eat product category bagged 2 silver awards at the prestigious SOFI Awards 2017, held by Speciality Foods Association, USA which honours the best and the most innovative products in specialty food. The products, Delhi Lentils (Dal Makhani) won silver award in the Savoury Appetizer, Soup & Stew category and Delhi Potatoes (Aloo Matar) received the Silver Award in the vegan products category. The general review of the major business developments during the year under review is as under:

Domestic Business:

The Company has launched four delicious dipping sauces in very attractive packaging. The same have received warm response from the consumers. The Company also invested in product sampling as a part of its brand promotion program and showcased its brand 'ADF Soul' at major supermarkets across the metro cities. However, the distribution ramp up did not pay off as expected due to lack of demand in general trade. The same was mainly attributable to lack of purchasing power on account of demonetization.

The Company is focused to strengthen its marketing and distribution network in the current fiscal year.

US Business:

The Company has moved all its production to a contract packer located in Ohio. The contract manufacturing would help the Company to reduce considerably the cost of operation & improve financial position. We expect an improvement in the US operations in the year to come. We are looking forward to the launch of new and exciting products in the US market during the current fiscal year.

International Business:

Brexit had an adverse impact on the Company's mainstream business in the U.K. On account of the Brexit, the average realization of pound has gone down. Hence the topline, EBITDA and profitability were affected.

'Ashoka' has launched a new range of Frozen products called 'Dosa Wrap'. These Dosa Wraps are available in three exciting and delicious variants. The Company is all set to launch an exciting range healthy snack items shortly.

SWOT analysis:

Strength	➢ Wide range of products from treats to healthy eats at affordable prices ➢ Product up-gradation based on feedback of consumer insights ➢ Dedicated team force ➢ Strong overseas distribution network that allows wide reach and coverage in target markets.
Weaknesses/hindrances	➢ Complex supply chain configuration ➢ Labour intensive operations ➢ Non availability of skilled manpower
Opportunities	➢ Rising demand for processed food due to higher income levels, busy lifestyle, nuclear families and changes in consumer preferences provide good growth opportunities .
Threats	➢ Lack of adequate infrastructure ➢ Increase in the prices of raw material and packing material ➢ Non availability of raw material ➢ Exchange rate fluctuations

3. THE PRODUCT-WISE PERFORMANCE :

The major product categories of the Company are meal accompaniments (pickles, chutneys, pastes), Frozen foods, Ready to eat & Spices & condiments. The product - wise performance of the Company in terms of quantity as well as value was steady. The total revenue from operations for the financial year 2016-17 stood at Rs. 159.13 Lakhs against Rs. 153.96 Lakhs in the previous financial year.

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 systematic decisions and measures. These industry oriented risks are as listed below:

- **Procurement risk :**

  Adequate availability of key raw materials at the right prices is crucial for the Company. The major raw material being agro based , availability of same depends on the vagaries of nature. Therefore, any disruption in the supply due to a natural or other calamity or violent changes in the cost structure could adversely affect the Company's ability to reach its consumers with the right value proposition. However, the Company is adopting best possible measures to ensure constant supply at right prices.

- **Intense competition from unorganized sector:**

  One of the characteristics of this industry is the presence of unorganized sector offering products in loose unbranded form which intensifies competition. The Company has invested significantly in building strong brands which helps differentiate its products.

- **Exchange Rate Fluctuation:**

  The Company being engaged in exports, derives approximately 96% 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 including Internal financial Controls and its adequacy is constantly supervised by the Management. The internal control system implemented by the Company strikes at achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with all applicable laws and regulations.

Key controls have been tested during the year and corrective and preventive actions are taken for any weakness.

Regular internal audits are conducted by outsourced audit teams. Risk based internal audit plan is approved by the Audit Committee which also reviews adequacy and effectiveness of the company's internal financial controls.

6. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

Tight budgetary control, overall 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.

A detailed note on the financial performance of the Company is given in the Director's Report.

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 317 employees as on 31st March, 2017.

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, disclosure, monitoring and fairness in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other parties. Your Company is committed to adoption and adherence to the best Corporate Governance practices at all times.

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

The Company presents a summary of the practices it followed during the year 2016-17 in deference to its commitment to fairness, transparency and accountability.

II. BOARD OF DIRECTORS

A Composition:

The Board of Directors of your Company represents an optimum mix of professionalism, knowledge and experience. As on 31st March, 2017, the total strength of the Board of Directors of the Company was Nine Directors comprising of three Executive Directors and six Non-Executive Independent Directors. The Independent Directors are eminent professionals/ entrepreneurs with wide range of knowledge and experience in business, industry, finance and law. Their presence on the Board has been advantageous and fruitful in taking business decisions.

The composition of the Board, their attendance at the meeting, their Directorship and Chairmanship/Memberships of Committees in other Companies as on 31st March, 2017 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	* Chairmanship/ Memberships of Committees of other Companies
		Held	Attended			
Mr. Ashok H. Thakkar	Chairman Executive Director Promoter	5	5	YES	1	Nil
Mr. Nipun C. Shah	Director Non Executive Independent	5	5	YES	1	Nil
Mr. Yasir J. Varawala	Director Non Executive Independent	5	3	NO	1	Nil
Mr. Jay M. Mehta	Director Non Executive Independent	5	4	NO	6	2 (Chairman in 1 committee and member in 1 committee)
Mr. Viren A. Merchant	Director Non Executive Independent	5	3	NO	Nil	Nil
Mr. Bimal R. Thakkar	Managing Director Promoter	5	5	YES	3	2 (Member in both)
Mr. Bhavesh R. Thakkar	Executive Director Promoter	5	5	YES	1	Nil
Mr. Ravinder Kumar Jain	Director Non Executive Independent	5	5	NO	2	1 (Chairman)
Ms. Anjali Seth	Director Non Executive Independent	5	3	NO	6	5 (Member in all)

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

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

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

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

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

None of Whole Time Directors of the Company serve as Independent Director in more than three listed companies.

The Company has received declarations of independence as prescribed under Section 149(6) and (7) of the Companies Act, 2013 from the Independent Directors. All requisite declarations have been placed before the Board.

Disclosure of the number of equity shares of the Company held by Non Executive Directors as on 31st March 2017:

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

** In addition to the above, Mr. Viren Merchant holds 18,500 shares and Mr. Nipun C Shah holds 13,903 shares as joint holders.*

B. Induction and training of Independent Directors:

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

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

The details of the Familiarization programme imparted to the Independent Directors can be accessed by following the weblink http://www.adf-foods.com/wp-content/uploads/2017/06/ADF-Familiarisation-Program-%E2%80%93-F.Y.-2016-2017.pdf

C. Performance evaluation of the Board of Directors :

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

D. Details of sitting fees, remuneration, etc. paid to directors for the year ended 31st March 2017:

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

Name of Non Executive Director	Sitting fees paid for attending meetings of the Board and/or Audit Committee and/or other Committees (Rs.)
Mr. Nipun C. Shah	3,30,000
Mr. Yasir J. Varawala	2,70,000
Mr. Jay M. Mehta	1,50,000
Mr. Viren A. Merchant	2,10,000
Mr. Ravinder K. Jain	2,70,000
Ms. Anjali Seth	1,20,000

The details of remuneration paid to the Whole Time Directors during the financial year ended 31st March 2017 are as under:

Sr. No.	Director	Inter-se relationship between Directors	Period of employment contract, Notice period.	Stock options	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
1	Mr. Ashok H. Thakkar, Chairman	• Bimal R. Thakkar – Brother's son • Bhavesh R. Thakkar- Brother's son	1st October, 2016 till 30th September, 2017 Notice Period: 3 months	Nil	47,25,000	7,38,226	54,63,226
2	Mr. Bimal R. Thakkar , Managing Director & CEO	• Ashok H. Thakkar- Father's brother • Bhavesh R. Thakkar- brother	1st October, 2016 till 30th September, 2017 Notice Period: 3 months	Nil	47,25,000	7,42,172	54,67,172
3	Mr. Bhavesh R. Thakkar, Executive Director & CFO	• Ashok H. Thakkar- Father's brother • Bimal R. Thakkar- brother	1st October, 2016 till 30th September, 2017 Notice Period: 3 months	Nil	47,25,000	5,85,886	53,10,886

NOTES:

(i) All appointments of Directors are non-contractual except those of Mr. Ashok H. Thakkar, 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 one year with effect from 1st October 2016. The appointment of the above managerial personnel is conditional and subject to termination by three calendar months' notice in writing on either side but no severance fees of any other kind is payable.

(ii) Presently, the Company does not have any scheme for grant of Stock Options to its Directors, Managing Director or other employees.

(iii) None of the employees except Mr. Mishal A. Thakkar, Vice President is related to any of the Directors of the Company.

E. Number of Board meetings held

The meetings of the Board of Directors are scheduled well in advance. The Board Members are presented in advance with the detailed agenda in respect of all Board meetings. During the year under review, 5 meetings of the Board of Directors were held on the following dates:

27th May, 2016, 27th July, 2016, 10th August, 2016, 11th November, 2016 and 10th February, 2017.

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

F. Independent Directors' Meeting

The meeting of the Independent directors of the Company was held on 03rd March, 2017 to a) review the performance of the Board as Whole and the Chairman of the Board; b) the performance of the non-independent directors and c) timeliness of flow of information between the Company management and the Board that would be necessary for the Board to effectively and reasonably perform its duties. The attendees reviewed the performance of the Board as a whole and the Chairman of the Board. The Independent Directors assessed the performance of the non-independent directors in their meeting held on 20th July, 2017.

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

III COMMITTEES OF DIRECTORS

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

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

❖ AUDIT COMMITTEE

A. Composition & meetings

The Audit Committee was constituted on 13th January, 2001. All the members of Audit Committee are Non-Executive and Independent Directors. All members of the Committee are financially literate and having the requisite financial management expertise. The Chairman of the Audit Committee is Mr. Nipun C. Shah. The other members of the Audit Committee are Mr. Yasir J. Varawala, Mr. Viren A. Merchant and Mr. Ravinder K. Jain. The Company Secretary acts as the Secretary to the Committee.

During the year under review, four Audit Committee meetings were held on 25th May, 2016, 09th August, 2016, 10th November, 2016 and 09th February, 2017.

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 A. Merchant	2
4	Mr. Ravinder K. Jain	3

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

The Chairman of the Audit Committee was present at the last Annual general Meeting of the Company held on 28th September, 2016.

B. The terms of reference of the Audit Committee under the Companies Act, 2013:-

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;

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

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

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

14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

C. Review of Information by the Audit Committee.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial conditions and results of operations;
2. Statement of Significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
   (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.
   (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7) of the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

❖ **STAKEHOLDER'S RELATIONSHIP/SHAREHOLDERS GRIEVANCE COMMITTEE**

A. Composition & meetings

The Stakeholder's Relationship/ Shareholders Grievance Committee was constituted on 2nd May 2001. The same was renamed as Stakeholder's Relationship/Shareholder's Grievance Committee in the Board meeting held on 28th May, 2014.

Mr. Yasir J. Varawala , Non Executive Independent Director is the Chairman and Mr. Bimal R. Thakkar, Managing Director and Mr. Viren Merchant (Inducted w.e.f. 10th August, 2016), Independent Director are the other members of the said Committee. Ms. Shalaka Ovalekar, Company Secretary acts as the Secretary to the Committee.

During the year, four meetings of the said Committee were held on 20th April, 2016, 09th August, 2016, 10th November, 2016 and 09th February, 2017.

The attendance of each member is given hereunder:

Sr. No.	Name of the Committee Member	No. of meetings attended
1	Mr. Yasir J. Varawala – Chairman	4
2	Mr. Bimal R. Thakkar	4
3	Mr. Viren A. Merchant	*Nil

* After induction of Mr. Viren Merchant, two committee meetings were held till the completion of the Financial year. He could not attend the same due to other preoccupations.

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

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

The Committee specifically looks into redressing of investors' complaints including non-receipt of annual reports, non-receipt of declared dividends and complaints related to transfer of shares. The Registrar and Share Transfer agents provide quarterly confirmation to the Committee on compliance of the requirements in respect of dealing with the transfers, transmissions, complaints and other shareholder related matters. The Committee also monitors and reviews the performance and service standards of the Registrar and Share Transfer Agent and provides continuous guidance to improve the service levels for investors.

C. Shareholders' complaints

6 complaints were received from the shareholders during the financial year ended 31st March, 2017. All the complaints were relating to non-receipt of dividend warrants. The Complaints received were resolved to the satisfaction of the Shareholders. No complaints remained pending during the financial year 2016-17.

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

❖ NOMINATION & REMUNERATION COMMITTEE

A. Composition & meetings

The Remuneration Committee was constituted on 8th May 2002 to recommend to the Board the remuneration package for managerial persons. The same has been renamed as Nomination & Remuneration Committee in the Board meeting held on 28th May, 2014.

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

During the year, one meeting of the said Committee was held on 25th May, 2016.

Sr. No.	Name of the Remuneration Committee Member	No. of meetings attended
1	Mr. Yasir J Varawala – Chairman	0
2	Mr. Nipun C. Shah	1
3	Mr. Viren A. Merchant	1

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

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

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

Under the Companies Act, 2013:-

1) The Committee shall identify persons with suitable qualifications to be appointed as Directors, Senior management personnel and recommend to the Board their appointment;

2) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.

3) The Committee shall, while formulating the policy ensure that-

   (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

   (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

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

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

1) formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

2) formulation of criteria for evaluation of performance of independent directors and the board of directors;

3) devising a policy on diversity of board of directors;

4) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

5) whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

C. Performance evaluation criteria for Independent Directors :

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

❖ **SHARE TRANSFER COMMITTEE**

The Share Transfer Committee comprises of Mr. Ashok H. Thakkar, Chairman, Mr. Bimal R. 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 every fortnight to review and ratify registration of transfer of shares received from shareholders in physical mode and to transact other share-related agenda.

❖ **Corporate Social Responsibility (CSR) COMMITTEE**

A. Constitution & Meetings

The CSR Committee was constituted on 28th May, 2014.

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

During the year, one meeting of the said Committee was held on 25th May, 2016.

Sr. No.	Name of the CSR Committee Member	No. of meetings attended
1	Mr. Viren A. Merchant – Chairman	1
2	Mr. Nipun C. Shah	1
3	Mr. Bimal R. Thakkar	1

B. The terms of reference of the CSR Committee:

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

(2) To provide guidance on various CSR activities to be undertaken by the Company and to monitor its progress.

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

IV. GENERAL BODY MEETINGS

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

Financial Year	Day & Date	Time	Location of the Meeting
2013-14	Wednesday, 24th September, 2014	1.00 p.m.	Ipcowala Banquet Hall, Near Amba Ashram Mandir, College Road, Nadiad 387001, Gujarat
2014-15	Wednesday, 30th September, 2015	1.00 p.m.	Ipcowala Banquet Hall, Near Amba Ashram Mandir, College Road, Nadiad 387001, Gujarat
2015-16	Wednesday, 28th September, 2016	1.00 p.m.	Ipcowala Banquet Hall, Near Amba Ashram Mandir, College Road, Nadiad 387001, Gujarat

B. SPECIAL RESOLUTIONS WHETHER PASSED IN THE ANNUAL GENERAL MEETINGS

Special resolutions passed in the previous three Annual General Meetings:

Sr. No.	Annual General Meeting held on	Subject matter of the Special Resolution in brief
1	Wednesday, 24th September, 2014	• Approval of resolution under Section 180 (1)(c) of the Companies Act, 2013. • Approval of resolution under section 180 (1) (a) of the Companies Act, 2013. • Approval of Related Party Transactions u/s. 188 (1) (a) and (d) of the Companies Act, 2013. • Appointment of Mr. Mishal A. Thakkar as person in place of profit u/s. 188 (1) (f) of the Companies Act, 2013.
2	Wednesday, 30th September, 2015	• Approval/ratification of related party contract entered by the Company pursuant to Section 188 (1) (c) of the Companies Act, 2013. • Appointment of Mr. Mishal A. Thakkar as person in place of profit u/s. 188 (1)(f) of the Companies Act, 2013. • Adoption of new set of Articles Of Association in place of the existing Articles Of Association. • Maintenance of the statutory registers at the Head Office of the Company at Mumbai instead of the Registered Office pursuant to Section 94 of the Companies Act, 2013.
3	Wednesday, 28th September, 2016	None

C. During the Financial Year 2016-17 no resolution was passed through the postal ballot.

D. No special resolution is proposed to be conducted through the postal ballot.

V. MEANS OF COMMUNICATION

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

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

The Company's website also displays official news releases.

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

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

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

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

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

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

Institutional investors: There was no presentations made to institutional investors or to the analysts during the year under review.

VI. GENERAL SHAREHOLDERS' INFORMATION

A. Mr. Naresh L. Kothari has been appointed as an additional director and being eligible, he has given the consent to continue as director of the Company. His appointment is being regularized in the ensuing Annual General Meeting of the Company. His brief profile is published elsewhere in the Annual Report.

B. ANNUAL GENERAL MEETING

Day, Date & Time : Wednesday, 23rd August, 2017 at 10.00 a.m.

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

C. FINANCIAL YEAR :

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

D. FINANCIAL CALENDAR 2017-18

Schedule of Board Meetings (tentative)

First Quarter ending 30th June, 2017 : on or before 14th September, 2017

Half Year ending 30th September, 2017 : on or before 14th December, 2017

Third Quarter ending 31st December, 2017 : on or before 14th February, 2018

Year ending 31st March, 2018 : on or before 30th May, 2018

E. DATES OF BOOK CLOSURE

The Share Transfer Register will remain closed from Thursday, 17th August, 2017 to Wednesday, 23rd August, 2017 (both days inclusive].

F. DIVIDEND

Dividend Payment date: on or before Wednesday, 20th September, 2017.

G. 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.

The Annual Listing fee for the securities listed on the aforesaid Stock Exchanges has been paid to the aforesaid Stock Exchanges for the Financial Year 2017-18.

H. STOCK CODE/SYMBOL

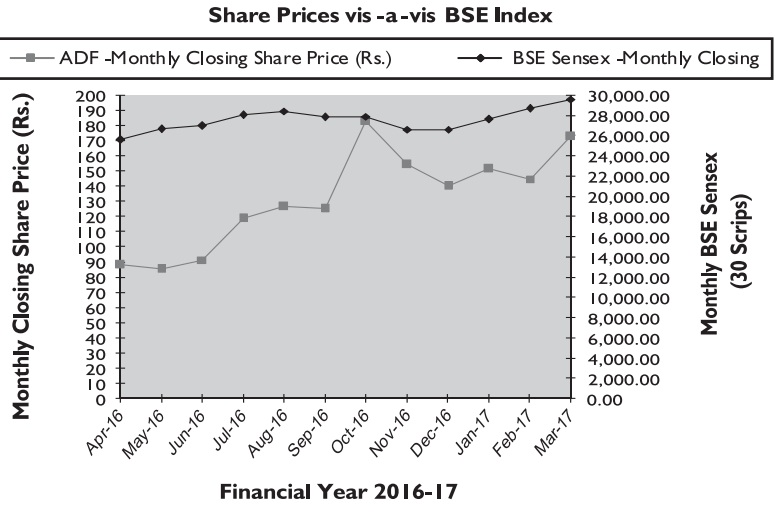
BSE Limited	:	519183
National Stock Exchange of India Ltd	:	ADF FOODS
ISIN	:	INE982B01019
CIN	:	L15400GJ1990PLC014265

I. MARKET PRICE DATA

The monthly high, low and closing price quotations of the Company's shares traded on the BSE Limited during financial year 2016-2017 are as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume of shares (Nos.)
April 2016	93.25	77.55	88.45	3,92,977
May 2016	99.50	85.05	85.40	6,98,114
June 2016	96.90	82.00	91.50	5,53,219
July 2016	123.20	88.00	119.00	21,96,796
August 2016	137.70	106.00	126.55	10,60,328
September 2016	138.80	119.95	125.20	5,64,304
October 2016	187.00	124.00	182.90	15,54,992
November 2016	190.25	128.85	154.65	8,84,343
December 2016	165.00	133.40	140.45	3,78,694
January 2017	166.00	141.00	151.60	3,75,775
February 2017	164.50	144.30	144.85	2,73,778
March 2017	183.65	146.00	173.05	15,92,097

J. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



K. REGISTRAR & SHARE TRANSFER AGENTS

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

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

Tel.: 022-49186270 Fax.: 022-49186060

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

L. SHARE TRANSFER SYSTEM

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

M. DISTRIBUTION PATTERN OF SHAREHOLDING AS ON 31ST MARCH, 2017

Shareholding of Nominal Value Rs.	No. of shareholders	% of Total	Face Value (Rs.)	% of Total
1 to 5000	19,006	92.23	2,39,70,580	11.31
5001 to 10000	814	3.95	66,96,420	3.16
10001 to 20000	381	1.85	58,48,310	2.76
20001 to 30000	137	0.66	35,94,120	1.69
30001 to 40000	49	0.24	17,83,980	0.84
40001 to 50000	54	0.26	25,63,120	1.21
50001 to 100000	76	0.37	55,63,070	2.62
100001 & above	91	0.44	16,19,95,010	76.41
Total	**20,608**	**100.00**	**21,20,14,610**	**100.00**

N. DEMATERIALISATION OF EQUITY SHARES AND LIQUIDITY.

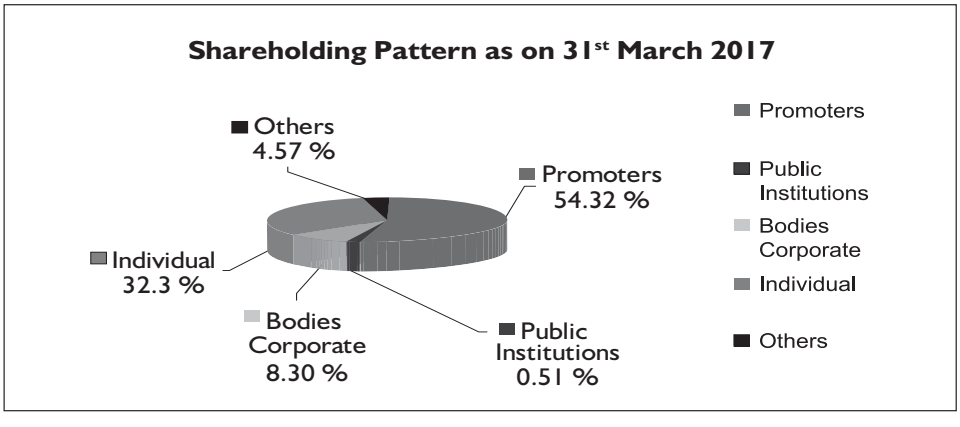
The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems, viz. NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). Nearly 93.98% of total equity shares of the Company are held in dematerialised form with NSDL & CDSL.

Reconciliation of Share Capital Audit Report

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

O. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017

Category	No. of Shares	% Holding
I. Holding of the Promoter Group		
(a) Individual / HUF	1,12,78,251	53.20
(b) Bodies Corporate	2,38,399	1.12
Sub Total (I)	**1,15,16,650**	**54.32**
II. Non-Promoters Holding		
1. Institutional Investors		
(a) Mutual Funds / UTI	18,300	0.09
(b) Financial Institutions / Banks	30,938	0.15
(c) Foreign Portfolio Investors	57,021	0.27
Sub Total (II)	**1,06,259**	**0.51**
III. Others		
(a) Bodies Corporate	17,60,025	8.30
(b) Individual	68,48,045	32.30
(c) Clearing Member	1,83,782	0.87
(d) Non Resident Indian (Repat/ Non Repat)	1,66,088	0.78
(f) Trust	500	0.00
(g) Relatives of director	83,403	0.39
(h) HUF	3,32,259	1.57
(I) Independent Director	2,04,450	0.96
Sub Total (III)	**95,78,552**	**45.17**
Total (II) + (III)	**96,84,811**	**45.68**
Grand Total (I) + (II) + (III)	**2,12,01,461**	**100.00**



P. 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.

Q. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

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

R. 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 1-40/2, GIDC Industrial Estate, Nadiad 387 001 Gujarat
* Plot no.5, MIDC Industrial Estate, Malegaon, Sinnar, Nashik 422 103, Maharashtra

S. ADDRESS FOR INVESTOR CORRESPONDENCE

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

C – 101, 247 Park, LBS Marg, Vikhroli West, Mumbai – 400 083, India

Tel.: 022-49186000 Fax.: 022-49186060

For general correspondence, please write to:

ADF Foods Limited
Registered office: 83/86, G.I.D.C. Industrial Estate, Nadiad 387 001, Gujarat.
Corporate office: The Company Secretary
Sadhana House, Unit No. 2B, 2nd Floor, 570, P. B. Road, Worli, Mumbai-400 018.
Tel.: 022-61415555 Fax.: 022-61415757
Email : co_ secretary@adf-foods.com

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

T. OTHER DISCLOSURES

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

(a) No transaction of material nature has been entered into by the Company with the related parties that may have potential conflict with the interest of the Company.

(b) Transactions with related parties viz. Directors and their relatives, Key Managerial Personnel and subsidiaries are covered by contracts which govern the terms and conditions clearly.

(c) The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in note no. 34 of the Financial Statements.

(d) Related Party Transaction Policy is stated under the web-link below:

http://www.adf-foods.com/wp-content/uploads/2017/03/ADF-Related-Transactions-Policy.pdf

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

(iii) **Subsidiary Companies:**

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

http://www.adf-foods.com/wp-content/uploads/2016/07/Policy-for-Determining-the-Material-Subsidiary.pdf

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

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

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

Power Brands (Foods) Private Limited:

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

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

In terms of proviso to sub section (3) of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC-1, which forms part of the annual report.

(iv) **Disclosure of Accounting Treatment:**

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

(v) **Risk Management :**

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

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

(vii) **Disclosure of commodity price risks and commodity hedging activities:** The details are mentioned in point number Q in General Shareholder's Information

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

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

With the adoption of this policy, the Company has put in place a mechanism wherein the Employees are free to report to the management any actual or possible violation of the Principles or any other unlawful or unethical or improper practice or act, or activity of the Company. Under the Whistle Blower Policy, the confidentiality of

those reporting violation(s) is protected and they are not subject to any discriminatory practices. No person has been denied access to the Management & Audit Committee. The mechanism is being reviewed by the Audit Committee of the Company in accordance with the Listing Regulations.

Whistle Blower Policy of the Company is displayed on the Company's website www.adf-foods.com under the weblink http://www.adf-foods.com/wp-content/uploads/2017/03/ADF-Whistle-Blower-policy.pdf . The whistle blower policy is stated elsewhere in this report.

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

Particulars	Regulation Number	Compliance status (Yes/No/NA)refer note below
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Composition and role of Stakeholder Relationship Committee	20(1) (2), (3) and (4)	Yes
Composition and role of risk management committee	21(1),(2),(3),(4), (5)	NA
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1),(5),(6),(7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2) & (3)	Yes
Approval for material related party transactions	23(4)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	NA
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Maximum Directorship & Tenure	25(1) & (2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Filling up of casual vacancy caused by removal/resignation of Independent Director	25(6)	No
Familiarization of Independent Directors	25(7)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes

Particulars	Regulation Number	Compliance status (Yes/No/NA)refer note below
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Other Corporate Governance Requirements	27(1) & (2)	Yes

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

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

A. The Board: The Company has an executive chairperson. Therefore the Discretionary requirements pertaining to non-executive chairperson are not applicable.

B. Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.

C. Modified opinion(s) in Audit Report: The Company's financial statement for the year 2016-2017 does not contain modified Audit opinion.

D. The Company has appointed separate persons to the post of Chairman and Managing Director/CEO.

E. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

Details of compliances under Clauses (b) to (i) of Sub- Regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 :

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

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

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

W. CODE OF CONDUCT:

The Company has adopted the Code of Conduct and Ethics for Directors and Senior Management. As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , relating to Corporate Governance, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code and a declaration signed by the Managing Director 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, 2017."

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

Bimal R. Thakkar
Managing Director & CEO
DIN: 00087404

X. CEO/CFO CERTIFICATION

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

For and on Behalf of the Board of Directors

Bimal R. Thakkar	**Bhavesh R. Thakkar**
Managing Director	**Executive Director**
DIN: 00087404	**DIN: 00939805**

ANNEXURE I

REPORT ON CORPORATE GOVERNANCE

DETAILS OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS OF ALL THE DIRECTORS AS ON 31ST MARCH, 2017:

[1] MR. ASHOK H. THAKKAR

Other Directorships

- ADF Foods (India) Limited
- Mishal International (India) Private Limited
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]
- ADF Foods UK LTD.
- ADF Holdings (USA) LTD.

Committee Memberships

- ADF Foods Limited- Share Transfer Committee

[2] MR. BIMAL R. THAKKAR

Other Directorships

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

Committee Memberships

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

[3] MR. BHAVESH R. THAKKAR

Other Directorships

- ADF Foods (India) Limited
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]
- ADF FOODS UK LTD.
- ADF HOLDINGS (USA) LTD.

Committee Memberships

- ADF Foods Limited - Share Transfer Committee

[4] NIPUN C. SHAH

Other Directorships

- ADF Foods (India) Limited
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]
- Jush Investment Private Limited
- Crowe Horwath Advisory Services Private Limited
- Crowe Horwath Consultants Private Limited

Committee Memberships

- ADF Foods Limited
  - Audit Committee
- ADF Foods Limited
  - Nomination & Remuneration Committee
  - CSR Committee
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]
  - Audit Committee

[5] YASIR J. VARAWALA

Other Directorships

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

Committee Memberships

- ADF Foods Limited
  - Audit Committee
  - Nomination & Remuneration Committee
  - Shareholder's Grievance/Stakeholder's Relationship Committee
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]- Audit Committee

[6] MR. VIREN A. MERCHANT

Other Directorships

- Encore Healthcare Private Limited
- Encore Healthcare International Private Limited

Committee Memberships

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

[7] MR. JAY M. MEHTA

Other Directorships

- Saurashtra Cement Limited
- Gujarat Sidhee Cement Limited
- Pranay Holdings Limited
- Prachit Holdings Limited
- Ria Holdings Limited
- Agrima Consultants International Limited
- Reeti Investments Private Limited
- Mehta Private Limited
- Indiana Poli Hospitality Private Limited
- Galaxy Technologies Private Limited
- Omna Exports Private Limited
- Arclightz & Films Private Limited
- Good Karma Hospitality Private Limited
- Knight Riders Sports Private Limited
- Bhadra Textiles & Trading Private Limited
- Parsec Enterprises Private Limited
- Metro Pizza Private Limited

Committee Memberships

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

[8] MR. RAVINDER KUMAR JAIN

Other Directorships

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

Committee Memberships

- ADF Foods Limited
  - Audit Committee
- Delta Corp Limited
  - Audit Committee
- Grover Zampa Vineyards Ltd
  - Nomination and Remuneration Committee
- Marvel Resorts Private Limited
  - Audit Committee
  - Nomination and Remuneration Committee

[9] MS. ANJALI K. SETH

Other Directorships

- Caprihans (India) Limited
- Adlabs Entertainment Limited
- Walkwater Properties Pvt. Limited
- JMC Projects (India) Limited
- Kalpataru Power Transmission Limited
- Kalpataru Limited
- Endurance Technologies Ltd. (CN)

Committee Memberships

- Caprihans (India) Limited
  - Stakeholder's Grievance/ Stakeholder's Relationship Committee
- Adlabs Entertainment Limited
  - Audit Committee
  - Stakeholders Relationship Committee
- Endurance Technologies Ltd.
  - Nomination and Remuneration Committee
  - Shareholder's Grievance / Stakeholder's Relationship Committee
  - Audit Committee

ANNEXURE II

REPORT ON CORPORATE GOVERNANCE

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

To
The Board of Directors
ADF Foods Ltd.

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

A. We have reviewed financial statements and cash flow statement for year ended 31st March, 2017 and that to the best of our knowledge and belief;

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, of which we are aware and we have taken steps to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee that:-

   1. there are no significant changes in internal control over financial reporting during the year;

   2. there are no significant changes in accounting policies during the year and

   3. there has been no instance of fraud of which we have become aware and the involvement therein , if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Bimal R. Thakkar	**Bhavesh R. Thakkar**	**Dilip Golwala**
Managing Director & CEO	**Executive Director & CFO**	**General Manager- Accounts**
DIN : 00087404	**DIN: 000939805**	

Date : 12th May, 2017

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of

ADF Foods Limited

We have examined the compliance of conditions of Corporate Governance by ADF Foods Limited ("the Company") for the year ended March 31, 2017, as stipulated in Regulation 17 to 27, Clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements), Regulations, 2015.

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

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

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

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W/W10066

FARHAD M. BHESANIA
PARTNER
Membership No. 127355

Place: Mumbai
Date: 20th July, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADF FOODS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ADF FOODS LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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 Standalone Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**; and

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

   i. The Company has disclosed the impact of pending litigations on its financial statements-Refer Note 28 (a) to the financial statements.

   ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 29.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 12, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended March 31, 2017.

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

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

(b) As explained to us, all fixed assets have not been physically verified by the management during the year but there is a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies reported on such verification were not material and have been properly dealt with in the books of account.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, provisions of Section 186 of the Act in respect of investments made have been complied with by the Company. In our opinion and according to the information and explanations given to us, the Company has not advanced any loans to persons covered under the provisions of Section 185 and Section 186 of the Act or given guarantees or granted securities under Section 186 of the Act.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from Public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable.

vi. In our opinion and according to the information and explanation given to us, the maintenance of cost records under sub section (I) of section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.

vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2017, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of books of account and record, the company has generally been regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added Tax except the following:

Sr. No.	Name of the Statute	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
1	Finance Act, 1994	433.01	F.Y.2003-2004 to F.Y.2010-2011	Commissioner – CESTAT
2	Income Tax Act, 1961	585.78	F.Y.2009-2010 to F.Y.2013-2014	CIT (Appeal)

viii. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of borrowings to banks. The Company does not have any loans or borrowings from financial institutions, government or debenture holders.

ix. The Company did not raise any moneys by way of initial public offer or further public offer (including debts instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purposes for which they were raised.

x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company, has been noticed or reported during the year.

xi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company, hence the provisions of paragraph 3 (xii) of the Order are not applicable.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv. According to the information and explanation given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 hence the provisions of paragraph 3 (xvi) of the Order are not applicable.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai

Dated: May 12, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2017.

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

We have audited the internal financial controls over financial reporting of **ADF FOODS LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 12, 2017

BALANCE SHEET AS AT 31ST MARCH 2017

Particulars	Note No.	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	2,157.98	2,237.83
(b) Reserves and surplus	4	17,414.83	16,700.07
Sub total-Shareholders' Funds		**19,572.81**	**18,937.90**
Non- current liabilities			
(a) Long-term borrowings	5	9.92	25.52
(b) Deferred tax liabilities (net)	6	815.03	788.98
(c) Long-term provisions	7	183.71	135.83
Sub total-Non Current Liabilities		**1,008.66**	**950.33**
Current liabilities			
(a) Short-term borrowings	8	444.41	538.32
(b) Trade payables			
(i) Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note no 30)		29.89	16.64
(ii) Outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Includes payable to ADF Foods (USA) Ltd. Rs. 1.77 lacs, Previous year Rs. Nil)		881.17	836.59
(c) Other current liabilities	9	379.34	496.21
(d) Short-term provisions	10	16.15	87.53
Sub total-Current Liabilities		**1,750.96**	**1,975.29**
TOTAL-EQUITY AND LIABILITIES		**22,332.43**	**21,863.52**
ASSETS			
Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		4,827.25	4,872.63
(ii) Intangible assets		1,859.77	2,145.39
(iii) Capital work in progress		88.10	23.49
		6,775.12	**7,041.51**
(b) Non-current investments	12	6,020.02	5,751.00
(c) Long-term loans and advances	13	470.26	363.86
(d) Other non-current assets	14	14.83	15.08
Sub total-Non Current Assets		**13,280.23**	**13,171.45**
Current assets			
(a) Current investments	15	630.00	800.00
(b) Inventories	16	2,649.94	2,460.44
(c) Trade receivables	17	3,137.12	3,092.16
(d) Cash and bank balances	18	944.99	785.14
(e) Short-term loans and advances	19	1,690.15	1,554.33
Sub total-Current Assets		**9,052.20**	**8,692.07**
TOTAL ASSETS		**22,332.43**	**21,863.52**
Significant accounting policies	2		

The accompanying notes 1 to 46 form an integral part of the financial statements

Signatures to the Balance Sheet and Notes to the financial statements

As per our report of even date

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W10066

Farhad M. Bhesania
Partner
Membership Number 127355

Place: Mumbai
Date: 12th May, 2017

For and on behalf of the Board

Ashok H. Thakkar
Chairman
DIN: 00087465

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

Bhavesh R. Thakkar
Executive Director & C.F.O.
DIN: 00939805

Shalaka Ovalekar
Company Secretary

Place: Mumbai
Date: 12th May, 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

Particulars	Note No.	For the year ended 31-Mar-17 Rs. in lacs	For the year ended 31-Mar-16 Rs. in lacs
Revenue from operations (gross)	21	16,672.62	16,090.06
Less: Excise duty		(31.39)	(37.61)
Revenue from operations (net)		16,641.23	16,052.45
Other income	22	533.37	405.41
Total Revenue		**17,174.60**	**16,457.86**
Expenses			
(a) Cost of materials consumed	23 (a)	7,910.45	7,419.84
(b) Purchase of traded goods	23 (b)	1,109.38	663.67
(c) Increase in inventories of finished goods, work-in-progress and traded goods	23 (c)	(80.85)	(179.66)
(d) Employee benefits expenses	24	1,377.68	1,235.43
(e) Finance cost	25	94.56	113.68
(f) Depreciation and amortisation expenses	26	712.27	789.18
(g) Other expenses	27	4,148.40	4,193.86
Total expenses		**15,271.89**	**14,236.00**
Profit before exceptional and extraordinary items and tax		**1,902.71**	**2,221.86**
Tax expenses			
(a) Current tax		637.45	761.05
(b) Deferred tax	6	26.05	50.75
(c) Prior Year's Tax Adjustment		2.44	-
		665.94	**811.80**
Profit for the year		**1,236.77**	**1,410.06**
Earnings per share (of Rs. 10/- each):	**35**		
Basic & Diluted	36	5.74	6.41

The accompanying notes 1 to 46 form an integral part of the financial statements

Signatures to the Balance Sheet and Notes to the financial statements

As per our report of even date

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W10066

Farhad M. Bhesania
Partner
Membership Number 127355

Place: Mumbai
Date: 12th May, 2017

For and on behalf of the Board

Ashok H. Thakkar
Chairman
DIN: 00087465

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

Bhavesh R. Thakkar
Executive Director & C.F.O.
DIN: 00939805

Shalaka Ovalekar
Company Secretary

Place: Mumbai
Date: 12th May, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

₹ In lacs

Particulars		For the year ended 31-Mar-17	For the year ended 31-Mar-16
A.	Cash Flow from Operating Activities		
	Profit before Taxation	1,902.71	2,221.86
	Adjustment for:		
	Depreciation and amortisation	712.27	789.18
	Loss on sale / write off of Fixed Assets	1.75	41.89
	Finance cost	94.56	48.38
	Provision for doubtful trade receivables	(50.71)	14.45
	Bad debts written off	47.98	-
	Unrealised exchange loss	90.32	(4.60)
	Net (gain)/loss on sale of investments	(61.14)	-
	Interest income	(25.85)	(31.58)
	Dividend income	(0.68)	(1.88)
	Operating Profit before working capital changes	**2,711.21**	**3,077.70**
	Adjustment for:		
	Increase / (Decrease) in Non-Current Liabilities	47.88	23.46
	(Decrease) / Increase in Current Liabilities	(68.41)	86.11
	Decrease / (Increase) in Non-Current Assets	73.27	(42.29)
	(Increase) / Decrease in Current Assets	(96.63)	2,127.49
		2,667.32	**5,272.47**
	Taxes Paid (Net)	(880.18)	(839.29)
	Net Cash Flow from / (used in) Operating Activities (A)	**1,787.14**	**4,433.18**
B.	**Cash Flow from Investing Activities**		
	Purchase of fixed assets	(449.01)	(169.73)
	Proceeds from sale of fixed assets	1.38	45.83
	Proceeds from maturity of fixed deposits placed with the bank	144.07	183.23
	Fixed Deposits placed with banks	(166.92)	(155.05)
	Proceeds from sale of mutual funds	231.14	-
	Investment in subsidiary	(269.02)	(3,919.71)
	Dividend Received	0.68	1.88
	Interest received	24.43	28.91
	Net Cash Flow from/ (used in) Investing Activities (B)	**(483.25)**	**(3,984.64)**

₹ In lacs

Particulars		For the year ended 31-Mar-17	For the year ended 31-Mar-16
C.	**Cash Flow from Financing Activities**		
	Proceeds from long-term borrowings	10.00	40.00
	Repayment of long-term borrowings	(25.60)	(62.89)
	Buyback of shares	(963.08)	-
	Repayment of short-term borrowings (Net)	(93.91)	(146.55)
	Finance cost	(94.56)	(48.44)
	Dividends paid	8.86	(334.99)
	Tax on dividend	-	(67.18)
	Net cash flow from / (used in) financing activities (C)	**(1,158.29)**	**(620.05)**
	Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	**145.60**	**(171.51)**
	CASH AND CASH EQUIVALENTS:		
	AS AT THE BEGINNING OF THE YEAR	565.55	737.06
	AS AT THE END OF THE YEAR		
	Cash and Bank Balances	750.24	556.07
	Unrealised Foreign Exchange Restatement in Cash and cash Equivalents	(39.09)	9.48
	Cash and Cash Equivalents - Closing Balance	**711.15**	**565.55**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**145.60**	**(171.51)**
Notes:			
1.	Cash and Cash Equivalents:	944.99	785.14
	Less: Other Bank Balances	(233.84)	(219.59)
	Cash and Cash Equivalents.	**711.15**	**565.55**
2.	The cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.		
3.	The above cash flow statement includes Rs. 54.97 lacs towards Corporate Social Responsibility activities (Refer Note 43).		
4.	Figures for the previous year have been regrouped/ restated wherever necessary to conform to current year's classification.		

As per our report of even date

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W10066

Farhad M. Bhesania
Partner
Membership Number 127355

Place: Mumbai
Date: 12th May, 2017

For and on behalf of the Board

Ashok H. Thakkar
Chairman
DIN: 00087465

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

Bhavesh R. Thakkar
Executive Director & C.F.O.
DIN: 00939805

Shalaka Ovalekar
Company Secretary

Place: Mumbai
Date: 12th May, 2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

Current / non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

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

(a) it is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realized within twelve months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

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.

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 recognised 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. The 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 of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset on completion of the expansion project or otherwise on commencement of commercial use of the asset.

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 II to the Companies Act, 2013 except in case of carboys and pallets where a lower rate of depreciation i.e. five years under straight line method is applied based on technical advice obtained by the company. 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 recognised 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. The cost of inventory comprises of cost of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other cost 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 render the related services. The Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for the 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 as an expense in the Statement of Profit and Loss as they fall due.

(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 benefits. 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 cost of providing benefits under these plan 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 recognised as expense 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 recognised as gains / (losses) in Statement of Profit and Loss for 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 gains / (losses) due to exchange differences are recognised 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 recognised 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 recognised as income / expenses of the period in which such rollover / cancellation takes place.

h. Hedging:

The Company has adopted Guidance Note on Accounting for Derivative Contracts issued by the ICAI which has superseded the Guidance for Accounting for Derivatives covered in the erstwhile Accounting Standard 30, Financial Instruments; Recognition and Measurement (AS 30) issued by ICAI. There is no financial impact on account of such change in this financial statement of the Company.

Accordingly, the resultant gains or losses on fair valuation / settlement of the derivative contracts are recognised 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 recognised in the "Hedging Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet, while the same is recognised in the Statement of Profit and Loss where the hedge is ineffective. The amount recognised 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.

i. Revenue recognition

Revenue from sale of goods is recognised on transfer of significant risks 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 recognised when the right to receive payment is established.

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

j. 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.

k. 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.

l. 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.

m. 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 recognised 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 II to the Companies Act, 2013, 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 II to the Companies Act, 2013.

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 recognised 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 recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

n. 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 during the period they occur.

o. Government grants and subsidies

Grants and subsidies from the government are recognised 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 recognised 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 recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

p. 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 recognised using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised 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 recognised 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.

q. 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 recognised 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 recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

r. 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 3

	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Share capital		
Authorized shares		
2,50,00,000 (Previous Year 2,50,00,000) Equity Shares of Rs. 10/- each	**2,500.00**	**2,500.00**
Issued and subscribed		
2,20,00,000 (Previous Year 2,20,00,000) Equity Shares of Rs. 10/- each	**2,200.00**	**2,200.00**
Paid-up		
2,20,00,000 (Previous Year 2,20,00,000) Equity Shares of Rs. 10/- each	2,200.00	2,200.00
Less: 7,98,539 (Previous Year Nil) Equity Shares of Rs. 10/- each buyback during the year	(79.85)	-
	2,120.15	**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	**2,157.98**	**2,237.83**

a. Reconciliation of number of shares:

	As at 31-March-17		As at 31-March -16	
	No. of shares	Rs. in lacs	No. of shares	Rs. in lacs
Number of shares outstanding at the beginning of the year	22,000,000	2,200.00	22,000,000	2,200.00
Less: Shares buy back during the year	798,539	79.85	-	-
Number of shares outstanding at the end of the year	**21,201,461**	**2,120.15**	**22,000,000**	**2,200.00**

Of the above

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 Equity shares were issued on preferential basis to investors.

43,26,110 Equity shares were issued on conversion of preferential warrants.

The Board of Directors of the Company in its meeting held on 27th July, 2016 approved buyback of equity shares. The Company adopted the open market route in accordance with the provisions contained in SEBI (Buyback of Securities) Regulations, 1998 (including any statutory modification(s), or re-enactments for the time being in force).

The buyback commenced on August 10, 2016 and closed on November 15, 2016 . The company has bought back and extinguished 7,98,539 equity shares till the closure of buyback. The amount of total buyback of Rs. 9,63,07,029/- represents 53.50% of the maximum buyback size. In respect of the shares so extinguished , the Company has adjusted an amount of Rs. 79,85,390/- against paid up Equity Share capital and Rs. 8,83,21,639/- against Securities Premium.

b. Terms/rights attached to Equity shares

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

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

The Board of Directors, in their board meeting held on 12 th May 2017, has declared dividend @ 25% (Rs. 2.50 per Equity Shares). Which, if approved by the Shareholders, shall amount to Rs. 709.87 lacs. As required by Accounting Standard (AS) 4 - 'Contingencies and Events Occuring After the Balance Sheet Date', the dividend proposed by the Board but not yet declared by the Company has not been deducted from Reserves & Surplus as at the year end March, 2017.

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 STANDALONE FINANCIAL STATEMENTS

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

Class of shares / name of shareholder	As at 31-March-17		As at 31-March -16	
	No. of shares held	% holding	No. of shares held	% holding
Mr. Ashok H. Thakkar	1,461,354	6.89%	1,836,354	8.35%
Mr. Bimal R. Thakkar	2,276,074	10.74%	2,201,074	10.00%
Mr. Bhavesh R. Thakkar	1,176,450	5.55%	1,176,450	5.35%
Mr. Mishal A. Thakkar	1,821,098	8.59%	1,821,098	8.28%
Mrs. Mahalaxmi R. Thakkar	1,958,022	9.24%	1,958,022	8.90%
Mrs. Priyanka B. Thakkar	1,101,000	5.19%	1,101,000	5.01%
Total	**9,793,998**	**46.20%**	**10,093,998**	**45.89%**

d. Shares bought back during 5 years immediately preceding the Balance Sheet

Particulars	No. of Shares	
	From 1st April 2012 to 31st March 2017	From 1st April 2011 to 31st March 2016
Aggregate number of Equity Shares bought back	7,98,539	-

There are no Shares reserved for issue under option and contracts/ committements for the sale of shares/disinvestments, including the terms and amounts.

Note 4

Reserves and Surplus	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Capital Reserve		
As per last Balance Sheet	105.00	105.00
Closing balance	**105.00**	**105.00**
Capital Redemption Reserve		
As per last Balance Sheet	-	-
Additions/Created during the year	79.85	-
Closing balance	**79.85**	**-**
Securities Premium		
As per last Balance Sheet	5,934.33	5,934.33
Less: Utilised for Buy Back of Shares	(883.22)	-
Closing balance	**5,051.11**	**5,934.33**
General Reserve		
As per last Balance Sheet	763.97	763.97
Closing balance	**763.97**	**763.97**
Hedging Reserve		
As per last Balance Sheet	275.60	260.51
Addition during the year	361.21	15.09
Closing balance	**636.81**	**275.60**
Surplus in Statement of Profit & Loss (Refer Note A given below)		
As per last Balance Sheet	9,621.17	8,278.29
Less: Transferred to Capital Redemption Reserve	(79.85)	-
Add: Profit for the year as per Note A given below	1,236.77	1,342.88
Closing balance	**10,778.09**	**9,621.17**
	17,414.83	**16,700.07**
Note A		
Profit for the year	1,236.77	1,410.06
Less: Appropriations		
Tax on dividend	-	67.18
Total	**1,236.77**	**1,342.88**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 5

Long Term Borrowings	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Secured		
Long term maturities of car finance		
Due to a bank under car loan agreement (Refer Note 5.1 and 5.3)	9.92	16.88
Due to others under car loan agreements (Refer Note 5.2)	-	8.64
Total	**9.92**	**25.52**

Note 5.1

Secured by hypothecation of asset purchased, repayable in 35 installments. The loan carries interest @ 10.25% p.a.

Note 5.2

Secured by hypothecation of asset purchased, repayable in 35 installments. The loan carries interest of @ 9.37% p.a. Current maturity of car loan includes Rs. 8.64 lacs which is disclosed in Note 9 ' Other Current Liabilities'.

Note 5.3

Secured by hypothecation of asset purchased, repayable in 59 installments. The loan carries interest @ 9.49% p.a.

Note 6

Deferred tax Liability (Net)	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Liabilities:		
On Fixed assets	898.48	877.23
Assets:		
On Others	(83.45)	(88.25)
Net deferred tax liability	**815.03**	**788.98**

Note 7

Long-term provisions	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
(a) Provision for Employees' benefits (Refer Note 35(b))		
(i) Provision for compensated absences	43.33	25.45
(ii) Provision for compensated sick leaves	4.16	-
(iii) Provision for gratuity	136.22	110.38
Total	**183.71**	**135.83**

Note 8

Short-term borrowings	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
(a) Loans repayable on demand		
From banks		
Secured (Refer Note 8.1)		
(i) State bank of Hyderabad	365.82	87.66
(ii) Bank of Baroda	78.59	87.14
(iii) HDFC Bank Limited	-	363.52
Total	**444.41**	**538.32**

Note 8.1

Secured loan availed from the above mentioned banks is secured by hypothecation of the Current Assets of the Company, the whole of the immovable properties pertaining to DTA divisions situated at Plot No: 83/86, and 40, 40/1, 40/2, & 40/3 in GIDC industrial area, Nadiad including movable Plant & machinery, stores, spares tools and accessories and other movable both present and future of the Company which have been provided as collateral security, ranking pari pasu 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 7.65 % to 11.25 % p.a. and on foreign currency borrowings is LIBOR plus margin (200 basis points).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 9

Other Current Liabilities	**As at 31-Mar-17 Rs. in lacs**	**As at 31-Mar-16 Rs. in lacs**
(a) Current maturities of car finance (Refer Note 5.1, 5.2 and 5.3)	24.69	24.95
(b) Interest accrued and due on borrowing	-	0.16
(c) Unclaimed Dividend	63.67	72.53
(d) Other payables		
(i) Statutory Dues	59.79	47.26
(ii) Advances from customers	9.73	45.48
(iii) Book overdraft	72.60	137.05
(iv) Others		
ADF Foods (UK) limited	8.27	24.93
Others (Includes due to Micro Small and Medium Enterprises, Rs. Nil, Previous year Rs.	140.59	143.85
Total	**379.34**	**496.21**

Note 10

Short Term Provisions	**As at 31-Mar-17 Rs. in lacs**	**As at 31-Mar-16 Rs. in lacs**
(a) Provision for employees' benefits (Refer Note 35(b))		
(i) Provision for compensated absences	7.25	8.48
(ii) Provision for compensated sick leaves	0.55	6.11
(iii) Provision for gratuity	8.35	12.26
	16.15	**26.85**
(b) Others:		
(i) Provision for tax (net of advance tax Rs. Nil; Previous year Rs. 1,168.70 lacs)	-	60.68
Total	**16.15**	**87.53**

Note 11

Fixed assets

Rs. in lacs

	Gross block				**Depreciation / amortization**				**Net block**	
Assets	**As at 1st April 2016**	**Additions**	**Deductions**	**As at 31st March 2017**	**Upto 31st March 2016**	**For the year**	**Deductions**	**Upto 31st March 2017**	**As at 31st March 2017**	**As at 31st March 2016**
Tangible assets:										
Freehold land	4.18	-	-	4.18	-	-	-	-	4.18	4.18
Leasehold land	103.97	-	-	103.97	9.59	1.01	-	10.60	93.37	94.38
Factory building	3,063.18	82.16	-	3,145.34	917.59	95.84	-	1,013.43	2,131.91	2,145.59
Plant and machinery	4,190.93	268.11	-	4,459.04	2,117.62	243.81	-	2,361.43	2,097.61	2,073.31
Furniture and fixtures	125.31	-	-	125.31	46.90	11.25	-	58.15	67.16	78.41
Vehicles	441.24	13.84	11.90	443.18	169.85	51.80	9.39	212.26	230.92	271.39
Office equipment	45.89	1.97	2.07	45.79	27.22	6.03	1.53	31.72	14.07	18.67
Office premises	106.56	-	-	106.56	8.79	1.68	-	10.47	96.09	97.77
Electrical installation	83.64	9.60	-	93.24	9.81	8.54	-	18.35	74.89	73.83
Laboratory equipment	19.54	0.11	-	19.65	13.93	1.03	-	14.96	4.69	5.61
Computers	48.28	8.61	2.92	53.97	38.79	5.66	2.84	41.61	12.36	9.49
	8,232.72	**384.40**	**16.89**	**8,600.23**	**3,360.09**	**426.65**	**13.76**	**3,772.98**	**4,827.25**	**4,872.63**
Intangible assets:										
Goodwill	399.03	-	-	399.03	399.03	-	-	399.03	-	-
Trade marks	4,245.00	-	-	4,245.00	2,112.16	277.08	-	2,389.24	1,855.76	2,132.84
Software	26.08	-	-	26.08	13.53	8.54	-	22.07	4.01	12.55
	4,670.11	**-**	**-**	**4,670.11**	**2,524.72**	**285.62**	**-**	**2,810.34**	**1,859.77**	**2,145.39**
Total	**12,902.83**	**384.40**	**16.89**	**13,270.34**	**5,884.81**	**712.27**	**13.76**	**6,583.32**	**6,687.02**	**7,018.02**
Previous year	**12,800.39**	**315.38**	**212.94**	**12,902.83**	**5,220.85**	**789.18**	**125.22**	**5,884.81**	**7,018.02**	
Capital-work-in progress									88.10	23.49
Total									**6,775.12**	**7,041.51**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 12

Non Current Investments	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Investments (At cost)		
Other Investments		
Unquoted:		
Investment in equity instruments of subsidiaries (Refer Note 27 (9))		
a) ADF Foods (UK) Limited		
20,85,281 (Previous year 20,85,281) Equity shares of £1 each fully paid	1,826.29	1,826.29
b) ADF Foods (India) limited		
50,000 (Previous year 50,000) Equity shares of Rs. 10/- each fully paid	5.00	5.00
c) Power Brands (Foods) Private Limited		
2,08,85,992 (Previous year 2,08,85,992) Equity shares of Rs. 10/- each fully paid (Refer Note 44)	-	-
Investment in preference shares of subsidiaries (Refer Note 27 (9))		
a) ADF Foods (UK) Limited		
44,53,570 (Previous year 41,20,620) Optionally convertible Preference Shares of £1 each	4,188.73	3,919.71
Total	**6,020.02**	**5,751.00**

Note 13

Long Term Loans and Advances	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Unsecured:		
(a) Capital advance		
Considered good	25.05	94.13
Doubtful	14.63	14.63
Less: Provision for doubtful advances	(14.63)	(14.63)
	25.05	**94.13**
(b) Other deposits		
Considered good	154.49	154.74
(Includes deposit of Rs. 11.00 lacs (Previous year Rs. 11.50 lacs) paid to a Related Party (Refer Note 33)		
(c) Loans and advances to employees		
Considered good	15.75	19.69
(d) Others		
Considered good		
Advance income tax (net of provision of Rs. 1,823.36 lacs, (Previous year Rs. 1,185.91 lacs))	274.97	95.30
Total	**470.26**	**363.86**

Note 14

Other Non Current Assets	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
(a) Advances to suppliers	-	27.84
Less: Considered doubtful	-	27.84
	-	**-**
(b) Others		
(i) in deposit accounts (due to mature after 12 months from reporting date) (Refer Note 14.1)	14.83	15.08
(Held as margin money against forward contract)		
Total	**14.83**	**15.08**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 15

Current Investments	**As at 31-Mar-17 Rs. in lacs**	**As at 31-Mar-16 Rs. in lacs**
Quoted		
Investment in mutual funds (At lower of cost or market value) (Refer Note 15.1)		
Birla Sun Life Short Term Opportunities Fund Growth	330.00	500.00
ICICI Prudential FMP series 63 270 days plan D	300.00	300.00
Total	**630.00**	**800.00**
Aggregate amount of current investment (market value)	849.38	990.77

Note 16

Inventories	**As at 31-Mar-17 Rs. in lacs**	**As at 31-Mar-16 Rs. in lacs**
(At lower of cost and net realizable value)		
Raw materials	326.07	233.62
Semi-finished goods	1,236.52	1,244.22
Finished goods (Including goods in transit Rs. 40.25 lacs (Previous year Rs. 43.56 lacs))	212.20	165.41
Traded goods (Including goods in transit Rs. 28.22 lacs (Previous year Rs. 12.13 lacs))	108.19	52.63
Packing materials	595.64	579.44
Licenses on hand	171.32	185.12
Total	**2,649.94**	**2,460.44**

Note 17

Trade receivables	**As at 31-Mar-17 Rs. in lacs**	**As at 31-Mar-16 Rs. in lacs**
Trade receivables outstanding for a year exceeding six months from the date they were due for payment		
Unsecured, considered good	6.20	9.06
Doubtful	4.51	27.38
	10.71	**36.44**
Less: provision for doubtful trade receivables	(4.51)	(27.38)
	6.20	**9.06**
Other trade receivables		
Unsecured, considered good	3,130.92	3,083.10
	3,130.92	**3,083.10**
Total	**3,137.12**	**3,092.16**
Above includes debts due from related parties: Refer Note 33 for disclosure of their relationship		
ADF Foods (India) Limited	18.25	18.74

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 18

Cash and bank balances	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Cash and cash equivalents		
(a) Balance with banks		
(i) in Current accounts	4.05	45.29
(ii) in EEFC accounts	650.47	502.89
	654.52	**548.18**
(b) Cheques on hand	40.40	-
(c) Cash on hand	16.23	17.37
	711.15	**565.55**
Other bank balances		
(i) in earmarked accounts		
- Unclaimed dividend accounts	63.67	72.53
(ii) Held as margin money or security against borrowings / guarantees and other commitments.		
(Refer Note 18.1):		
(a) with original maturity of less than 3 months	43.93	51.69
(b) with original maturity for more than 3 months but less than 12 months	126.24	95.37
	233.84	**219.59**
Total	**944.99**	**785.14**

Note 18.1

Margin money deposits are kept with banks against issue of letters of credit, bank guarantees and for forward contracts.

Note 19

Short- term loans and advances	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Unsecured, considered good		
(a) Advances to related parties		
Share Application Money (Refer Note 33 for diclosure of their relationship)		
- ADF Foods (UK) Limited	-	275.19
(During the year the Company has received 3,32,950 Optionally Convertible Preference Shares of GBP 1 each)		
(b) Loans and advances to employees		
Considered good	22.28	23.05
(c) Prepaid expenses	30.25	25.30
(d) Balances with government authorities - considered good		
(i) CENVAT credit receivable	189.22	164.98
(ii) VAT credit receivable	156.98	135.63
(iii) Service tax credit receivable	155.30	225.89
(e) Others		
Considered good		
(i) Advances to suppliers for goods	210.07	119.97
(ii) Advances to suppliers for expenses (Includes from ADF Holdings (USA) Limited Rs. Nil,	10.30	59.33
(Previous year Rs. 1.04 lacs))		
(iii) Mark-to-market on derivative contracts	638.81	275.61
(iv) Interest receivable	7.23	5.82
(v) Others (Includes Preference Shares Dividend receivable from ADF Foods UK Limited, Rs. 0.03 lacs	269.71	243.56
(Previous year Rs. 0.02 lacs))		
Total	**1,690.15**	**1,554.33**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 20

Specified Bank Notes Disclosure (SBN)

In accordance with the MCA Notification G.S.R.308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

Particulars	Specified Bank Notes	Other Denomination Notes	Total (Amount in INR)
Closing cash in hand as on 08-11-2016	557,000	1,205,601	1,762,601
(+) Permitted Receipts	-	2,938,069	2,938,069
(-) Permitted Payments	21,000	2,161,909	2,182,909
(-) Amount Deposited in Bank	536,000	90,000	626,000
Closing cash in hand as on 30-12-2016	**-**	**1,891,761**	**1,891,761**

Note 21

Revenue from operations	For the year ended 31-Mar-17 Rs. in lacs	For the year ended 31-Mar-16 Rs. in lacs
Sale of products		
Manufactured goods *	14,541.07	14,355.95
Less: Excise duty	(31.39)	(37.61)
	14,509.68	14,318.34
Traded goods	1,372.02	1,039.62
Other operating revenue	759.53	694.49
Total	**16,641.23**	**16,052.45**
* Includes sales to related party Rs. 301.41 lacs (Previous year Rs. 199.96 lacs) (Refer Note 33)		
Sale of products comprises		
Manufactured goods		
Meal accompaniments	7,435.26	7,766.36
Frozen foods	3,598.06	3,077.41
Ready to eat	1,565.39	1,546.81
Spices and condiments	1,339.91	1,331.01
Others	602.45	634.36
Total - Sale of finished goods (A)	**14,541.07**	**14,355.95**
Traded goods		
Tamarind	940.12	515.68
Canned foods	229.97	369.23
Snacks	89.42	54.83
Others	112.51	99.88
Total - Sale of traded goods (B)	**1,372.02**	**1,039.62**
Total - Sale of products (A + B)	**15,913.09**	**15,395.57**
Other operating revenue comprises:		
Sale of import licenses	662.34	525.61
Steamer freight assistance	36.38	114.38
Duty drawback	60.81	54.50
Total - Other operating revenues	**759.53**	**694.49**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 22

Other income	**For the year ended 31-Mar-17 Rs. in lacs**	**For the year ended 31-Mar-16 Rs. in lacs**
Interest income (Refer Note 22.1)	25.85	31.58
Dividend income:		
Dividend income from current investments		
Subsidiaries	0.03	0.02
Others	0.65	1.86
Net gain on redemption of current investments		
Others	61.14	-
Net gain on foreign currency transactions and translations (Other than those considered as finance cost)	372.94	297.74
Other non-operating income (net of expenses directly attributable to such income) (Refer Note 22.2)	72.76	74.21
Total	**533.37**	**405.41**
Note 22.1		
Interest income comprises:		
Interest from banks on deposits	13.53	16.17
Other interest	12.32	15.41
Total - Interest income	**25.85**	**31.58**
Note 22.2		
Other non-operating income comprises:		
Excess provisions written back	8.68	5.43
Miscellaneous income	64.08	68.78
Total - Other non-operating income	**72.76**	**74.21**

Note 23

(a) Cost of materials consumed	**For the year ended 31-Mar-17 Rs. in lacs**	**For the year ended 31-Mar-16 Rs. in lacs**
Raw materials consumed :		
Opening Stock	233.62	269.37
Add : Purchases	5,805.96	5,333.34
Add: Carriage inward	26.62	29.94
	6,066.20	**5,632.65**
Less : Closing stock	326.07	233.62
Cost of raw materials consumed	**5,740.13**	**5,399.03**
Raw materials consumed comprises:		
Brine fruits and vegetables	1,342.30	1,493.27
Sugar	1,150.64	882.20
Spices	703.30	645.92
Oil	404.36	320.92
Milk and milk products	166.67	235.09
Others	1,972.86	1,821.63
	5,740.13	**5,399.03**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(a) Cost of materials consumed	For the year ended 31-Mar-17 Rs. in lacs	For the year ended 31-Mar-16 Rs. in lacs
Packing materials consumed :		
Opening stock	579.44	622.82
Add : Purchases	2,186.52	1,977.43
	2,765.96	**2,600.25**
Less : Closing stock	595.64	579.44
Cost of packing materials consumed	**2,170.32**	**2,020.81**
Packing materials consumed comprises:		
Glass bottles	506.81	486.03
Carboys	215.15	228.18
Cartons	175.04	167.47
Printed box	258.20	206.66
Others	1,015.12	932.47
	2,170.32	**2,020.81**
Total Consumption of materials	**7,910.45**	**7,419.84**

(b) Purchase of traded goods:	For the year ended 31-Mar-17 Rs. in lacs	For the year ended 31-Mar-16 Rs. in lacs
Purchases	1,109.38	663.67
Traded goods	**1,109.38**	**663.67**
Traded goods comprises:		
Tamarind	752.04	338.25
Canned foods	208.75	225.87
Snacks	61.23	36.39
Others	87.36	63.16
	1,109.38	**663.67**

(c) Changes in inventories of Finished Goods and Work-In-Progress	For the year ended 31-Mar-17 Rs. in lacs	For the year ended 31-Mar-16 Rs. in lacs
Inventories at the end of the year		
Finished Goods	212.20	165.41
Work-In-Progress	1,236.52	1,244.22
Traded Goods	108.19	52.63
Licenses on hand	171.32	185.12
	1,728.23	**1,647.38**
Inventories at the beginning of the year		
Finished Goods	165.41	285.76
Work-In-Progress	1,244.22	923.74
Traded Goods	52.63	78.22
Licenses on hand	185.12	180.00
	1,647.38	**1,467.72**
Net (increase) / decrease	**(80.85)**	**(179.66)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 24

Employees' Benefit expenses	**For the year ended 31-Mar-17 Rs. in lacs**	**For the year ended 31-Mar-16 Rs. in lacs**
Salaries and wages	1,201.78	1,034.08
Contribution to Provident Fund & Other Funds:		
Company's contribution to Provident Fund (Refer Note 35(a))	78.35	75.98
Gratuity (Refer Note 35(b))	33.60	40.95
Staff welfare	63.95	84.42
Total	**1,377.68**	**1,235.43**

Note 25

Finance costs	**For the year ended 31-Mar-17 Rs. in lacs**	**For the year ended 31-Mar-16 Rs. in lacs**
(a) Interest expenses on:		
(i) Borrowings from banks	24.07	25.38
(ii) Others		
- Interest on delayed payment of income tax	-	0.09
- Interest on delayed payment of service tax & excise	0.09	14.52
- Interest expense on car finance	4.23	8.28
- Others	8.14	0.11
(b) Other borrowing cost	58.03	65.30
Total	**94.56**	**113.68**

Note 26

Depreciation and amortization	**For the year ended 31-Mar-17 Rs. in lacs**	**For the year ended 31-Mar-16 Rs. in lacs**
Tangible assets	426.65	421.88
Intangible assets	285.62	367.30
Total	**712.27**	**789.18**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 27

Other expenses	**For the year ended 31-Mar-17 Rs. in lacs**	**For the year ended 31-Mar-16 Rs. in lacs**
Excise duty	37.44	27.00
Freezing and preservation charges	21.29	25.08
Power and fuel	415.50	393.99
Electricity	16.80	16.91
Water charges	13.16	10.09
Rent including lease rent	202.19	204.02
Repairs and maintenance to building	27.96	14.88
Repairs and maintenance to machinery	67.93	62.84
Repairs and maintenance to others	24.30	28.09
Insurance	36.53	40.58
Rates and taxes	62.79	41.15
Communication expenses	44.39	49.99
Traveling and conveyance expenses	461.84	432.55
Motor car expenses	52.21	43.90
Printing and stationery	15.53	11.83
Freight and forwarding	1,038.78	994.73
Sales commission and claims	279.25	269.55
Advertisement	416.17	355.18
Sales and marketing expenses - International	209.18	254.48
Sales and marketing expenses - Domestic	157.60	281.14
Donations	0.41	2.96
Legal and professional fees	205.74	248.75
CSR Expenses (Refer Note 43)	54.97	47.63
Payment to Auditors:		
Payment to auditors comprise:		
For Statutory Audit	13.50	11.50
For Other Services	0.13	0.58
For reimbursement of expenses	0.11	0.39
Total	**13.74**	**12.47**
Registration and filing fees	6.14	4.70
Directors' sitting fees	13.50	12.00
Bad debts written off	47.98	-
Loss on sale of fixed assets / assets scrapped	1.75	41.89
Written back/Provision for doubtful trade receivables	(50.71)	14.45
Miscellaneous expenses	254.04	251.03
Total	**4,148.40**	**4,193.86**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

28a. Contingent Liabilities

Rs. in lacs

Sr. No	Particulars	2016-17	2015-16
a	Guarantees issued by the banks (net of margin money)	**7.43**	9.02
b	Claims against the Company not acknowledged as debts (net of deposits)	**11.05**	19.97
c	Disputed Service tax demands of earlier years	**463.54**	433.01
d	Disputed income tax demand	**585.78**	194.90

Notes:

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of above (a), (c) and (d) pending resolution of the respective proceedings.

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

28b. Capital commitments (net of advances)

Rs. in lacs

Particulars	2016-17	2015-16
Capital commitments (net of advances)	**14.13**	70.44

29. 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.

30. **Micro, Small and Medium enterprises**

Micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues to micro enterprises and small enterprises amounting to Rs. 29.89 lacs (Previous Year Rs. 16.64 lacs). The disclosures pursuant to MSMED Act based on the books of account are as under:

Rs. In lacs

Particulars	2016-17	2015-16
Dues remaining unpaid	**Nil**	2.49
Principal	**Nil**	2.47
Interest	**Nil**	0.05
Interest paid in terms of Section 16 of MSMED Act	**Nil**	Nil
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year but without adding the interest specified under the MSMED Act	**Nil**	Nil
Amount of interest accrued and remaining unpaid	**Nil**	0.05
Amount of further interest remaining due and payable in succeeding years for the purpose of disallowances under section 23 of the Act	**Nil**	Nil

31. Loans and advances include

a. Advances to subsidiaries

i) ADF Holdings (USA) Limited, Nil, (Previous year Rs. 1.04 lacs).

ii) ADF Foods (UK) Limited, Nil, (Previous year Rs. 275.21 lacs).

b. Deposits paid to related parties

Interest free security deposit of Rs.11.00 lacs (Previous year Rs. 11.50 lacs), paid for guest house taken on lease from a Related party.

32. **Disclosure in respect of lease**

The Company's significant leasing arrangements are in respect of operating leases for Commercial / Official premises. Lease expenditure for operating leases are recognised on straight line basis over the period of lease. These leasing arrangements are non-cancellable, and are renewable on periodic basis by mutual consent on mutually accepted terms. The particulars of the premises taken on operating leases are as under:

Rs. In lacs

Particulars	2016-17	2015-16
i) Not later than one year	**165.94**	147.70
ii) Later than one year and not later than five years	**304.59**	22.83
iii) Later than five years	**41.33**	42.33

Lease payment recognised in the Statement of Profit and Loss for the year ended is Rs. 201.39 lacs (Previous year Rs. 203.48 lacs).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

33. Related party disclosures (As per AS – 18, "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) Private Limited (Under members' voluntary liquidation-refer note no: 44)
		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 – Chairman
		Mr. Bimal R. Thakkar – Managing Director and Chief Executive Officer
		Mr. Bhavesh R. Thakkar – Executive Director and Chief Financial Officer
4.	Relative of key managerial personnel	Mr. Mishal A. Thakkar – Vice-President
		Mrs. Mahalaxmi R. Thakkar (Relative of Directors)

Rs. In lacs

Particulars	Financial Year	Direct Subsidiaries	Indirect Subsidiaries	Key Managerial Personnel	Relatives of Key managerial personnel	Total
Other Income	2016-17	0.03	-	-	-	0.03
	2015-16	0.02	-	-	-	0.02
Sale of goods	2016-17	163.25	138.16	-	-	301.41
	2015-16	164.20	35.76	-	-	199.96
Other expenses charged by the company	2016-17	-	29.72	-	-	29.72
	2015-16	-	40.34	-	-	40.34
Salary	2016-17	-	-	162.41	14.70	177.11
	2015-16	-	-	154.35	12.21	166.56
Rent	2016-17	-	-	-	0.50	0.50
	2015-16	-	-	-	0.50	0.50
Investment in Equity Shares of ADF Foods (UK) Limited	2016-17	-	-	-	-	-
	2015-16	135.20	-	-	-	135.20
Investment in Preference Shares of ADF Foods (UK) Limited	2016-17	269.02	-	-	-	269.02
	2015-16	3,919.71	-	-	-	3,919.71
Preference Share Application of ADF Foods (UK) Limited	2016-17	-	-	-	-	-
	2015-16	1,768.78	-	-	-	1,768.78

Balances outstanding at the end of the year:

Particulars	Financial Year	Direct Subsidiaries	Indirect Subsidiaries	Key Managerial Personnel	Relatives of Key managerial personnel	Total
Non-current investments	2016-17	6,020.02	-	-	-	6,020.02
	2015-16	5,751.00	-	-	-	5,751.00
Long-term loans and advances	2016-17	-	-	-	11.00	11.00
	2015-16	-	-	-	11.50	11.50
Other Current Liabilities	2016-17	8.27	-	-	-	8.27
	2015-16	24.93	-	-	-	24.93
Trade payable	2016-17	44.16	1.77	-	-	45.93
	2015-16	44.16	-	-	-	44.16
Trade receivable	2016-17	18.25	-	-	-	18.25
	2015-16	18.74	-	-	-	18.74
Short- term loans and advances	2016-17	0.03	-	-	-	0.03
	2015-16	275.21	1.04	-	-	276.25

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Material related party transactions as under:

Rs. In lacs

Particulars	Name of the related parties	2016-17	2015-16
Sale of goods	ADF Foods (India) Limited	163.25	164.20
	ADF Foods (USA) Limited	138.16	35.76
Other expenses charged by the company	ADF Foods (USA) Limited	29.72	40.34
Preference share applications	ADF Foods (UK) Limited	-	1,768.78
Salary	Mr. Ashok H. Thakkar	54.63	51.45
	Mr. Bimal R. Thakkar	54.67	51.45
	Mr. Bhavesh R. Thakkar	53.11	51.45
	Mr. Mishal A. Thakkar	14.70	12.21
Rent	Mrs. Mahalaxmi R. Thakkar	0.50	0.50
Non-current investments	ADF Foods (UK) Limited	6,015.02	5,746.00
Long-term loans and advances	Mrs. Mahalaxmi R. Thakkar	11.00	11.50
Trade receivable	ADF Foods (India) Limited	18.25	18.74
Trade payable	Power Brands (Foods) Pvt. Ltd.	44.16	44.16
Other Liabilities	ADF Foods (UK) Limited	8.27	24.93
Short- term loans and advances	ADF Foods (UK) Limited	0.03	275.21
	ADF Foods (USA) Limited	-	1.04

34. Financial and derivative instruments

i) Outstanding derivative instruments

The objective of hedging is to hedge currency exchange fluctuations in respect of future highly probable sales in a foreign currency.

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

Outstanding derivative instruments

Contracts entered into by the Company for hedging in US $ and outstanding as on 31st March 2017 amount to US $ 85.00 lacs (Previous year US $ 85.00 lacs), equivalent to Rs. 5,970.96 lacs (Previous year in Rs. 5,924.60 lacs).

Contracts entered into by the Company for hedging in UK £ and outstanding as on 31st March 2017 amount to UK £ 29.00 lacs (Previous year UK £ 23.00 lacs), equivalent to Rs. 2,710.28 lacs (Previous year in Rs. 2,416.56 lacs).

All outstanding forward contracts are recognised in the financial statements at fair value as on the balance sheet date in accordance with the requirements of Guidance Note on Accounting for Derivative contracts.

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

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows upto tenure of 1 yr by using forward exchange contracts.

Accordingly, the resultant gain or loss on fair valuation / settlement of the outstanding forward contracts are recognised 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 recognised in the "Hedging Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet and where the hedge is ineffective, the same is recognised in the Statement of Profit and Loss. The amount recognised 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.

Reconciliation of Hedging Reserve		
Hedging Reserve	**31-Mar-17**	**31-Mar-16**
Opening Balance as at	275.60	260.51
Realised during the year	(275.60)	(260.51)
Contracts entered into during the year	-	-
-Realised during the year	-	-
-Unrealised	636.81	275.60
Closing Balance as at	**636.81**	**275.60**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

	2016-17		2015-16	
Foreign currency	**Amount (in original currency)**	**Amount**	**Amount (in original currency)**	**Amount**
USD	33.08	2,145.38	33.85	2,247.16
GBP	11.19	904.21	11.36	1,082.78
EURO	0.24	16.34	0.42	31.15

b) Trade payable

Rs. In lacs

	2016-17		2015-16	
Foreign currency	**Amount (in original currency)**	**Amount**	**Amount (in original currency)**	**Amount**
USD	1.96	127.07	2.34	155.21
GBP	0.66	53.23	0.66	62.65

c) Packing credit foreign currency (PCFC) loan

Rs. In lacs

	2016-17		2015-16	
Foreign currency	**Amount (in original currency)**	**Amount**	**Amount (in original currency)**	**Amount**
USD	-	-	2.33	154.70

d) EEFC balance

Rs. In lacs

	2016-17		2015-16	
Foreign currency	**Amount (in original currency)**	**Amount**	**Amount (in original currency)**	**Amount**
USD	6.48	419.89	2.64	175.08
GBP	2.85	230.59	3.45	327.81

35. 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. 78.35 lacs (Previous year Rs 75.98 lacs) representing contribution to provident fund is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

Amount of Rs. 7.46 lacs (Previous year Rs 6.55 lacs) representing contribution to Employee State Insurance scheme is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

b) **Defined benefit plan**

Compensated absence

Provision for compensated absences is made for outstanding leave balance at the year end at basic salary cost which can be utilized in future and are en-cashable. Amount of Rs 50.58 lacs (Previous year Rs 33.93 lacs) has been recognised in balance sheet of which Rs 43.33 lacs (Previous year Rs 25.45 lacs) shown under long term provision and balance Rs 7.25 lacs (Previous year 8.48 Lacs) is shown under short term provision as given in the Actuarial report as on 31st March 2017.

Expenses of Rs 33.34 lacs (Previous year Rs 13.77 lacs) are recognised in the Statement of Profit and Loss.

Compensated sick leave

Provision for compensated absences is made for outstanding sick leave balance at the year end at gross salary which can be utilized in future and are non en-cashable. Amount of Rs 4.71 lacs (Previous year Rs 6.11 lacs) has been recognised in balance sheet of which Rs. 4.16 lacs (Previous year Rs. Nil) shown under long term provision and balance Rs 0.55 lacs (Previous year Rs. 6.11 lacs) is shown under short term provision as given in the Actuarial report as on 31st March 2017.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Gratuity

Funded

The Company has offered its employees defined benefit plan in the form of Group Gratuity Scheme. Gratuity Scheme covers all qualifying employees as statutorily required under the Payment of Gratuity Act, 1972. The Company has made irrevocable contribution of funds to LIC of India.

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

Unfunded

Amount of Rs 144.57 lacs (Previous year Rs. 122.64 lacs) has been recognised in balance sheet of which Rs 136.22 lacs (Previous year Rs. 110.38 lacs) shown under long term provision and balance Rs 8.35 lacs (Previous year Rs. 12.26 lacs) is shown under short term provision as given in the Actuarial report as on 31st March 2017.

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

	Particulars	Gratuity (funded and unfunded)	
		2016-17	2015-16
I	**Present value of obligation**		
	Liability at the beginning of the year	258.88	222.46
	Interest cost	20.30	17.80
	Current service cost	25.65	23.98
	Benefit paid	(10.28)	(13.38)
	Benefit payable by the Company	-	(1.74)
	Actuarial (gain) / loss on obligations	(1.26)	9.75
	Liability at the end of the year	293.29	258.87
II	**Change in Plan Assets**		
	Fair value of plan assets at the beginning of the year	136.24	130.35
	Adjustment to opening balance	1.74	-
	Actual return on plan assets	10.48	11.74
	Employer's Contributions	11.64	10.57
	Benefit paid	(10.28)	(13.38)
	Gratuity due but not paid	-	(1.74)
	Expenses and Taxes charged by LIC	(1.11)	(1.30)
	Fair value of plan assets at the end of the year	148.71	136.24
III	**Amount recognised in the balance sheet**		
	Liability at the end of the year	293.29	258.87
	Fair value of plan assets at the end of the year	148.71	136.24
	Present value of unfunded obligations	144.58	122.63
IV	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	25.65	23.98
	Interest cost	20.30	17.80
	Actual return on plan assets	(10.49)	(11.74)
	Expenses & Taxes Charged by LIC	1.11	1.30
	Net actuarial (gain) / loss to be recognised	(1.26)	9.75
	Expense recognised in Statement of Profit and Loss	35.31	41.09
V	**Actuarial assumptions :**		
	Discount rate	**7.50%**	8.00%
	Rate of return on plan assets	**8.00%**	9.00%
	Salary escalation	**6.00%**	6.00%

The Company has partly funded the closing balance of present value of obligation to the extent of Rs. 148.71 lacs, the balance of Rs. 144.58 lacs is unfunded.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Experience Adjustments for the current and previous four years

Rs. In lacs

Experience	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligation	293.29	258.87	277.67	187.88	187.98
-Plan Assets	148.71	136.24	130.21	100.20	100.95
Status [Surplus / (Deficit)]	(144.58)	(122.64)	(92.26)	(87.67)	(87.03)
Experience Adjustments of Obligation [(Gain)/Loss]	(1.26)	9.75	(2.49)	10.19	(14.31)
Experience on Plan Assets [Gain/(Loss)]	1.11	1.31	1.96	0.76	1.38

36. Computation of earnings per share

Rs. In lacs

Particulars	2016-17	2015-16
Profit after tax & prior year's tax adjustment as per Profit & Loss Statement	**1,236.77**	**1,410.06**
Number of shares at the beginning of the year	**2,20,00,000**	2,20,00,000
Issued / Buyback during the year	**7,98,539**	-
Number of shares at the end of the year	**2,12,01,461**	2,20,00,000
Number of shares (basic weighted average)	**2,15,44,499**	2,20,00,000
Basic earnings per share (weighted average)	**5.74**	6.41
Diluted earnings per Share (weighted average)	**5.74**	6.41
Nominal value of Shares	**10**	10

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

Raw materials

Rs. In lacs

Particulars	2016-17		2015-16	
	Amount	**% of Consumption**	Amount	% of Consumption
Imported	**96.40**	**1.68**	83.02	1.54
Indigenous	**5,643.73**	**98.32**	5,316.01	98.46
Total	**5,740.13**	**100.00**	**5,399.03**	**100.00**

Packing materials

Rs. In lacs

Particulars	2016-17		2015-16	
	Amount	**% of Consumption**	Amount	% of Consumption
Imported	**8.47**	**0.39**	16.03	0.79
Indigenous	**2,161.85**	**99.61**	2,004.78	99.21
Total	**2,170.32**	**100.00**	**2,020.81**	**100.00**

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

Rs. In lacs

Particulars	2016-17	2015-16
Raw materials and packing materials	**131.64**	38.83
Traded goods	**54.40**	37.63
Capital goods	**132.21**	140.85
Total	**318.25**	**217.31**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

39. Expenditure in foreign currency

Rs. In lacs

Particulars	2016-17	2015-16
Traveling	**235.34**	204.29
Advertisement	**5.60**	-
Legal and professional fees	**42.14**	75.87
Business promotion	**176.79**	221.10
Sales commission and claims	**264.21**	246.84
Others	**17.42**	1.90
Total	**741.50**	**750.00**

40. 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 2015-16	Dividend of 2014-15
No. of non-resident Shareholders	**114**	**112**
No. of shares held by them	**2,26,605**	**2,53,506**
Amount of dividend Nil (Previous year (15 % i.e. Rs. 1.50 Per Share))	**N.A.**	**3,80,259**

The Company had not declared any dividend for the financial year 2015-16.

41. Earnings in Foreign Currency (accrual basis)

Rs. In lacs

Particulars	2016-17	2015-16
F.O.B. Value of Exports	**14,773.80**	14,187.71
Others	**64.92**	35.63

42. 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" notified under the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.

43. Expenses related to CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of Rs. 39.49 lacs (Previous year Rs. 33.03 lacs).

Rs. In lacs

Sr. No.	Particulars	Amount Spent	Amount yet to be paid	Total Amount
(i)	Expenditure incurred on Capital Assets under CSR projects	24.36	-	24.36
(ii)	Revenue expenditure on CSR activities	30.61	1.76	32.37
	Total	**54.97**	**1.76**	**56.73**

Out of the above Rs. 17.24 lacs was spend towards previous year's CSR expenses and balance for current year.

44. 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

During the Financial Year 2012-13, the voluntary liquidator, with the prior approval of the members vide their special resolution dated 10th November 2014, distributed PBFPL's immovable property situated at Sewree, Mumbai and part of cash and bank balance to its Shareholders in proportion to their respective shareholding in PBFPL while retaining certain other current assets to meet with its contingent and other liabilities. The excess value of assets so received over the investment value in Equity Shares of PBFPL was accounted for in the Company's Statement of Profit & Loss under the head exceptional item.

Consequently, the investment in Equity Shares of PBFPL stand fully realised. However, pending completion of liquidation process, the Company has not surrendered the said shares to the Voluntary liquidator and they have been shown under the head "Investment" at nil value.

45. Previous year's figures have been regrouped / restated wherever necessary to conform to current year's classification.

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

As per our report of even date
For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W10066

Farhad M. Bhesania
Partner
Membership Number 127355

Place: Mumbai
Date: 12th May, 2017

For and on behalf of the Board

Ashok H. Thakkar
Chairman
DIN: 00087465

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

Bhavesh R. Thakkar
Executive Director & C.F.O.
DIN: 00939805

Shalaka Ovalekar
Company Secretary

Place: Mumbai
Date: 12th May, 2017

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	7			

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

TOTAL OF EQUITY AND LIABILITIES	2,233,243	**ASSETS**	2,233,243
Paid-up Capital	215,798	Fixed assets	677,512
Reserves and surplus	1,741,483	Non-current investments	602,002
Long-term borrowings	992	Long-term loans and advances	47,026
Deferred tax liabilities (net)	81,503	Other non-current assets	1,483
Other long term liabilities	-	Current investments	63,000
Long-term provisions	18,371	Inventories	264,994
Short-term borrowings	44,441	Trade receivables	313,712
Trade payable	91,106	Cash and bank balances	94,499
Other current liabilities	37,934	Short-term loans and advances	169,015
Short-term provisions	1,615		

IV. PERFORMANCE OF COMPANY (AMOUNT IN ₹ THOUSANDS)

Turnover	1,717,460	Total Expenditure	1,527,189
Profit Before Tax	190,271	Profit After Tax	123,677
Earning per share in ₹	5.74	Dividend %	25%

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

ITEM CODE NO. (ITC CODE)	PRODUCT DESCRIPTION
2001	vegetables, fruits. Nuts and other edible parts od plants, prepared or preserved by vinegar or acetic acid
2004	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen
2005	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADF FOODS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ADF FOODS LIMITED**("the Holding Company") and its subsidiaries, (the Holding Company, its subsidiaries collectively referred to as "the Group") which comprises the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Holding Company's preparation 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 the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of three subsidiaries incorporated outside India, whose financial statements reflect total assets of Rs. 9,434.89 lakhs as at March 31, 2017, total revenues of Rs. 3,662.70 lakhs and net cash flows amounting to Rs. 294.86 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors

whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal & Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

   c) The consolidated Balance Sheet, the consolidated Statement of Profit and Loss, and the consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors of the Holding Company and it's subsidiary company incorporated in India as on March 31, 2017, and taken on record by the Board of Directors of the Holding Company and it's subsidiary company incorporated in India, none of the directors of the Holding Company and it's subsidiary company incorporated in India, are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**; and

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

      i. The Group has disclosed the impact of pending litigations on their consolidated financial statements-Refer Note 30(a) to the consolidated financial statements.

      ii. The Group has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India

      iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group and as produced to us by the Management – Refer Note 22.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 12, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the consolidated financial statements for the year ended March 31, 2017.

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

We have audited the internal financial controls over financial reporting of **ADF FOODS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 104607W / W100166

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Dated: May 12, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2017

PARTICULARS	Note No.	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	4	2,157.98	2,237.83
(b) Reserves and surplus	5	14,174.26	13,635.96
Sub total-Shareholders' Funds		**16,332.24**	**15,873.79**
Non- current liabilities			
(a) Long-term borrowings	6	9.92	25.52
(b) Deferred tax liabilities (net)	7	815.03	788.98
(c) Long-term provisions	8	184.11	136.12
Sub total-Non Current Liabilities		**1,009.06**	**950.62**
Current Liabilities			
(a) Short-term borrowings	9	444.41	538.32
(b) Trade payables			
(i) Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 41)		29.89	16.64
(ii) Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,024.39	1,047.31
(c) Other current liabilities	10	709.59	803.09
(d) Short-term provisions	11	19.91	87.89
Sub total-Current Liabilities		**2,228.19**	**2,493.25**
TOTAL - EQUITY AND LIABILITIES		**19,569.49**	**19,317.66**
ASSETS			
Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		4,818.77	4,929.94
(ii) Intangible assets		2,788.93	3,361.07
(iii) Capital work in progress		88.10	23.49
		7,695.80	**8,314.50**
(b) Non-current investments	13	-	0.15
(c) Deferred tax assets (net)	14	1,490.81	1,436.92
(d) Long term loans and advances	15	489.96	385.70
(e) Other non-current assets	16	14.83	15.08
Sub total-Non Current Assets		**9,691.40**	**10,152.35**
Current assets			
(a) Current investments	17	630.00	800.00
(b) Inventories	18	2,669.46	2,485.66
(c) Trade receivables	19	3,395.31	3,644.84
(d) Cash and bank balances	20	1,367.44	916.49
(e) Short-term loans and advances	21	1,815.88	1,318.32
Sub total-Current Assets		**9,878.09**	**9,165.31**
TOTAL ASSETS		**19,569.49**	**19,317.66**
Significant accounting policies	**3**		

The accompanying notes 1 to 43 form an integral part of the financial statements

Signatures to the Balance Sheet and Notes to the financial statements

As per our report of even date

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W10066

Farhad M. Bhesania
Partner
Membership Number 127355

Place: Mumbai
Date: 12th May, 2017

For and on behalf of the Board

Ashok H. Thakkar
Chairman
DIN: 00087465

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

Bhavesh R. Thakkar
Executive Director & C.F.O.
DIN: 00939805

Shalaka Ovalekar
Company Secretary

Place: Mumbai
Date: 12th May, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

PARTICULARS	Note No.	For the year ended 31-Mar-17 Rs. In lacs	For the year ended 31-Mar-16 Rs. In lacs
Revenue from operations (gross)	23	20,224.60	21,005.01
Less: Excise duty		(31.39)	(37.61)
Revenue from operations (net)		**20,193.21**	**20,967.40**
Other Income	24	608.94	444.92
Total Revenue		**20,802.15**	**21,412.32**
Expenses			
(a) Cost of material consumed	25 (a)	7,910.45	8,876.52
(b) Purchase of traded goods	25 (b)	3,086.44	1,707.01
(c) Increase in inventories of finished goods, work-in-progress and traded goods	25 (c)	(75.14)	53.18
(d) Employee benefits expenses	26	1,736.56	2,349.21
(e) Finance cost	27	97.22	136.97
(f) Depreciation and amortisation expenses	28	1,001.16	1,196.22
(g) Other expenses	29	5,344.61	6,009.88
Total expenses		**19,101.30**	**20,328.99**
Profit before tax		**1,700.85**	**1,083.33**
Tax expense			
(a) Current tax		638.56	768.05
(b) Deferred tax	7 & 14	(27.84)	(344.00)
(c) Prior Year's Tax Adjustment		5.93	(1.46)
		616.65	**422.59**
Profit for the year		**1,084.20**	**660.74**
Earnings per share (of Rs. 10/- each):	37		
Basic & Diluted		5.03	3.00

The accompanying notes 1 to 43 form an integral part of the financial statements

Signatures to the Balance Sheet and Notes to the financial statements

As per our report of even date

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W10066

Farhad M. Bhesania
Partner
Membership Number 127355

Place: Mumbai
Date: 12th May, 2017

For and on behalf of the Board

Ashok H. Thakkar
Chairman
DIN: 00087465

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

Bhavesh R. Thakkar
Executive Director & C.F.O.
DIN: 00939805

Shalaka Ovalekar
Company Secretary

Place: Mumbai
Date: 12th May, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars		For the year ended 31-Mar-17	For the year ended 31-Mar-16
A.	**Cash Flow from Operating Activities**		
	Profit before Taxation	1,700.85	1,083.33
	Adjustment for:		
	Depreciation and amortisation	1,001.16	1,196.22
	(Profit) / Loss on sale / write off of Fixed Assets (Net)	(71.39)	42.85
	Finance cost	97.22	67.71
	Provision for doubtful trade receivables	(50.71)	14.45
	Bad debts write off	47.98	-
	Unrealised exchange loss	92.17	39.92
	Net gain on sale of investments	(61.14)	-
	Interest income	(26.31)	(31.62)
	Dividend income	(0.65)	(1.86)
	Effect of exchange rate change	(5.88)	(128.76)
	Operating Profit before working capital changes	**2,723.30**	**2,282.24**
	Adjustment for:		
	Increase / (Decrease) in Non-Current Liabilities	47.99	23.52
	Increase / (Decrease) in Current Liabilities	(114.38)	53.68
	(Increase) / Decrease in Non-Current Assets	76.42	(18.84)
	(Increase) / Decrease in Current Assets	(157.98)	45.93
		2,575.35	**2,386.53**
	Taxes Paid (Net)	(882.45)	(847.05)
	Net Cash Flow from Operating Activities (A)	**1,692.90**	**1,539.48**
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	(452.41)	(171.29)
	Sale of Fixed Assets	123.37	197.85
	Proceeds from maturity of fixed deposits placed with the bank	144.07	183.25
	Fixed deposits placed with the bank	(166.92)	(155.05)
	Proceeds from sale of mutual funds	231.14	-
	Purchase of non-current investments	0.15	-
	Dividend received	0.65	1.86
	Interest received	24.70	28.94
	Net Cash Flow from/ (used in) Investing Activities (B)	**(95.25)**	**85.56**

Particulars		For the year ended 31-Mar-17	For the year ended 31-Mar-16
C.	**Cash Flow from Financing Activities**		
	Proceeds from long-term borrowings	10.00	40.00
	Repayment of long-term borrowings	(25.60)	(1,104.84)
	Buy back of shares	(963.08)	-
	Repayment of short-term borrowings	(93.91)	(222.01)
	Finance cost	(97.22)	(67.77)
	Dividends paid	8.86	(335.00)
	Tax on dividend	-	(67.18)
	Net Cash Flow (used in) Financing Activities (C)	**(1,160.95)**	**(1,756.80)**
	Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	**436.70**	**(131.76)**
	CASH & CASH EQUIVALENTS		
	AS AT THE BEGINNING OF THE YEAR	696.90	828.66
	AS AT THE END OF THE YEAR		
	Cash and Bank Balances	1,467.55	692.20
	Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(333.95)	4.70
	Cash and Cash Equivalents - Closing Balance	**1,133.60**	**696.90**
	NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	**436.70**	**(131.76)**
Notes:			
1.	Cash and Cash Equivalents	1,367.44	916.49
	Less: Other Bank Balances	(233.84)	(219.59)
	Cash and Cash Equivalents	**1,133.60**	**696.90**
2.	The Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS) 3 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.		
3.	The above cash flow statement includes Rs. 54.97 lacs towards Corporate Social Responsibility activities (Refer Note 39).		
4.	Figures for the previous year have been regrouped/ restated wherever necessary to conform to current year's classification.		

As per our report of even date
For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W10066

Farhad M. Bhesania
Partner
Membership Number 127355

Place: Mumbai
Date: 12th May, 2017

For and on behalf of the Board

Ashok H. Thakkar
Chairman
DIN: 00087465

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

Bhavesh R. Thakkar
Executive Director & C.F.O.
DIN: 00939805

Shalaka Ovalekar
Company Secretary

Place: Mumbai
Date: 12th May, 2017

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

1. Group overview

ADF Foods Limited ("the Company") including it's subsidiaries collectively referred to as ("the Group") is engaged in the manufacture and selling of food products like pickles, chutneys, ready to eat items, paste and sauces, frozen foods, spices etc. The Company caters mainly to international markets and domestic market. It is domiciled in India and is listed on The Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE).

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 31st March, 2017	Accounting year
ADF Foods (India) Limited	India	100 % Subsidiary	1st April 2016 to 31st March 2017
ADF Foods (UK) Limited	UK	100 % Subsidiary	1st April 2016 to 31st March 2017

ii) Indirect Subsidiaries

Subsidiary of ADF Foods (UK) Limited

Name of the Company	Country of Incorporation	% of Holding as on 31st March, 2017	Accounting year
ADF Holdings (USA) Limited	USA	100 % Subsidiary	1st April 2016 to 31st March 2017

Subsidiary of ADF Holdings (USA) Limited

Name of the Company	Country of Incorporation	% of Holding as on 31st March, 2017	Accounting year
ADF Foods (USA) Limited	USA	100 % Subsidiary	1st April 2016 to 31st March 2017

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

b. Principles of consolidation

i) The Consolidated Financial Statements of the Group have been prepared in accordance with the Accounting Standard (AS) 21 "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India (ICAI).

The Consolidated financial statements of ADF Foods Limited 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 Holdings (USA) Limited and ADF Foods (UK) Limited, the group has received fit for consolidation reports in line with the Generally Accepted Accounting Principles in India.

ii) 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 upto 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 it's share in the post-acquisition increase/decrease in the relevant reserves of the subsidiaries.

iii) 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.

iv) 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.

v) The unamortised carrying value of goodwill/brands is tested for impairment as at each Balance Sheet date.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

c. Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries.

Name of the entity	2016-17				2015-16			
	Net Assets i.e. total assets minus total liabilities		Share in Profit or (Loss)		Net Assets i.e. total assets minus total liabilities		Share in Profit or (Loss)	
	As a % of consolidated net assets	Amount (Rs. In lacs)	As a % of consolidated profit	Amount (Rs. In lacs)	As a % of consolidated net assets	Amount (Rs. In lacs)	As a % of consolidated profit	Amount (Rs. In lacs)
Parent Company								
ADF Foods Ltd.	82.81%	13,524.85	111.70%	1,210.55	81.38%	12,916.85	183.18%	1,250.41
Subsidiaries								
Indian								
ADF Foods (India) Ltd.	0.12%	20.21	(0.18%)	(1.91)	0.14%	22.61	33.88%	187.10
Foreign								
ADF Foods (UK) Ltd.	(0.01%)	(1.50)	(0.88%)	(9.54)	0.04%	6.76	3.65%	24.10
ADF Holdings (USA) Ltd.*	17.08%	2,788.68	(10.64%)	(114.90)	18.44%	2,927.57	(120.71%)	(800.87)
Grand Total	**100.00%**	**16,332.24**	**100.00%**	**1,084.20**	**100.00%**	**15,873.79**	**100.00%**	**660.74**

* Figures for ADF Holdings (USA) Ltd. are figures after consolidation with it's subsidiary ADF Foods (USA) Ltd.

3. Significant accounting policies

a. Basis of preparation of financial statements

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

Current / non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

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

(a) it is expected to be realized in or is intended for sale or consumption in the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realized within twelve months after the balance sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

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 Schedule III of 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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 recognised 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 II to the Companies Act, 2013 except in case of carboys and pallets where a lower rate of depreciation i.e. five years under straight line method is applied based on technical advice obtained by the group. 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 upto the date of such sale or discard as the case may be.

ii) Intangible assets

Intangible assets are amortized over a period of five 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 Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the group 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. The cost of inventory comprises of costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other cost 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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 render the related services. The Group 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 group's contribution to defined contribution plans is recognised as an expense 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 twelve months are treated as short-term employee benefit. The Group 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 Group 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 Group operates defined benefit plan for its employees viz. gratuity. The cost of providing benefits 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 or losses for both defined benefit plans are recognised in full in the period in which they occur in the Statement of Profit and Loss.

g. Foreign Currency transactions / translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in Statement of Profit and Loss for 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 recognised in the Statement of Profit and Loss.

In translation, the financial statements of foreign entities for incorporation in the consolidated financial statements the assets and liabilities are translated at the exchange rate prevailing at the Balance Sheet date of respective subsidiaries and the Income and Expenses item are translated at the average rate of exchange for the year. The resulting exchange differences are classified as 'Foreign Currency Translation Reserve'.

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 recognised in the period in which they arise.

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

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

h. Hedging:

The Company has adopted Guidance Note on Accounting for Derivative Contracts issued by the ICAI which has superseded the Guidance for Accounting for Derivatives covered in the erstwhile Accounting Standard 30, Financial Instruments; Recognition and Measurement (AS 30) issued by ICAI. There is no financial impact on account of such change in this financial statement of the Company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Accordingly, the resultant gains or losses on fair valuation / settlement of the derivative contracts are recognised 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 recognised in the "Hedging Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet, while the same is recognised in the Statement of Profit and Loss where the hedge is ineffective. The amount recognised 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.

i. Revenue Recognition

Revenue from sale of goods is recognised on transfer of significant risks 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 recognised when the right to receive payment is established.

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

j. **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.

k. **Provisions and contingencies**

The Group creates a provision when there exists 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.

l. **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 recognise a decline other than temporary decline 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.

m. **Lease accounting**

i) **Where the Group is a lessee:**

Leases which effectively transfer to the Group 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 recognised 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 II to the Companies Act, 2013 whichever is lower. However, if there is no reasonable certainty that the Group 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 II to the Companies Act, 2013.

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 recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

ii) **Where the Group is the Lessor**

Leases in which the Group 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 recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs including depreciation are recognised as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Statement of Profit and Loss.

n. **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 in which they occur.

o. Government grants and subsidies

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the group 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 recognised 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 recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

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

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

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

Deferred tax assets are recognised only to the 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 recognised 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.

q. 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 Group or a present obligation that is not recognised 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 recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Financial Statements.

r. 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 4

SHARE CAPITAL	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Authorised		
2,50,00,000 (Previous Year 2,50,00,000) Equity Shares of Rs. 10/- each	**2,500.00**	**2,500.00**
Issued and subscribed		
2,20,00,000 (Previous Year 2,20,00,000) Equity Shares of Rs. 10/- each	**2,200.00**	**2,200.00**
Paid Up		
2,20,00,000 (Previous Year 2,20,00,000) Equity Shares of Rs. 10/- each	2,200.00	2,200.00
Less: 7,98,539 (Previous Year Nil) Equity Shares of Rs. 10/- each buy-back during the year	(79.85)	-
	2,120.15	2,200.00
Shares Forfeited		
7,56,600 (Previous Year 7,56,600) Equity Shares of Rs. 10/- each; amount originally paid up thereon @ Rs. 5 per share.	37.83	37.83
Total	**2,157.98**	**2,237.83**

a. Reconcilation of number of shares

	31-Mar-17		31-Mar-16	
	No. of shares	Rs. in lacs	No. of shares	Rs. in lacs
Number of shares outstanding at the beginning of the year	22,000,000	2,200.00	22,000,000	2,200.00
Less: shares buy-back during the period	798,539	79.85	-	-
Number of shares outstanding at the end of the year	**21,201,461**	**2,120.15**	**22,000,000**	**2,200.00**

Of the above:

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 Equity shares were issued on preferential basis to investors.

43,26,110 Equity shares were issued on conversion of preferential warrants.

The Board of Directors of the Company in its meeting held on 27th July, 2016 approved buyback of equity shares. The Company adopted the open market route in accordance with the provisions contained in SEBI (Buyback of Securities) Regulations, 1998 (including any statutory modification(s), or re-enactments for the time being in force).

The buyback commenced on August 10, 2016 and closed on November 15, 2016 . The company has bought back and extinguished 7,98,539 equity shares till the closure of buyback. The amount of total buyback of Rs. 9,63,07,029/- represents 53.50% of the maximum buyback size. In respect of the shares so extinguished , the Company has adjusted an amount of Rs. 79,85,390/- against paid up Equity Share capital and Rs. 8,83,21,639/- against Securities Premium.

b. Terms/rights attached to Equity shares

The Company has only one class of shares referred to as Equity shares having a par value of Rs. 10/- per share. Each holder of an Equity share 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 12 th May 2017, proposed a dividend @ 25% (Rs. 2.50 per Equity share). Which, if approved by the Shareholders, shall amount to Rs. 709.87 lacs. As required by Accounting Standard (AS) 4 - 'Contingencies and Events Occuring After the Balance Sheet Date', the dividend proposed by the Board but not yet declared by the Company has not been deducted from Reserves & Surplus as at the year end March, 2017.

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 ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

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

Class of shares / name of shareholder	As at 31-Mar-17		As at 31-Mar-16	
	No. of shares held	% holding	No. of shares held	% holding
Mr. Ashok H. Thakkar	1,461,354	6.89%	1,836,354	8.35%
Mr. Bimal R. Thakkar	2,276,074	10.74%	2,201,074	10.00%
Mr. Bhavesh R. Thakkar	1,176,450	5.55%	1,176,450	5.35%
Mr. Mishal A. Thakkar	1,821,098	8.59%	1,821,098	8.28%
Mrs. Mahalaxmi R. Thakkar	1,958,022	9.24%	1,958,022	8.90%
Mrs. Priyanka B. Thakkar	1,101,000	5.19%	1,101,000	5.01%
Total	**9,793,998**	**46.20%**	**10,093,998**	**45.89%**

Shares bought back during 5 years immediately preceding the Balance Sheet

Particulars	No. of Shares	
	From 1st April 2012 to 31st March 2017	From 1st April 2011 to 31st March 2016
Aggregate number of Equity Shares bought back	**7,98,539**	**-**

There are no Shares reserved for issue under option and contracts/ committements for the sale of shares/disinvestments, including the terms and amounts.

Note 5

Reserves and Surplus	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Capital Reserve		
As per last Balance Sheet	105.00	105.00
Closing balance	**105.00**	**105.00**
Capital Redemption Reserve		
As per last Balance Sheet	-	-
Additions/Created during the year	79.85	-
Closing balance	**79.85**	**-**
Securities Premium		
As per last Balance Sheet	5,934.33	5,934.33
Less: utilised for buyback of shares	(883.22)	-
Closing balance	**5,051.11**	**5,934.33**
General Reserve		
As per last Balance Sheet	763.97	763.97
Closing balance	**763.97**	**763.97**
Hedging Reserve		
As per last Balance Sheet	275.61	260.51
Addition during the year	361.20	15.10
Closing balance	**636.81**	**275.61**
Foreign Currency Translation Reserve		
As per last Balance Sheet	16.48	48.64
Addition / Adjustment during the year	139.32	(32.16)
Closing balance	**155.80**	**16.48**
Surplus in Statement of Profit & Loss		
As per last Balance Sheet	6,540.57	5,947.01
Less: Transfer to Capital Redemption Reserve	(79.85)	-
Less: Adjustment during the year	(163.20)	
Add: Profit for the year as per Note A given below	1,084.20	593.56
Closing balance	**7,381.72**	**6,540.57**
Total	**14,174.26**	**13,635.96**
Note A		
Profit for the year	1,084.20	660.74
Tax on dividend	-	67.18
Total	**1,084.20**	**593.56**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 6

Long Term Borrowings	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Other Loans		
Secured		
Long term maturities of car finance		
Due to a bank under car loan agreement (Refer Note 6.1 & 6.3)	9.92	16.88
Due to others under car loan agreements (Refer Note 6.2)	-	8.64
Total	**9.92**	**25.52**

Note 6.1

Secured by hypothecation of asset purchased, repayable in 35 installments. The loan carries interest of 8% to 10.25% p.a.

Note 6.2

Secured by hypothecation of asset purchased, repayable in 35 installments. The loan carries interest of @ 9.37% p.a. Current maturity of car loan includes Rs. 8.64 lacs which is disclosed in Note 10 ' Other Current Liabilities'.

Note 6.3

Secured by hypothecation of asset purchased, repayable in 59 installments. The loan carries interest of 9.49% p.a.

Note 7

Deferred tax Liability (Net)	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Liabilities:		
On Fixed Assets	898.48	877.23
Assets:		
On Others	(83.45)	(88.25)
Net deferred tax liability	**815.03**	**788.98**

Note 8

Long-term provisions	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
(a) Provision for Employees' benefits (Refer Note 36(b))		
(i) Provision for compensated absences	43.38	25.46
(ii) Provision for compensated sick leaves	4.16	-
(iii) Provision for gratuity	136.57	110.66
Total	**184.11**	**136.12**

Note 9

Short-term borrowings	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
(a) Loans repayable on demand		
From Banks		
Secured (Refer Note 9.1)		
(i) State Bank of Hyderabad	365.82	87.66
(ii) Bank of Baroda	78.59	87.14
(iii) HDFC Bank Limited	-	363.52
Total	**444.41**	**538.32**

Note 9.1

Secured loan availed from the above mentioned banks is secured by hypothecation of the Current Assets of the Company, the whole of the immovable properties pertaining to DTA divisions situated at Plot No: 83/86, and 40, 40/1, 40/2, & 40/3 in GIDC industrial area, Nadiad including movable Plant & machinery, stores, spares tools and accessories and other movable both present and future of the Company which have been provided as collateral security, ranking pari pasu 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 7.65 % to 11.25 % p.a. and on foreign currency borrowings is LIBOR plus margin (200 basis points).

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 10

Other Current Liabilities	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
(a) Current maturities of car finance (Refer Note 6.1, 6.2 & 6.3)	24.69	24.95
(b) Interest accrued and due on borrowing (Refer Note 3.3)	-	0.16
(c) Unclaimed dividend	63.67	72.53
(d) Other payables		
(i) Statutory Dues	60.07	48.08
(ii) Advances from customers	9.73	45.48
(iii) Book over draft	72.60	137.05
(iv) Others	478.83	474.84
Total	**709.59**	**803.09**

Note 11

Short-term provisions	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
(a) Provision for employees' benefits (Refer Note 36(b))		
(i) Provision for compensated absences	7.29	8.50
(ii) Provision for compensated sick leaves	0.55	6.11
(iii) Provision for gratuity	8.36	12.29
	16.20	**26.90**
(b) Others		
Provision for tax (Net of advance tax Rs.Nil (previous year Rs.1169.01 lacs))	3.71	60.99
	3.71	**60.99**
Total	**19.91**	**87.89**

Note 12

FIXED ASSETS

Rs. in lacs

	Gross Block					Depreciation and Amortization					Net Block	
Assets	**As at 1st April 2016**	**Additions**	**Deductions**	**Other adjustments**	**As at 31st March 2017**	**Upto 31st March 2016**	**For the year**	**Deductions**	**Other adjustments**	**Upto 31st March 2017**	**As at 31st March 2017**	**As at 31st March 2016**
Tangible Assets:												
Freehold Land	4.18	-	-	-	4.18	-	-	-	-	-	4.18	4.18
Leasehold Land	103.97	-	-	-	103.97	9.59	1.01	-	-	10.60	93.37	94.38
Factory Building	3,063.18	82.16	-	-	3,145.34	917.59	95.84	-	-	1,013.43	2,131.91	2,145.59
Plant & Machinery	4,459.44	271.52	263.11	1.94	4,469.79	2,347.31	257.11	215.32	1.58	2,390.68	2,079.11	2,112.13
Furniture & Fixtures	135.01	-	0.35	(0.21)	134.45	52.51	13.11	0.25	(0.18)	65.19	69.26	82.50
Vehicles	449.55	13.84	11.90	0.01	451.50	173.94	52.87	9.39	-	217.42	234.08	275.61
Office Equipment	45.89	1.97	2.07	-	45.79	27.22	6.03	1.53	-	31.72	14.07	18.67
Office Premises	106.56	-	-	-	106.56	8.79	1.68	-	-	10.47	96.09	97.77
Electrical installation	83.64	9.60	-	-	93.24	9.81	8.54	-	-	18.35	74.89	73.83
Laboratory Equipment	19.54	0.11	-	-	19.65	13.93	1.03	-	-	14.96	4.69	5.61
Computers	81.54	8.60	13.22	(0.40)	76.52	61.87	10.11	12.23	(0.35)	59.40	17.12	19.67
	8,552.50	**407.77**	**310.62**	**1.34**	**8,650.99**	**3,622.56**	**447.33**	**238.72**	**1.05**	**3,832.22**	**4,818.77**	**4,929.94**
Intangible Assets:												
Goodwill	399.03	-	-	-	399.03	399.03	-	-	-	399.03	-	-
Trade marks/Brands	6,897.40	-	-	(59.40)	6,838.00	3,548.88	545.29	-	(41.09)	4,053.08	2,784.92	3,348.52
Software	26.08	-	-	-	26.08	13.53	8.54	-	-	22.07	4.01	12.55
	7,322.51	**-**	**-**	**(59.40)**	**7,263.11**	**3,961.44**	**553.83**	**-**	**(41.09)**	**4,474.18**	**2,788.93**	**3,361.07**
TOTAL	**15,875.01**	**407.77**	**310.62**	**(58.06)**	**15,914.10**	**7,584.00**	**1,001.16**	**238.72**	**(40.04)**	**8,306.40**	**7,607.70**	**8,291.01**
Previous year	**16,189.58**	**316.91**	**824.92**	**193.44**	**15,875.01**	**6,875.17**	**1,196.22**	**584.22**	**96.83**	**7,584.00**	**8,291.01**	**9,314.40**
Capital Work-in-Progress											88.10	23.49
TOTAL											**7,695.80**	**8,314.50**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 13

Non Current Investments	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Investments (At cost)		
Other Investments (Given as security to the Sales Tax Department, Nadiad)	-	0.15
Total	**-**	**0.15**

Note 14

Deferred Tax Assets (Net)	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Liabilities		
Fixed Assets	-	(0.06)
Assets		
Fixed assets	1.87	-
On Others	1,488.94	1,436.98
	1,490.81	**1,436.98**
Net Deferred Tax Asset	**1,490.81**	**1,436.92**

Note 15

Long Term Loans and Advances	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Unsecured		
(a) Capital advance		
Considered good	25.05	94.13
Doubtful	14.63	14.63
Less: Provision for doubtful advances	(14.63)	(14.63)
	25.05	**94.13**
(b) Other deposits		
Considered good(Includes deposit of Rs.11 lacs(Previous year Rs.11.50 lacs) paid to related parties) (Refer Note No.34)	159.34	159.70
(c) Loans and advances to employees		
Considered good	15.75	19.69
(d) Others		
Considered good		
(i) Advance income tax (Net of provision for tax Rs.1823.36 (Previous year Rs.1188.95 lacs))	275.97	98.34
(ii) MAT Credit	13.85	13.84
Total	**489.96**	**385.70**

Note 16

Other Non Current Assets	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
(a) Advances to suppliers	-	27.84
Less: Considered doubtful	-	27.84
	-	**-**
(b) Others		
In deposit accounts (due to mature after 12 months from reporting date)	14.83	15.08
(Held as margin money against forward contract)		
Total	**14.83**	**15.08**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 17

Current Investments	**As at 31-Mar-17 Rs. in lacs**	**As at 31-Mar-16 Rs. in lacs**
Quoted		
Investment in Mutual Funds (At lower of cost or market value) (Refer Note 16.1)		
Birla Sun Life Short Term Opportunities Fund Growth	330.00	500.00
ICICI Prudential FMP series 63 270 days plan D	300.00	300.00
Total	**630.00**	**800.00**
Aggregate amount of current investment (market value)	849.38	990.77

Note 18

Inventories	**As at 31-Mar-17 Rs. in lacs**	**As at 31-Mar-16 Rs. in lacs**
(At lower of cost and net realizable value)		
Raw materials	326.07	233.62
Semi-finished goods	1,236.52	1,244.22
Finished goods (Included goods in transit Rs.40.25 lacs (Previous year Rs.43.56 lacs))	212.20	165.41
Traded goods (Included goods in transit Rs.28.22 lacs (Previous year Rs.12.13 lacs))	127.71	77.85
Packing materials	595.64	579.44
Licenses on hand	171.32	185.12
Total	**2,669.46**	**2,485.66**

Note 19

Trade receivables	**As at 31-Mar-17 Rs. in lacs**	**As at 31-Mar-16 Rs. in lacs**
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Unsecured, considered good	6.20	9.06
Doubtful	4.51	27.38
	10.71	**36.44**
Less: Provision for doubtful Trade Receivables	(4.51)	(27.38)
	6.20	**9.06**
Other Trade Receivables		
Unsecured, considered good	3,389.11	3,635.78
	3,389.11	**3,635.78**
Total	**3,395.31**	**3,644.84**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 20

Cash and bank balances	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Cash and cash equivalents		
(a) Balance with banks		
(i) in Current accounts	425.93	176.26
(ii) in EEFC accounts	650.47	502.89
	1,076.40	**679.15**
(b) Cheques on hand	40.40	17.37
(c) Cash on hand	16.80	0.38
	1,133.60	**696.90**
Other bank balances		
(i) in earmarked accounts		
- Unclaimed dividend accounts	63.67	72.53
(ii) Held as margin money or security against borrowings / guarantees and other commitments (Refer Note 20.1)		
(a) with original maturity for less than 3 months	43.93	51.69
(b) with original maturity for more than 3 months but less than 12 months	126.24	95.37
	233.84	**219.59**
Total	**1,367.44**	**916.49**

Note 20.1

Margin money deposits are kept with banks for issue of letters of credit, bank guarantees and for forward contracts.

Note 21

Short Term Loans and Advances	As at 31-Mar-17 Rs. in lacs	As at 31-Mar-16 Rs. in lacs
Unsecured, considered good		
(a) Loans and advances to employees		
Considered good	22.28	23.25
(b) Prepaid expenses	44.53	55.73
(c) Balances with government authorities - considered good		
(i) CENVAT credit receivable	189.22	165.95
(ii) VAT credit receivable	158.07	135.88
(iii) Service Tax credit receivable	155.30	225.89
(d) Others		
Considered good		
(i) Advance to suppliers for goods	210.07	119.97
(ii) Advance to suppliers for expenses	10.30	58.29
(iii) Mark-to-market on derivative contracts	638.81	275.61
(iv) Interest receivable	7.43	5.82
(v) Others	379.87	251.93
Total	**1,815.88**	**1,318.32**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 22

Specified Bank Notes Disclosure (SBN)

In accordance with the MCA Notification G.S.R.308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016 is given below:

Particulars	Specified Bank Notes	Other Denomination Notes	Total (Amount in INR)
Closing cash in hand as on 08-11-2016	557,000	1,206,201	1,763,201
(+) Permitted Receipts	-	2,987,469	2,987,469
(-) Permitted Payments	21,000	2,187,454	2,208,454
(-) Amount Deposited in Bank	536,000	90,000	626,000
Closing cash in hand as on 30-12-2016	-	1,916,216	1,916,216

Note 23

Revenue from operations	For the year ended 31-Mar-17 Rs. In lacs	For the year ended 31-Mar-16 Rs. In lacs
Sale of products		
Manufactured goods	14,208.47	18,970.62
Less: Excise Duty	(31.39)	(37.61)
	14,177.08	18,933.01
Traded goods	5,256.60	1,339.90
Other operating revenue	759.53	694.49
Total	**20,193.21**	**20,967.40**
Sale of products comprises:		
Manufactured goods		
Meal accompaniments	7,240.82	7,566.40
Frozen foods	3,519.94	7,892.05
Ready to eat	1,505.35	1,546.81
Spices and condiments	1,339.91	1,331.01
Others	602.45	634.35
Total - Sale of finished goods (A)	**14,208.47**	**18,970.62**
Traded goods		
Tamarind	940.12	515.68
Canned foods	229.97	369.23
Snacks	89.42	54.83
Meal accompaniments	221.88	268.78
Frozen	3,614.67	-
Others	160.54	131.38
Total - Sale of traded goods (B)	**5,256.60**	**1,339.90**
Total - Sale of products (A + B)	**19,465.07**	**20,310.52**
Other operating revenue comprises:		
Sale of import licences	662.34	525.61
Steamer freight assistance	36.38	114.38
Duty drawback	60.81	54.50
Total - Other operating revenues	**759.53**	**694.49**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 24

Other income	For the year ended 31-Mar-17 Rs. In lacs	For the year ended 31-Mar-16 Rs. In lacs
Interest income (Refer Note 24.1)	26.31	31.62
Dividend income from current investments	0.65	1.86
Net gain on redemption of current investments	61.14	-
Net gain on foreign currency transactions and translations (Other than those considered as finance cost)	372.94	333.81
Other non-operating income (net of expenses directly attributable to such income) (Refer Note 24.2)	147.90	77.63
Total	**608.94**	**444.92**
Note 24.1		
Interest income comprises:		
Interest from banks on deposits	13.53	16.17
Other interest	12.78	15.45
Total - Interest income	**26.31**	**31.62**
Note 24.2		
Other non-operating income comprises:		
Excess provisions written back	9.38	5.43
Miscellaneous income	138.52	72.20
Total - Other non-operating income	**147.90**	**77.63**

Note 25

(a) Cost of materials consumed	For the year ended 31-Mar-17 Rs. in lacs	For the year ended 31-Mar-16 Rs. in lacs
Raw materials consumed:		
Opening stock	233.62	377.43
Add : Purchases	5,805.96	6,392.09
Carriage inward	26.62	48.06
	6,066.20	**6,817.58**
Less : Closing stock	326.07	233.62
Cost of raw materials consumed	**5,740.13**	**6,583.96**
Raw material consumed comprises:		
Brine fruits and vegetables	1,342.30	1,884.27
Sugar	1,150.64	974.81
Spices	703.30	624.86
Oil	404.36	322.11
Organic Chicken	-	292.99
Organic flour	-	187.09
Milk and Milk products	166.67	263.40
Others	1,972.86	2,034.43
	5,740.13	**6,583.96**
Packing materials consumed:		
Opening stock	579.44	668.12
Add : Purchases	2,186.52	2,203.88
	2,765.96	**2,872.00**
Less : Closing stock	595.64	579.44
Cost of packing materials consumed	**2,170.32**	**2,292.56**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(a) Cost of materials consumed	For the year ended 31-Mar-17 Rs. in lacs	For the year ended 31-Mar-16 Rs. in lacs
Packing material consumed comprises:		
Glass bottles	506.81	486.03
Carboys	215.15	228.18
Cartons	175.04	230.28
Printed box	258.20	231.59
Others	1,015.12	1,116.48
	2,170.32	**2,292.56**
Total Consumption of materials	**7,910.45**	**8,876.52**

(b) Purchase of traded goods:	For the year ended 31-Mar-17 Rs. in lacs	For the year ended 31-Mar-16 Rs. in lacs
Purchases	3,086.44	1,707.01
Traded goods	**3,086.44**	**1,707.01**
Traded goods comprises:		
Tamarind	752.04	338.25
Canned foods	208.75	225.87
Snacks	61.23	36.39
Meal accompaniments	-	44.30
Others	2,064.42	1,062.20
	3,086.44	**1,707.01**

(c) Changes in inventories of Finished Goods and Work-In-Progress	For the year ended 31-Mar-17 Rs. in lacs	For the year ended 31-Mar-16 Rs. in lacs
Inventories at the end of the year		
Finished Goods	212.20	165.41
Work-In-Progress	1,236.52	1,244.22
Traded Goods	127.70	77.85
Licences on hand	171.32	185.12
	1,747.74	**1,672.60**
Inventories at the beginning of the year		
Finished Goods	165.41	543.82
Work-In-Progress	1,244.22	923.74
Traded Goods	77.85	78.22
Licences on hand	185.12	180.00
	1,672.60	**1,725.78**
Net (increase) / decrease	**(75.14)**	**53.18**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 26

	For the year ended 31-Mar-17 Rs. In lacs	For the year ended 31-Mar-16 Rs. In lacs
Employee benefit expenses		
Salaries and wages	1,560.53	2,147.71
Contribution to Provident Fund & Other Funds:		
Company's contribution to Provident Fund (Refer Note 36(a))	78.43	76.05
Gratuity (Refer Note 36(b))	33.64	41.04
Staff welfare	63.96	84.41
Total	**1,736.56**	**2,349.21**

Note 27

Finance costs	For the year ended 31-Mar-17 Rs. In lacs	For the year ended 31-Mar-16 Rs. In lacs
(a) Interest expenses on:		
(i) Borrowings from banks	24.07	40.38
(ii) Others		
- Interest on delayed payment of income tax	0.03	0.09
- Interest on delayed payment of service tax	0.09	14.52
- Interest expense on car finance	4.23	8.28
- Others	8.14	4.44
(b) Other borrowing cost	60.66	69.26
Total	**97.22**	**136.97**

Note 28

	For the year ended 31-Mar-17 Rs. In lacs	For the year ended 31-Mar-16 Rs. In lacs
Depreciation and amortization		
Tangible assets	447.33	566.17
Intangible assets	553.83	630.05
Total	**1,001.16**	**1,196.22**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note 29

	For the year ended 31-Mar-17 Rs. In lacs	For the year ended 31-Mar-16 Rs. In lacs
Other expenses		
Excise duty	37.44	27.00
Freezing & preservation charges	21.29	25.08
Power and fuel	415.50	524.43
Electricity	16.80	16.91
Water charges	13.16	10.09
Rent including lease rent	269.42	400.06
Repairs and maintenance to building	27.96	72.61
Repairs and maintenance to machinery	67.93	62.84
Repairs and maintenance to others	24.30	28.09
Insurance	64.85	46.18
Rates and taxes	66.98	50.70
Communication expenses	58.39	74.86
Traveling and conveyance expenses	482.35	454.97
Motor car expenses	52.21	43.90
Printing and stationery	15.53	11.87
Freight and forwarding	1,044.94	1,002.75
Sales commission and claims	373.13	437.97
Advertisement	1,159.21	1,040.81
Sales and marketing expenses - International	318.61	529.03
Sales and marketing expenses - Domestic	166.13	281.14
Donations	0.41	2.96
Legal and professional Fees	243.24	316.51
CSR expenses (Refer Note 39)	54.97	47.63
Payment to Auditors		
For Statutory Audit	53.42	52.29
For Audit under other statutes	-	-
For taxation matters	-	1.49
For other service	1.63	1.96
For Reimbursement of expenses	0.11	0.39
Total	**55.16**	**56.13**
Registration and filing fees	6.14	4.70
Directors' sitting fees	13.50	12.00
Bad trade and other receivables, loans and advances written off	47.98	3.05
Written Back/Provision for doubtful trade receivables	(50.71)	14.45
Miscellaneous expenses	277.79	411.16
Total	**5,344.61**	**6,009.88**

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

30a. Contingent Liabilities

Rs. In lacs

Sr. No	Particulars	2016-17	2015-16
a	Guarantees issued by the banks (net of margin money)	**7.43**	9.02
b	Claims against the Company not acknowledged as debts (net of deposits)	**11.05**	19.97
c	Disputed Service tax demands of earlier years	**463.54**	433.01
d	Disputed income tax demand	**585.78**	194.90

Notes:

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of above (a), (c) and (d) pending resolution of the respective proceedings.

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

30b. Capital commitments (net of advances)

Rs. In lacs

Particulars	2016-17	2015-16
Capital commitments (net of advances)	**14.13**	70.44

31. The Group 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.

32. Loans and advances includes

Deposits paid to related parties

Interest free security deposit of Rs. 11.00 lacs (Previous Year Rs. 11.50 lacs) paid for guest house taken on lease from a Related party.

33. Disclosure in respect of lease

The Company's significant leasing arrangements are in respect of operating leases for Commercial / Official premises. Lease expenditure for operating leases are recognised on straight line basis over the period of lease. These leasing arrangements are non-cancellable, and are renewable on periodic basis by mutual consent on mutually accepted terms. The particulars of the premises taken on operating leases are as under:

Rs. In lacs

Particulars	2016-17	2015-16
i) Not later than one year	**223.08**	**199.50**
ii) Later than one year and not later than five years	**304.59**	**78.81**
iii) Later than five years	**41.33**	**42.33**

Lease payment recognized in the Statement of Profit and Loss for the year ended is Rs. 268.62 lacs (Previous Year Rs. 399.52 lacs).

34. Related party disclosures (As per AS - 18, "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. Ashok H. Thakkar –Chairman
		Mr. Bimal R. Thakkar – Managing Director and Chief Executive Officer
		Mr. Bhavesh R. Thakkar – Executive Director and Chief Financial Officer
2.	Relative of Key Managerial Personnel	Mr. Mishal A. Thakkar – Vice-President
		Mrs. Mahalaxmi R. Thakkar (Relative of Directors)

Rs. In lacs

Particulars	Financial Year	Key Managerial Persons	Relative of Key managerial persons	Total
Rent	2016-17	-	0.50	0.50
	2015-16	-	0.50	0.50
Salary	2016-17	162.41	14.70	177.11
	2015-16	154.35	12.21	166.56
Long-term loans and advances	2016-17	11.00	-	11.00
	2015-16	11.50	-	11.50

Material related party transactions as under:

Rs. In lacs

Particulars	Name	2016-17	2015-16
Salary	Mr. Ashok H. Thakkar	**54.63**	51.45
	Mr. Bimal R. Thakkar	**54.67**	51.45
	Mr. Bhavesh R. Thakkar	**53.11**	51.45
	Mr. Mishal A. Thakkar	**14.70**	12.21
Long-term loans and advances	Mrs. Mahalaxmi R. Thakkar	**11.00**	11.50

35. Financial and derivative instruments

i) Outstanding derivative instruments

The objective of hedging is to hedge currency exchange fluctuations in respect of future highly probable sales in a foreign currency.

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

Contracts entered into by the Company for hedging in US $ and outstanding as on 31st March 2017 amount to US $ 85.00 lacs (Previous year US $ 85.00 lacs), equivalent to Rs. 5,970.96 lacs (Previous year in Rs. 5,924.60 lacs).

Contracts entered into by the Company for hedging in UK £ and outstanding as on 31st March 2017 amount to UK £ 29.00 lacs (Previous year UK £ 23.00 lacs), equivalent to Rs. 2,710.28 lacs (Previous year in Rs. 2,416.56 lacs).

All outstanding forward contracts are recognised in the financial statements at fair value as on the balance sheet date in accordance with the requirements of Guidance Note on Accounting for Derivative contracts.

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

In order to hedge exchange rate risk, the Company has a policy to hedge cash flows upto tenure of 1 yr by using forward exchange contracts.

Accordingly, the resultant gain or loss on fair valuation / settlement of the outstanding forward contracts are recognised 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 recognised in the "Hedging Reserve" which forms part of "Reserves and Surplus" in the Balance Sheet and where the hedge is ineffective, the same is recognised in the Statement of Profit and Loss. The amount recognised 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.

Reconciliation of Hedging Reserve		
Hedging Reserve	**31-Mar-17**	**31-Mar-16**
Opening Balance as at	275.60	260.51
Realised during the year	(275.60)	(260.51)
Contracts entered into during the year		
-Realised during the year	-	-
-Unrealised	636.81	275.61
Closing Balance as at	**636.81**	**275.61**

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

Particulars	2016-17		2015-16	
Foreign currency	**Amount (in original currency)**	**Amount**	**Amount (in original currency)**	**Amount**
USD	**33.08**	**2,145.38**	29.70	1,971.98
GBP	**11.19**	**904.21**	11.36	1,082.78
EURO	**0.24**	**16.34**	0.42	31.15

b) Trade payable

Rs. In lacs

Particulars	2016-17		2015-16	
Foreign currency	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	**1.93**	**125.12**	2.34	155.21
GBP	**0.66**	**53.23**	0.40	37.72

c) Packing credit foreign currency (PCFC) loan

Rs. In lacs

Particulars	2016-17		2015-16	
Foreign currency	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	**-**	**-**	2.33	154.70

d) EEFC balance

Rs. In lacs

Particulars	2016-17		2015-16	
Foreign currency	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	**6.48**	**419.89**	2.64	175.08
GBP	**2.85**	**230.59**	3.45	327.81

36. 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. 78.43 lacs (Previous Year Rs. 76.05 lacs) representing contribution to provident fund is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

Amount of Rs. 7.46 lacs (Previous Year Rs. 6.55 lacs) representing contribution to Employee State Insurance scheme is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

b) **Defined benefit plan**

Compensated absence

Provision for compensated absences is made for outstanding leave balance at the year end at basic salary cost which can be utilized in future and are en-cashable. Amount of Rs. 50.67 lacs (Previous Year Rs. 33.96 lacs) has been recognised in balance sheet of which Rs. 43.38 lacs (Previous Year Rs. 25.46 lacs) shown under long term provision and balance Rs. 7.29 lacs (Previous Year Rs. 8.50 Lacs) is shown under short term provision as given in the Actuarial report as on 31st March 2017.

Expenses of Rs. 33.40 lacs (Previous Year Rs. 13.83 lacs) are recognised in the Statement of Profit and Loss.

Compensated sick leave

Provision for compensated absences is made for outstanding sick leave balance at the year end at gross salary which can be utilized in future and are non en-cashable. An amount of Rs. 4.71 lacs (Previous Year Rs. 6.11 lacs) has been recognised in balance sheet of which Rs. 4.16 (Previous Years Rs. Nil) shown under long term provision and balance Rs. 0.55 lacs (Previous Year Rs. 6.11 lacs) is shown under short term provision as given in the Actuarial report as on 31st March 2017.

Gratuity

Funded

The group has offered its employees defined benefit plan in the form of Group Gratuity Scheme. Gratuity Scheme covers all qualifying employees as statutorily required under the Payment of Gratuity Act, 1972. The group has made irrevocable contribution of funds to LIC of India.

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

Unfunded

Amount of Rs. 144.93 lacs (Previous Year Rs. 122.95 lacs) has been recognised in balance sheet of which Rs. 136.57 lacs (Previous Year Rs. 110.66 lacs) shown under long term provision and balance Rs. 8.36 lacs (Previous Year Rs. 12.29 lacs) is shown under short term provision as given in the Actuarial report as on 31st March, 2017.

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

Sr.	Particulars	Gratuity (funded and unfunded)	
		2016-17	2015-16
I	**Present value of obligation**		
	Liability at the beginning of the year	**259.19**	**222.70**
	Interest cost	**20.33**	**17.82**
	Current service cost	**25.70**	**24.03**
	Benefit paid	**(10.28)**	**(13.38)**
	Benefit paid directly by Company	**-**	**(1.74)**
	Actuarial (gain) / loss on obligations	**(1.30)**	**9.77**
	Liability at the end of the year	**293.64**	**259.20**
II	**Change in plan assets**		
	Fair value of plan assets at the beginning of the year	**136.24**	**130.35**
	Adjustment to opening balance	**1.74**	**-**
	Actual return on plan assets	**10.48**	**11.74**
	Employer's Contributions	**11.64**	**10.57**
	Benefit paid	**(10.28)**	**(13.38)**
	Gratuity due but not paid	**-**	**(1.74)**
	Expenses and Taxes charged by LIC	**(1.11)**	**(1.30)**
	Fair value of plan assets at the end of the year	**148.71**	**136.24**
III	**Amount recognised in the balance sheet**		
	Liability at the end of the year	**293.64**	**259.20**
	Fair value of plan assets at the end of the year	**148.71**	**136.24**
	Present value of unfunded obligations	**144.93**	**122.95**
IV	**Expenses recognised in the Statement of Profit and Loss**		
	Current service cost	**25.70**	**24.00**
	Interest cost	**20.33**	**17.85**
	Actual return on plan assets	**(10.49)**	**(11.74)**
	Expenses & Taxes Charged by LIC	**1.11**	**1.30**
	Net actuarial (gain) / loss to be recognised	**(1.30)**	**9.73**
	Expense recognised in Statement of Profit and Loss	**35.35**	**41.14**
V	**Actuarial assumptions :**		
	Discount rate	**7.50%**	**8.00%**
	Rate of return on plan assets	**8.00%**	**9.00%**
	Salary escalation	**6.00%**	**6.00%**

The Company has partly funded the closing balance of present value of obligation to the extent of Rs. 148.71 lacs, the balance of Rs. 144.93 lacs is unfunded.

Experience Adjustments for the current and previous four years

Rs. In lacs

Experience	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligation	293.64	259.19	277.90	188.04	188.06
Plan Assets	148.71	136.24	130.21	100.21	100.79
Status [Surplus / (Deficit)]	(144.58)	(122.64)	(92.26)	(87.83)	(87.27)
Experience Adjustments of Obligation [(Gain)/Loss]	(1.30)	9.77	(2.48)	(22.77)	(14.76)
Experience on Plan Assets [Gain/(Loss)]	1.11	1.31	1.96	0.76	1.38

37. Computation of earnings per share

Particulars	2016-17	2015-16
Profit after tax & prior year's tax adjustment as per Profit & Loss Statement	**1,084.20**	**660.74**
Number of shares at the beginning of the year	**2,20,00,000**	2,20,00,000
Issued / Buyback during the year	**7,98,539**	-
Number of shares at the end of the year	**2,12,01,461**	2,20,00,000
Number of shares (basic weighted average)	**2,15,44,499**	2,20,00,000
Basic earnings per share (weighted average)	**5.03**	3.00
Diluted earnings per Share (weighted average)	**5.03**	3.00
Nominal value of Shares	**10**	10

38. The Group 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 group. The local turnover being less than 10% of the total turnover of the group, 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 which continue to apply under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.

39. Expenses related to CSR as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof, against the mandatory spend of Rs. 39.49 lacs (Previous Year Rs. 33.03 lacs).

Rs. In lacs

Sr. No.	Particulars	Amount Spent	Amount yet to be paid	Total Amount
(i)	Expenditure incurred on Capital Assets under CSR projects	24.36	-	24.36
(ii)	Revenue expenditure on CSR activities	30.61	1.76	32.37
	Total	**54.97**	**1.76**	**56.73**

Out of the above, Rs. 17.24 lacs was spent towards previous year's CSR expenses and balance for current year.

40. The Group 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 Group 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 Group 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.

During the Financial Year 2012-13, the voluntary liquidator, with the prior approval of the members vide their special resolution dated 10th November 2015, distributed PBFPL's immovable property situated at Sewree, Mumbai and part of cash and bank balance to its Shareholders in proportion to their respective shareholding in PBFPL while retaining certain other current assets to meet with its contingent and other liabilities. The excess value of assets so received over the investment value in Equity Shares of PBFPL was accounted for in the Consolidated Statement of Profit & Loss under the head exceptional item.

Consequently, the investment in Equity shares of PBFPL stand fully realised. However, pending completion of liquidation process, the group has not surrendered the said shares to the Voluntary liquidator and they have been shown under the head "Investment" at nil value.

41. Micro, Small and Medium enterprises

Micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development

Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues to micro enterprises and small enterprises amounting to Rs. 29.89 lacs (Previous Year Rs. 16.64 lacs).

The disclosures pursuant to MSMED Act based on the books of account are as under:

Rs. In lacs

Particulars	**2016-17**	**2015-16**
Dues remaining unpaid	**Nil**	2.49
Principal	**Nil**	2.47
Interest	**Nil**	0.05
Interest paid in terms of Section 16 of MSMED Act	**Nil**	Nil
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year but without adding the interest specified under the MSMED Act	**Nil**	Nil
Amount of interest accrued and remaining unpaid	**Nil**	0.05
Amount of further interest remaining due and payable in succeeding years for the purpose of disallowances under section 23 of the Act	**Nil**	Nil

42. Previous year's figures have been regrouped / restated wherever necessary to conform to current year's classification.

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

As per our report of even date
For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W10066

Farhad M. Bhesania
Partner
Membership Number 127355

Place: Mumbai
Date: 12th May, 2017

For and on behalf of the Board

Ashok H. Thakkar
Chairman
DIN: 00087465

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

Bhavesh R. Thakkar
Executive Director & C.F.O.
DIN: 00939805

Shalaka Ovalekar
Company Secretary

Place: Mumbai
Date: 12th May, 2017

FORM AOC - I
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries

I	Name of Subsidiary	ADF Foods (India) Limited - wholly owned subsidiary	ADF Foods (UK) Limited - wholly owned subsidiary		ADF Holdings (USA) Limited and its' subsidiary - step - down subsidiary	
2	The date since when subsidiary was acquired	7th December, 2009	6th September, 2002		22nd September, 2010	
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April, 2016 to 31st March, 2017	1st April, 2016 to 31st March, 2017		1st April, 2016 to 31st March, 2017	
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign Subsidiary	Rupees	£ = INR	80.80	$ = INR	64.825
		Rs. / lacs	£	Rs. / lacs	$	Rs. / lacs
5	Share capital	5.00	6,538,851	6,015.03	9,915,000	6,150.63
6	Reserves & Surplus	(3.04)	9,992	142.39	(5,554,067)	(3,353.27)
7	Total assets	27.85	6,561,085	6,167.30	5,086,313	3,267.59
8	Total liabilities	25.89	12,242	9.89	725,380	470.23
9	Investments	-	6,540,446	6,150.63	-	-
10	Turnover	221.88	-	-	5,462,505	3,662.70
11	Profit before taxation	(2.80)	(6,681)	(5.84)	(248,097)	(166.98)
12	Provision for taxation	0.89	(4,222)	(3.69)	77.693	52.09
13	Profit after taxation	(1.91)	(10,903)	(9.52)	(170,404)	(114.90)
14	Proposed Dividend	0	41.22	0.03	81	0.05
15	% of shareholding	100%	100%	100%	100%	100%
	Power Brands (Foods) Pvt. Ltd. (PBFPL), 99.99% subsidiary of the company, has gone for voluntary liquidation vide special resolution passed by its' Members' on 5th November,2012.					

For and on behalf of the Board

For KALYANIWALLA & MISTRY LLP
Chartered Accountants
Firm Registration Number 104607W/W10066

Ashok H. Thakkar
Chairman
DIN: 00087465

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

Farhad M. Bhesania
Partner
Membership Number 127355

Bhavesh R. Thakkar
Executive Director & C.F.O.
DIN: 00939805

Shalaka Ovalekar
Company Secretary

Place: Mumbai
Date: 12th May, 2017

Place: Mumbai
Date: 12th May, 2017

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 Seventh Annual General Meeting – Wednesday, 23rd August, 2017 at 10.00 a.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 Seventh Annual General Meeting of the Company to be held on Wednesday, 23rd August, 2017 at 10.00 a.m. and at any adjournment thereof in respect of the resolutions as indicated below:

Item No.	Resolution	No. of Shares	I/We assent to the Resolution (FOR)	I/We dissent the Resolution (AGAINST)
1.	Adoption of Audited Annual Financial Statements, Report of the Board of Directors and Auditors for the year ended 31st March, 2017.			
2.	Declaration of dividend on equity shares for the year ended 31st March, 2017.			

3.	Re-appointment of Mr. Ashok H. Thakkar as Director liable to retire by rotation.			
4.	Ratification of appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai, as the Statutory Auditors of the Company to hold office till the conclusion of Annual General Meeting to be held for the Financial Year 2018-19.			
5.	Appointment of Mr. Naresh L Kothari as an Independent Director for a period upto May 11, 2022.			
6.	Renewal of employment agreement of Mr. Ashok H. Thakkar, Chairman for a period of 1 (One) year w.e.f. 1st October, 2017 on such terms and remuneration as stated in the A.G.M. notice.			
7.	Renewal of employment agreement of Mr. Bimal R. Thakkar, Managing Director for a period of 1 (One) year w.e.f. 1st October, 2017 on such terms and remuneration as stated in the A.G.M. notice.			
8.	Renewal of employment agreement of Mr. Bhavesh R. Thakkar, Executive Director for a period of 1 (One) year w.e.f. 1st October, 2017 on such terms and remuneration as stated in the A.G.M. notice.			
9.	Renewal of employment agreement of Mr. Mishal A. Thakkar as a person in place of profit u/s 188(1)(f) of the Companies Act, 2013 for a period of 1 (One) year w.e.f. 1st October, 2017 on such terms and remuneration as stated in the A.G.M. notice.			

Signed this ……..……day of ……. 2017

Affix Revenue Stamp

Signature of Shareholder: …….....…

……..……..	……..……..	……..……
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.

NOTES

NOTES

OUR NEW ENTRANTS

ASHOKA
THE ORIGINAL INDIAN TASTE

HEALTHY SNACKS



Chatpata Chaat



Fiery Schezwan



Malabar Black Pepper



Sea Salt

DIPPING SAUCES



Naughty Chilli



O-Schezwan



Sizzly Aam



Tango Mango

FROZEN SNACKS



Aloo Matar

Chana Masala

CHUTNEYS



Coriander Chutney



Date & Tamarind Chutney



Garlic Chutney



Mint Chutney



Panipuri Concentrate



Sandwich Chutney



Schezwan Chutney

ADF SOUL ™

DIPPING SAUCES



Naughty Chilli



O-Schezwan



Sizzly Aam



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