

KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADF FOODS (INDIA) LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ADF FOODS (INDIA) 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 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the 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 financial statements.



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 losses 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 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 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 does not have any pending litigations which would impact its financial position.



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- ii. The Company does not have any material foreseeable losses on long term contracts including derivative contracts requiring provision under the applicable law or accounting standards.
- iii. There are no amounts which were 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 16.

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



**FARHAD M. BHESANIA
PARTNER
Membership Number 127355**

Place: Mumbai
Date: May 02, 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 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 asset.
- (b) As explained to us, the Company has a program for physical verification of fixed asset at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the company and nature of its asset. No material discrepancies were noticed on such verification.
- (c) The Company does not have immovable property and hence the provisions of sub clause (c) of paragraph 3(i) of the Order are not applicable.
- ii. (a) The Company does not hold any inventory and hence the question of commenting on the physical verification of inventory being conducted at reasonable interval by the Management and the reasonableness and adequacy of the procedures of physical verification in relation to the size of the Company and the nature of it's business does not arise as at year end.
- (b) The Company is maintaining proper records of inventory. As the Company does not hold any inventory at any time during the year, question of commenting on adjustment of discrepancies noticed on physical verification of inventory does not arise.
- 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 and the records examined by us, the Company has not advanced any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and Section 186 of the Act. Therefore, the provisions of Clause 3 (iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 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 explanations given to us, the maintenance of cost records under sub section (1) of Section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.



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- 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 explanation given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute.
- viii. The Company does not have any dues to financial institutions, banks, government or debenture holders, hence the provisions of paragraph 3(viii) of the Order are not applicable.
- ix. The Company has not raised money through initial public offer or further public offer and term loans, hence the provisions of paragraph 3(ix) of the Order are not applicable.
- 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. The Company has not paid any managerial remuneration during the year. The provisions of section 197 read with Schedule V the Act, are not applicable. Hence, the provisions of paragraph 3(xi) of the Order are not applicable.
- 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 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.



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- 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 Number 104607W /W100166



FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Date: May 02, 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 (INDIA) 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.

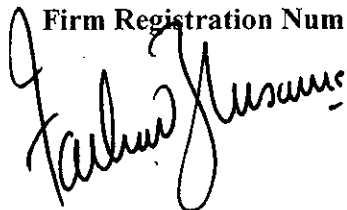
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 Number 104607W / W100166**



**FARHAD M. BHESANIA
PARTNER
Membership Number 127355**

Place: Mumbai
Date: May 02, 2017

ADF FOODS (INDIA) LIMITED

Balance sheet as at 31st March 2017

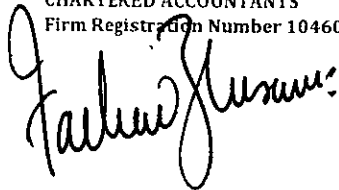
PARTICULARS	Note No.	As at	
		31-Mar-17	31-Mar-16
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share capital	3	500,000	500,000
(b) Reserves and surplus	4	(304,343)	(113,381)
		195,657	386,619
Non-current liabilities			
(a) Long-term provisions	5	40,033	29,128
		40,033	29,128
Current Liabilities			
(a) Trade payables			
(i) Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note no: 24)		-	-
(ii) Outstanding dues of creditors other than Micro Enterprises and Small Enterprises	6	2,195,545	2,213,693
(b) Other current liabilities	7	347,918	416,301
(c) Short-term provisions	8	4,176	5,635
		2,547,639	2,635,629
TOTAL		2,783,329	3,051,376
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9	313,668	421,156
(b) Non-current investments	10	-	15,000
(c) Deferred tax assets (net)	11	75,909	7,282
(d) Long term loans and advances	12	1,510,238	1,712,649
		1,899,815	2,156,087
Current assets			
(a) Trade receivables	13	390,822	
(b) Cash & cash equivalents	14	367,908	744,267
(c) Short-term loans and advances	15	124,784	151,022
		883,514	895,289
TOTAL		2,783,329	3,051,376
Significant accounting policies	2		

The accompanying Notes 1 to 32 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/W100166



FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Date: 2nd May 2017

For and on behalf of the Board



Bimal R. Thakkar
Director
DIN: 00087404



Bhavesh R. Thakkar
Director
DIN: 00939805

Place: Mumbai
Date: 2nd May 2017

ADF FOODS (INDIA) LIMITED

Statement of Profit and Loss for the year ended 31st March 2017

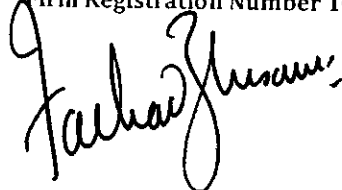
Particulars	Note No.	For the year ended	For the year ended
		31-Mar-17	31-Mar-16
		Rs.	Rs.
Revenue from operations (net)	17	22,187,766	26,878,352
Other Income	18	115,478	127,734
Total Revenue		22,303,244	27,006,086
Expenses			
(a) Purchase of traded goods	19	19,444,292	20,181,350
(b) Employee benefits expenses	20	219,503	195,475
(c) Finance cost	21	1,037	3,387
(d) Depreciation expenses	22	107,487	107,782
(e) Other expenses	23	2,810,733	3,243,481
Total expenses		22,583,052	23,731,475
Profit before tax		(279,808)	3,274,611
Tax expenses:			
(a) Current tax expenses		-	646,000
(b) MAT credit		-	22,000
(c) Deferred tax		(68,627)	268,484
(d) Prior Year's Tax Adjustment		(20,219)	48,520
		(88,846)	985,004
(Loss) / Profit for the period		(190,962)	2,289,607
Earning per share (of Rs. 10/- each):	28		
(a) Basic			
(i) Continuing operations		(3.82)	45.79
(b) Diluted			
(i) Continuing operations		(3.82)	45.79

The accompanying Notes 1 to 32 form an integral part of the Financial Statements.

Signatures to the Statement of Profit & Loss and Notes to the Financial Statements.

As per our report of even date.

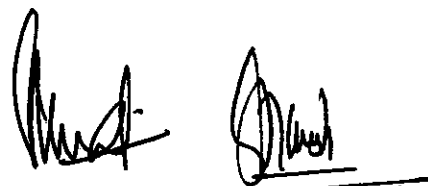
For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
Firm Registration Number 104607W/W10066



FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Date: 2nd May 2017

For and on behalf of the Board



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

Place: Mumbai
Date: 2nd May 2017

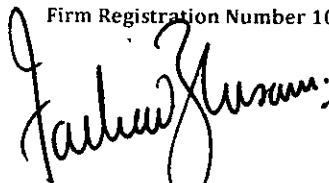
ADF FOODS (INDIA) LIMITED

Cash Flow Statement for the year ended 31st March, 2017

Particulars	For the year ended	For the year ended
	31-Mar-17	31-Mar-16
	Rs.	Rs.
A. Cash flow from Operating activities		
Profit before taxation	(279,808)	3,274,611
Adjustment for:		
Depreciation	107,487	107,782
Finance costs	1,037	3,387
Liabilities no longer payable written back	-	(123,667)
Interest income	(45,938)	(4,067)
Operating profit before working capital changes	(217,222)	3,258,046
Adjustments for:		
(Increase) / Decrease in Current Assets	(344,850)	345,164
Increase / (Decrease) in Current Liabilities	(87,990)	(2,456,182)
Increase / (Decrease) in Non-Current Liabilities	10,905	5,541
(Increase) / Decrease in Non Current Assets	15,000	-
	(624,157)	1,152,569
Taxes paid (Net)	(222,630)	968,020
Net cash flow from Operating activities (A)	(401,527)	184,549
B. Cash flow from Investing activities		
Interest income	26,205	4,067
Net cash flow from Investing activities (B)	26,205	4,067
C. Cash flow from Financing activities:		
Finance cost	(1,037)	(3,387)
Net cash flow (used in) Financing Activities (C)	(1,037)	(3,387)
Net Increase / (Decrease) in cash and cash equivalents (A + B +C)	(376,359)	185,229
Cash and cash equivalent -Opening balance	744,267	559,038
Cash and cash equivalent -Closing balance	367,908	744,267
Notes:		
1. Cash and Cash Equivalents:		
(a) Cash on Hand	49,880	37,504
(b) Balance with banks		
(i) in Current accounts	318,028	706,763
Cash and Cash Equivalents	367,908	744,267
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. Figures for the previous year have been regrouped/ restated wherever necessary to conform to current year's classification.		

As per our report of even date

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



FARHAD M. BWESANIA
 PARTNER
 Membership Number 127355

Place: Mumbai
 Date: 2nd May 2017

For and on behalf of the Board



Bimal R. Thakkar Bhavesh R. Thakkar
 Director Director
 DIN: 00087404 DIN: 00939805

Place: Mumbai
 Date: 2nd May 2017

ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2017

1. Background

ADF Foods (India) Limited ("the Company") was incorporated on 7 December 2009. The Company is a wholly owned subsidiary of ADF Foods Limited ('the holding company').

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

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

2. Significant accounting policies

2.1. Basis of preparation of financial statements

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 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') / The Companies Act, 1956, as applicable.

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.

Current assets include the current portion of non-current financial assets.

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.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2017

(Currency: Indian Rupees)

2. Significant accounting policies (Continued)

2.1. Basis of preparation of financial statements (Continued)

Current liabilities include current portion of non-current financial liabilities.

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 to the Act.

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

2.2. Use of estimates

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

2.3. Fixed 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 costs of bringing the asset to its working condition for its intended use.

2.4. Depreciation:

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. 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.

2.5. Inventories

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the basis of weighted average method and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. There is no closing inventory as on 31st March 2017 and 31st March 2016.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2017

(Currency: Indian Rupees)

2. Significant accounting policies (Continued)

2.6. Revenue recognition

Revenue is recognised when the significant risks and rewards of ownership are transferred to the buyer based on contractual arrangements. Revenue from sales is net of returns and excludes sales tax and applicable trade discounts and allowances.

Interest and other income are recognized on accrual basis.

2.7. Employee Benefits

i) Short Term Employee Benefits

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

ii) Post-employment benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

(i) Compensated absences

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

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



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2017

(Currency: Indian Rupees)

2. Significant accounting policies (Continued)

2.7. Employee Benefits (Continued)

ii) Post-employment benefits (Continued)

(b) Defined benefit plans (Continued)

(ii) Gratuity scheme

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

2.8. Taxation

Income-tax expense comprises current tax expense computed in accordance with the relevant provisions of the Income tax Act, 1961 and deferred tax charge or credit.

Current tax

Provision for current income-tax is recognized in accordance with the provisions of Income- tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

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.

Deferred tax

Deferred tax liability or asset is recognized for timing differences between the profits/losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

In the case of unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only to the extent there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. Such assets are reviewed as at each Balance Sheet date to reassess realization.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2017

(Currency: Indian Rupees)

2. Significant accounting policies (Continued)

2.9. Operating lease

Lease rentals in respect of assets acquired on operating leases are recognized in the statement of profit and loss on straight line basis over the lease term.

2.10. Earnings per share

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the results would be anti-dilutive.

2.11. Provisions and contingencies

A provision is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure by way of a contingent liability is made when there is a possible or present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized / disclosed in financial statements.



ADF FOODS (INDIA) LIMITED

Notes forming part of the financial statements

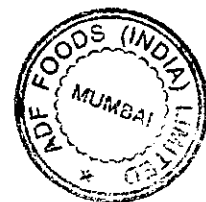
	As at		As at	
	31-Mar-17		31-Mar-16	
	Rs.		Rs.	
Note 3				
SHARE CAPITAL				
Authorised				
1,00,00,000 (Previous year 1,00,00,000) Equity shares of Rs. 10/- each	100,00,000		100,00,000	
Issued and Subscribed and Paid up Share Capital				
50,000 (Previous year 50,000) Equity shares of Rs. 10/- each	50,000		50,000	
a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year				
Particulars	31-Mar-17		31-Mar-16	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	50,000	500,000	50,000	500,000
Add: Shares issued during the year	-	-	-	-
Outstanding at the end of the year	50,000	500,000	50,000	500,000
b. Terms/rights attached to equity shares				
The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.				
The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.				
In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.				
c. Details of shares held by holding company, the ultimate holding company, their subsidiaries and associates				
Class of shares / name of shareholder	31-Mar-17		31-Mar-16	
	No. of shares held	% holding in that class of shares	No. of shares held	% holding in that class of shares
ADF Foods Limited	50,000	100%	50,000	100%
d. Details of shareholders holding more than 5% shares of the Company				
Class of shares / name of shareholder	31-Mar-17		31-Mar-16	
	No. of shares held	% holding	No. of shares held	% holding
ADF Foods Limited (Holding Company) & it's nominees	50,000	100%	50,000	100%
Total	50,000	100%	50,000	100%



ADF FOODS (INDIA) LIMITED

Notes forming part of the financial statements

	As at 31-Mar-17 Rs.	As at 31-Mar-16 Rs.
Note 4		
Reserves & Surplus		
(Deficit) in the Statement of Profit & Loss		
As per last Balance Sheet	(113,381)	(2,402,988)
(Loss) / Profit for the year	(190,962)	2,289,607
Closing balance	(304,343)	(113,381)
Loss for the year	(190,962)	2,289,607
	(190,962)	2,289,607
Note 5		
Long Term Provisions		
Provision for employees' benefits (Refer Note No: 27)		
(i) Provision for compensated absences	5,417	796
(ii) Provision for gratuity	34,616	28,332
Total	40,033	29,128
Note 6		
Trade Payables		
Outstanding dues of creditors other than Micro Enterprises and Small Enterprises		
(a) To related parties		
ADF Foods Limited for goods	1,825,470	1,873,913
(b) Others	370,075	339,780
Total	2,195,545	2,213,693
Note 7		
Other Current Liabilities		
Other payables		
(i) Statutory dues	28,146	81,680
(ii) Others	319,772	334,621
Total	347,918	416,301
Note 8		
Short Term Provisions		
Provision for employees' benefits (Refer Note No: 27)		
(i) Provision for compensated absences	3,577	2,487
(ii) Provision for gratuity	599	3,148
Total	4,176	5,635



ADF FOODS (INDIA) LIMITED

Notes forming part of financial statements

Note 9

FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 1st April 2016	Additions/ adjustments during the year	Deduction/ adjustment during the year	As at 31st March 2017	Upto 31st March 2016	For the year	Deduction/ adjustment during the year	Upto 31st March 2017	As at 31st March 2017	As at 31st March 2016
Tangible Assets:										
Vehicle	831,259	-	-	831,259	410,104	107,487	-	517,591	313,668	421,156
TOTAL	831,259	-	-	831,259	410,104	107,487	-	517,591	313,668	421,156
Previous year	831,259	-	-	831,259	302,321	107,782	-	410,103	421,156	-



ADF FOODS (INDIA) LIMITED

Notes forming part of the financial statements

	As at 31-Mar-17 Rs.	As at 31-Mar-16 Rs.
Note 10		
Non Current Investments		
Investments (At cost)		
Other Investments (Given as security to the Sales tax Department, Nadiad)	-	15,000
Total	-	15,000
Note 11		
Deferred Tax Asset (Net)		
Liabilities:		
On Fixed Assets	-	(5,908)
Assets		
On Fixed Assets	7,082	-
On Others	68,827	13,190
Total	75,909	7,282
Note 12		
Long term loans and advances		
(a) Other deposits		
Unsecured, considered good	25,000	25,000
(b) Others (Considered good)		
(i) Advance Income Tax (Net of provision for tax Rs. Nil, Previous year Rs. 4,26,000/-)	100,000	304,000
(ii) MAT credit receivable	1,385,238	1,383,649
Total	1,510,238	1,712,649
Note 13		
Trade receivable		
Unsecured, considered good		
Receivables outstanding for a year exceeding six months from the date they were due for payment	-	-
Others	390,822	-
Total	390,822	-
Note 14		
Cash and cash equivalents		
(a) Balance with banks		
(i) in Current accounts	318,028	706,763
(b) Cash on Hand	49,880	37,504
Total	367,908	744,267
Note 15		
Short Term Loans and Advances		
Unsecured:		
(a) Loans and advances to employees		
Unsecured, considered good	-	20,000
(b) Prepaid expenses	17,349	33,855
(c) Balance with Government authority - Considered good		
(i) VAT credit receivable	87,702	97,167
(d) Others		
(i) Interest receivable	19,733	-
Total	124,784	151,022
Note 16		

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	-	600	600
(+) Permitted Receipts	-	49,400	49,400
(-) Permitted Payments	-	25,545	25,545
(-) Amount Deposited in Bank	-	-	-
Closing cash in hand as on 30-12-2016	-	24,455	24,455



ADF FOODS (INDIA) LIMITED

Notes forming part of the financial statements

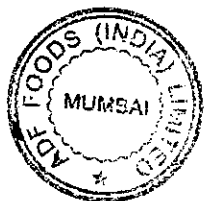
	For the year ended 31-Mar-17	For the year ended 31-Mar-16
	Rs.	Rs.
Note 17		
Revenue from operations		
Sale of products	22,187,766	26,878,352
	22,187,766	26,878,352
Traded goods		
Meal accompaniments	22,187,766	26,878,352
Total - Sale of traded goods	22,187,766	26,878,352
Total - Sale of products	22,187,766	26,878,352
Note 18		
Other income		
Interest income (Refer Note (i) below)	45,938	4,067
Other non-operating income (Refer Note (ii) below)	69,540	123,667
Total	115,478	127,734
Interest income comprises: (Note (i))		
Staff loan	900	4,067
Interest on Non Current Investment	9,175	-
Interest on Income Tax refund	16,130	-
Interest on Vat refund	19,733	-
Total - Interest income	45,938	4,067
Other non-operating income comprises: (Note (ii))		
Miscellaneous income	69,540	-
Liabilities no longer required written back	-	123,667
Total - Other non-operating income	69,540	123,667
Note 19		
Purchase of traded goods		
Purchases	19,444,292	20,181,350
Total	19,444,292	20,181,350
Traded goods comprises:		
Meal accompaniments	19,444,292	20,181,350
Total	19,444,292	20,181,350
Note 20		
Employees' benefit expenses		
Salaries and bonus	207,368	180,295
Contribution to Provident Fund & Other Funds:		
Contribution to Gratuity - Unfunded	3,735	8,580
Company's contribution to Provident Fund	8,400	6,600
Total	219,503	195,475



ADF FOODS (INDIA) LIMITED

Notes forming part of the financial statements

	For the year ended 31-Mar-17	For the year ended 31-Mar-16
	Rs.	Rs.
Note 21		
Finance costs		
Other borrowing cost	1,037	3,387
Total	1,037	3,387
Note 22		
Depreciation		
Depreciation - tangible assets	107,487	107,782
Total	107,487	107,782
Note 23		
Other Expenses		
Insurance	20,514	15,960
Rates & Taxes	34,456	26,670
Traveling & Conveyance Expenses	1,755	1,770
Printing and Stationery	-	4,200
Freight and forwarding	615,900	802,668
Sales commission	549,848	1,370,734
Sales and marketing exp - Domestic	852,778	394,387
Legal and professional Fees	115,750	93,562
Audit fees (Refer Note 23.1)	450,000	450,000
Service tax paid	169,483	83,530
Miscellaneous Expenses (net)	249	-
Total	2,810,733	3,243,481
Note 23.1		
As Auditors - Statutory audit	300,000	300,000
- Other services	150,000	150,000
Total	450,000	450,000



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2017

(Currency: Indian Rupees)

24. Micro, Small and Medium enterprises

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

	Rs. In lacs	
	2016-17	2015-16
Dues remaining unpaid Principal	Nil	Nil
Interest	Nil	Nil
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	Nil
Amount of further interest remaining due and payable in preceding years for the purpose of disallowances under section 23 of the Act	Nil	Nil

25. Deferred tax assets (Net)

Particulars	2016-17	2015-16
Liabilities		
On Fixed Assets	-	(5,908)
Assets		
On Fixed Assets	7,082	-
On Others	68,827	13,190
Total	75,909	7,282

26. Related party transactions

(A) Related parties and their relationship:

Sr. No	Category and related parties	Names
1	Holding company	ADF Foods Limited
2	Fellow Subsidiaries	ADF Foods (UK) limited
3	Fellow Subsidiaries	ADF Holdings (USA) Limited
4	Fellow Subsidiaries	ADF Foods (USA) Limited



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2017

(Currency: Indian Rupees)

(B) Transactions with related parties:

(Amount in Rs.)

Particulars	Financial Year	Holding company
Purchase of goods	2016-17	1,94,44,292
	2015-16	2,01,81,350
Balance payable at the year end	2016-17	18,25,470
	2015-16	18,73,913

27. Disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" are given below:

a) Defined contribution plans

Amount of Rs. 8,400 (Previous year Rs. 6,600) representing contribution to provident fund is recognized as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

b) Defined benefit plan

Compensated absence

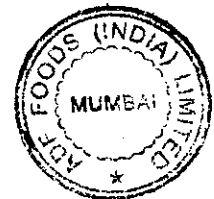
Provision for compensated absence is made at basic salary cost for outstanding leave balance at the year end which can be utilized in future and are en-cashable. Amount of Rs 8,994 (Previous year: Rs 3,283) has been recognized in balance sheet of which Rs. 5,417 (Previous year: Rs 796) is shown under long term provision and balance Rs. 3,577 (Previous year Rs. 2,487) is shown under short term provision as given in the Actuarial report as on 31st March, 2017.

Expenses of Rs. 5,711 (Previous year: Rs 5,505) are recognized in the Statement of Profit and Loss.

Gratuity

Unfunded

Amount of Rs 35,215 (Previous year: Rs 31,480) has been recognized in balance sheet of which Rs. 34,616 (Previous year: Rs 28,332) shown under long term provision and balance Rs. 599 (Previous year Rs. 3,148) is shown under short term provision as given in the Actuarial report as on 31st March 2017.



ADF Foods (India) Limited

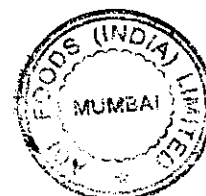
Notes forming part of the financial statements for the year ended 31 March 2017

(Currency: Indian Rupees)

27. Disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" are given below: (Continued)

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.

		Gratuity (Unfunded)	
		2016-17	2015-16
I	Change in benefit obligation		
	Liability at the beginning of the year	31,480	22,900
	Interest cost	2,518	1,832
	Current service cost	5,031	5,246
	Benefit paid	NIL	NIL
	Actuarial (gain) / loss on obligations	(3,814)	1,502
	Liability at the end of the year	35,215	31,480
II	Amount recognised in the balance sheet		
	Liability at the end of the year	35,215	31,480
	Fair value of plan assets at the end of the year	Nil	Nil
	Present value of unfunded obligations	*35,215	*31,480
III	Expenses recognised in the statement of profit and loss		
	Current service cost	5,031	5,246
	Interest cost	2,518	1,832
	Actual return on plan assets	Nil	Nil
	Net actuarial (gain) / loss to be recognized	(3,814)	1,502
	Expense recognised in statement of profit and loss	3,735	8,580
IV	Actuarial assumptions :		
	Discount rate	7.50%	8.00%
	Rate of return on plan assets	-	-
	Salary escalation	6.00%	7.00%
	Mortality table	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2017

(Currency: Indian Rupees)

27. Disclosures required under Accounting Standard 15 (Revised) "Employee Benefits" are given below: (Continued)

* Under long-term provisions Rs. 34,616 (Previous year Rs. 28,332) and under short-term provisions Rs. 599 (Previous year Rs. 3,148) (refer note no: 5 & 8 respectively).

Experience Adjustments

Experience	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligation	35,215	31,480	22,900	16,006	8,324
Plan Assets	-	-	-	-	-
Status [Surplus / (Deficit)]	-	-	-	-	-
Experience Adjustments of Obligation [(Gain)/Loss]	(2,061)	1,502	1,034	2,922	(44,923)
Experience on Plan Assets [Gain/(Loss)]	-	-	-	-	-

28. Earnings per share

	2016-17	2015-16
Net profit after tax attributable to equity shareholders	(1,90,962)	22,89,607
Weighted average number of equity shares outstanding during the period	50,000	50,000
Basic and diluted earnings per share (Rs)	(3.82)	45.79
Face value per share (Rs)	10	10

29. Contingent liability and capital commitments

	2016-17	2015-16
Claims against the Company not acknowledged as debt	Nil	Nil
Capital commitments	Nil	Nil

30. Segment reporting

The Company is operating in the business of trading of food specialty products and has mainly domestic sales. The Company has only one reportable business and geographical segment which is governed by similar set of risk and returns. Hence, the financial statements are reflective of the information required by Accounting Standard 17 as prescribed in Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 issued by the Ministry of Corporate Affairs.



ADF Foods (India) Limited

Notes forming part of the financial statements for the year ended 31 March 2017

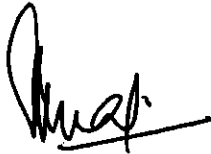
(Currency: Indian Rupees)

31. Domestic Transfer Pricing

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

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

For and on behalf of the Board



Bimal R. Thakkar
Director
DIN: 00087404



Bhavesh R. Thakkar
Director



Place: Mumbai
Date: 02-05-2017