



PUSHING BOUNDARIES

Annual Report 2020-21



About ADF Foods

ADF Foods (ADF) is a leading manufacturer of prepared ethnic food, offering ready-to-eat (RTE) items, ready-to-cook (RTC) items, sauces, pickles, pastes, dips, milk drinks and frozen foods under its 7 Flagship brands.

7

Brands

180+

Distributors

~28,000

MTPA capacity

400+

SKU

55+

Countries

3

State-of-the-art
Facilities



Brands and Products

Our continued focus has been on creating innovative products that are suitable for a wide variety of consumers across countries, our 7 brands help us in serving the wide spectrum of consumer preferences.



Flagship brand primarily targeted at Indian diaspora worldwide

Frozen snacks, frozen breads, frozen vegetables, RTE, meal accompaniments, pastes, sauces, spices, milk drinks
300+ products across categories

USA, Canada, UK and APAC



Premium brand targeted at Arabic diaspora

Meal accompaniments, cooking pastes

Middle East



Primarily targeted at Non-Indian consumers

RTE, meal accompaniments, condiment pastes, cooking sauces

Germany and USA



Economy brand

Meal accompaniments, cooking pastes, curry powder

Middle East



Non-GMO, all natural, vegan, vegetarian

Meatless meatballs

USA



Organic, made with USDA certified organic ingredients

Hand rolled burritos

USA



Primarily targeting urban Indian customers

Meal accompaniments, dipping sauces, cooking pastes, ready to cook instant masala mix

Primarily targeting urban Indian customers

State of the art manufacturing units

ADF has an annual capacity of ~28,000 MT distributed across 2 owned plants in Nadiad, Gujarat and Nasik, Maharashtra and 1 leased facility at Surat, Gujarat.

Nadiad, Gujarat

Total Built up factory area

15,000

Sqm

Frozen Foods (Samosas, Vegetables, Snacks, Parathas, etc)

Meal Accompaniments (Pickles, Chutneys, Pastes, Sauces)

Ready to Eat Curries & Canned Vegetables



Nasik, Maharashtra

Total Built up factory area

10,100

Sqm

Totally automated spices processing unit by Buhler, Germany

Meal Accompaniments (Pickles, Chutneys, Pastes, Sauces)

Ready to Eat Curries & Spices



Surat, Gujarat

Leased facility with a capacity of

1,950

MTPA

Frozen Food (Breads, Snacks etc)

Ready to Eat Curries



With global accreditations that demonstrate highest levels of safety, quality and regulatory standards



Global Distribution Network

Our broad distribution network is the cornerstone of our competitive advantage and helps us satisfy consumers across the globe.

Broadening distribution network



Product development and marketing initiatives during the year

New product launches in FY21



Frozen vegetables - Red chilli, chopped methi leaves, coconut slices, amla (gooseberry) slices



Frozen snacks - Three new variants of Kathi rolls - Gobi 65, Hot & Sour and Soya Chaap



Ambient range - Dipping Souces with a new variant called Twisty Tamarind

Branding and advertising engagements in overseas markets



Ashoka was the Associate Sponsor of IPL 2020 for the US and Canada markets on willow TV



BIG BOSS Sponsorship on Colors TV



Sponsorship of Tarak Mehta ka Ooltah Chashma on Sony SAB



Sponsorship on Aajtak & India Today News Channels

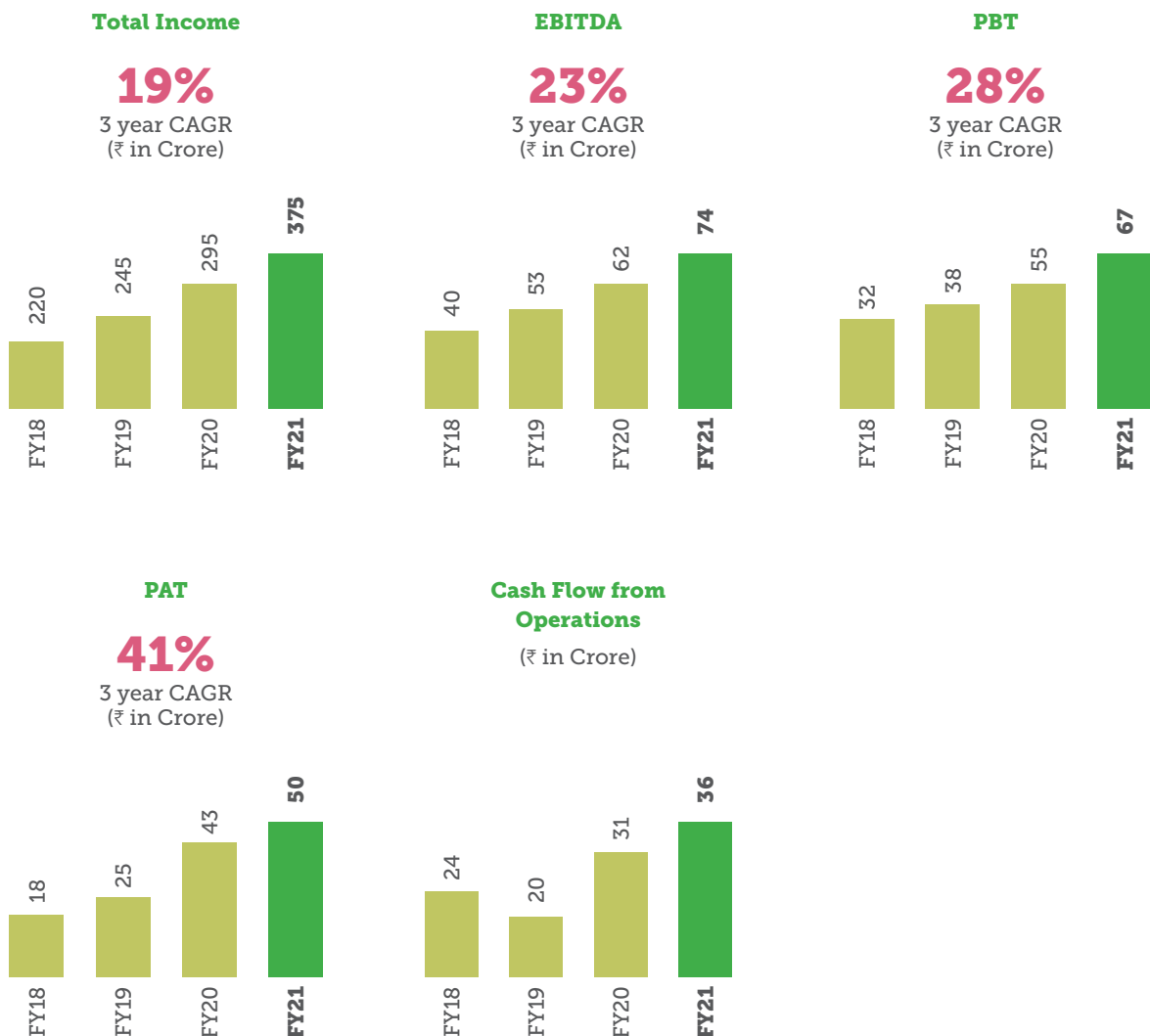
Instore promotions and displays



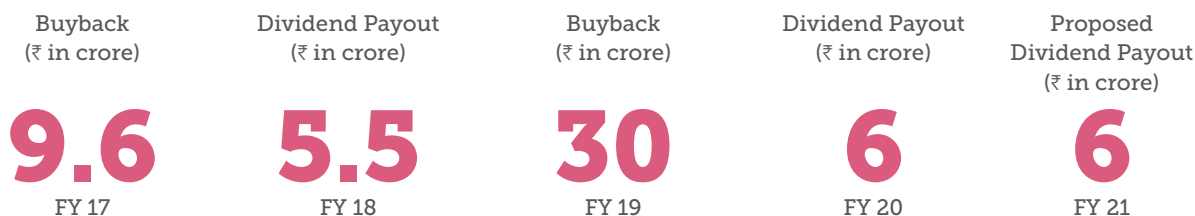
Instore displays

Robust financial performance

Consolidated Financial Performance



Giving back to shareholders



Chairman's Message



I am pleased to inform you that in spite of numerous challenges faced during the pandemic-struck financial year 2020-21, your Company has achieved remarkable growth.

Dear Shareholders,

I am addressing you at a time when India and many other parts of the world are in the grip of the second or even the third waves of the pandemic. Our Nation has reopened economy in a phased manner. I pray and hope that the situation normalizes sooner than later and you and your families remain in good health.

I am pleased to inform you that in spite of numerous challenges faced during the pandemic-struck financial year 2020-21, your Company has achieved remarkable growth. After the initial impact from lockdown-related disruptions, the Company returned to a growth trajectory over the next nine months, and ended the year with increased turnover & profitability. The array of quality products, strong brand reputation, and robust distribution network have helped the Company to reach consumers across the globe. We are committed to satisfying the ever changing tastes and preferences of our consumers by offering them with a wide variety of convenient, accessible, and healthy food options. In line with our strategy of continuous product development and innovation, we have launched several product variants in our frozen vegetables, frozen snacks, and ambient ranges.

I am extremely happy with the performance the company has delivered this year, and I look back at the year 2020-21 with a sense of achievement.

Chairman's Message

On a standalone basis, total income for the year stood at ₹ 241 crores as against ₹ 204 crore resulting in 18% increase year-on-year. Operating profit was ₹ 56 crores in FY 21, up by 17% year-on-year. We reported a PAT of ₹ 37 crores, up by 16% year-on-year. On a consolidated basis, total income grew at 27% to reach ₹ 375 crores. Operating profit for the period stood at ₹ 74 crores, compared to ₹ 63 crores in FY20, up by 18% year-on-year, while maintaining a consistent margin of 20%. Consolidated PAT was ₹ 50 crores with a PAT margin of 13%. Our cash conversion remains strong with a cash and bank balance (including investments) of ₹ 81.3 crores as on 31st March 2021.

This year we saw robust demand across all our product categories. To cater to the growing demand, we have taken additional manufacturing facility in Surat, Gujarat on lease. The facility will help increase production of frozen breads, snacks, and ready to eat products. The new facility became operational towards the end of the financial year, and is expected to increase our production capacity by 1,950 metric tonnes (MT) per annum.

Our Agency Distribution segment saw good offtake during the year and has supplemented our overall business very well, contributing ₹ 76 crores of revenue during the year. We have added new products to our product basket and have expanded distribution to the UK market as well. We continue to see

good traction from this segment going ahead.

We leased a warehouse as a distribution center to ensure uninterrupted supply of food products. The warehouse has 66,000 sq ft of area on leasehold basis and is located in New Jersey, US. This center will enable us to fulfill orders efficiently and effectively, and further strengthen our distribution process in the US market.

Further, we are entering FY 2022 with capacity expansion plans through Greenfield and brownfield investments. Our proposed greenfield project in Gujarat, with an estimated capex outlay of ₹ 60 crores, will help increase capacities for Frozen foods, Ready to eat foods, and Condiment categories with the potential to add 9,840 metric tonnes (MT) per annum in Phase 1. We have already acquired a land parcel of approx. 6 acres and expect to commercialize and start production in next 12 to 18 months.

We, at ADF, strongly value all our stakeholders and community and have consistently given back to our shareholders. We have announced a final dividend for the FY 2020-21, subject to shareholder approval, of ₹ 3 per share (30%) on equity shares of face value ₹ 10 each.

Over the years, our core focus has remained on developing a strong consumer base and a robust global distribution network, and we will

continue to focus on developing the same. With the strength of our product portfolio, strong industry demand drivers, resilient business model, and strong balance sheet with zero debt, we are excited to embark on new opportunities.

I would like to take this moment to thank and show my gratitude to all our employees for their dedication and continued support, and to all our stakeholders and consumers for their continued trust in us.

Best Wishes

Bimal Thakkar

Chairman, Managing Director
& CEO



COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Bimal R. Thakkar Mr. Jay M. Mehta Mr. Viren A. Merchant Mr. Ravinder Kumar Jain Mr. Chandir G. Gidwani Ms. Deepa Misra Harris	Chairman, Managing Director & CEO Director Director Director Director Director
SENIOR MANAGEMENT	Mr. Devang Gandhi Mr. Shardul Doshi Mr. Balbir Singh Mr. Maneck Katpitia	COO CFO Vice President - Manufacturing Vice President - International Operations & Supply Chain
COMPANY SECRETARY & COMPLIANCE OFFICER	Ms. Shalaka Ovalekar	
COUNTRY MANAGERS	Mr. Upinder Thakur Mr. Bharat Sareen Mr. Apurva Patel Mr. Michael Ryan Mr. John Campbell Mr. Masud Sethi Mr. Savio Almeida	UK UK USA USA USA Canada GCC, Levant Countries, Asia Pacific & Africa
STATUTORY AUDITORS	M/s. Kalyaniwalla & Mistry LLP Chartered Accountants	
INTERNAL AUDITORS	M/s. RMJ & Associates LLP, Mumbai	
SOLICITORS	M/s. D S K Legal	
BANKERS	State Bank of India 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	Marathon Innova, B2 - G01, Ground Floor, G. K. Road, Lower Parel, Mumbai - 400 013. Tel.: 022-6141 5555, Fax: 022-6141 5577 E-mail: info@adf-foods.com Website: www.adf-foods.com	
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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31st Annual General Meeting

Friday, September 24, 2021 at 4:00 p.m.

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

NOTICE OF THE 31ST ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Thirty First Annual General Meeting** of the Members of **ADF FOODS LIMITED** will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") on Friday, September 24, 2021 at 4:00 p.m. to transact the following business:

ORDINARY BUSINESS

- (1) (a) To receive, consider and adopt the Standalone Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditors thereon.
- (b) To receive, consider and adopt the Consolidated Audited Financial Statements of the Company for the Financial Year ended March 31, 2021, together with the Report of the Auditors thereon.
- (2) To declare a Final Dividend of ₹3/- per equity share of ₹10/- each for the Financial Year ended March 31, 2021.
- (3) To appoint a Director in place of Mr. Bimal R. Thakkar (DIN: 00087404), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the Resolution passed by the Members at the Annual General Meeting of the Company held on September 25, 2019 and pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") (including any statutory amendment(s) or modification(s) thereto or substitution(s) or re-enactment(s) made thereof for the time being in force) and subject to such other Laws, Rules, Regulations, etc. as may be applicable in this regard and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their Meetings held on May 24, 2021, consent of the Members of the Company be and is hereby accorded to continue with the directorship of Mr. Ravinder Kumar Jain (DIN: 00652148) as a 'Non-Executive Independent Director' of the Company, beyond the age of 75 years from the period beginning from March 25, 2022 (being the date on which Mr. Ravinder Kumar Jain shall attain the age of 75 years) till the expiry of his second consecutive term as an Independent Director of the Company till September 23, 2024.

RESOLVED FURTHER THAT Mr. Bimal Thakkar, Chairman, Managing Director & CEO (DIN: 00087404) and Ms. Shalaka Ovalekar, Company Secretary of the Company be and are hereby severally authorized to take such steps as may be necessary for obtaining necessary approvals, if any, and to settle all matters arising out of and incidental thereto and to settle any question, difficulty, doubt that may arise in respect of the aforesaid matter and further to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to the said Resolution."

- (5) To approve leasing of assets exceeding 20% of the assets of the Material Subsidiary(ies) of the Company and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Regulation 24(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of the Companies Act, 2013 (including any statutory modification(s) thereof for the time being in force) and the Material Subsidiary Policy of the Company and subject to such other approvals as may be required, consent of the Members of the Company be and is hereby accorded to lease movable and immovable assets of

ADF Holdings (USA) Limited ('ADF Holdings'), a Material Subsidiary of the Company in favour of third party(ies) as may be deemed appropriate, at such time and on such terms and conditions and in such manner as may be necessary from time to time resulting in lease of assets of ADF Holdings exceeding 20% of the value of the assets of ADF Holdings on an aggregate basis during any financial year.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things and give all such directions as it may in its absolute discretion deem necessary, expedient or desirable, in order to give effect to this Resolution, including without limitation, to file all necessary applications with regulatory authorities and to appoint all such agencies as may be required for the purposes of effecting the transaction as aforesaid, without being required to seek further clarification, consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate any or all of the aforesaid powers to any committee or employee or person by way of executing necessary power of attorney or authority letter.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing Resolutions be and are hereby approved and confirmed in all respects."

NOTES

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 2 dated January 13, 2021 read with Circular No. 20 dated May 5, 2020, Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC or OAVM without the physical presence of the Members at a common venue. In compliance with the relevant provisions of the Companies Act, 2013 ("Act"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and these aforesaid MCA Circulars, the AGM of the Company is being held through VC/OAVM. The venue of the Meeting shall be deemed to be the Registered Office of the Company viz. 83/86, G.I.D.C. Industrial Estate, Nadiad - 387 001.
2. A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or more proxies to attend and vote instead of himself/ herself and such proxies need not be Members of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

Institutional/ Corporate Shareholders (i.e. other than Individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-Voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to scrutinizer@adf-foods.com with a copy marked to the Company at csasst@adf-foods.com and to its RTA at instameet@linkintime.co.in

3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. At the Twenty-Ninth AGM held on September 25, 2019, the Members approved the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Registration No. 104607W/W100166) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM

till the conclusion of the AGM to be held for the Financial Year 2023-24. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no Resolution is being proposed for ratification of appointment of Statutory Auditors at the Thirty First AGM.

5. 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.
6. The relevant details of Director seeking approval for re-appointment and approval for continuation as an Independent Director under Item Numbers 3 & 4 of the Notice, as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereafter referred as the SEBI LODR Regulations, 2015) and Secretarial Standards - 2 are also annexed.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 18, 2021 to Friday, September 24, 2021 (both days inclusive).
8. The dividend, if 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 September 17, 2021 as per the list to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
 - b) as Members in the Register of Members of the Company as on September 17, 2021 in respect of shares held in physical form.
9. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM i.e. September 24, 2021. Members seeking to inspect such documents can send an email to csasst@adf-foods.com.
10. 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 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.
11. Members are hereby informed that dividends for the Financial Years 2013-14, 2014-15, 2016-17 and 2019-20 (two Interim Dividends) remaining unpaid or unclaimed over a period of seven years from the date of transfer of such dividends to the respective Unpaid Dividend Account(s) of the Company have to be transferred by the Company to the Investor Education and Protection Fund (IEPF). During the year under review, dividend pertaining to the Financial Year 2012-13 (Final) amounting to ₹14,00,870/- which remained unpaid or unclaimed for a period of 7 consecutive years were transferred by the Company to the Investor Education and Protection Fund.

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

Year	Type of Dividend	Dividend per share	Date of Declaration	Due date for transfer to IEPF
2013-14	Final	₹1.50	September 24, 2014	October 24, 2021
2014-15	Final	₹1.50	September 30, 2015	October 30, 2022
2016-17	Final	₹2.50	August 23, 2017	September 23, 2024
2019-20 (1 st Interim)	Interim	₹1.50	November 11, 2019	December 17, 2026
2019-20 (2 nd Interim)	Interim	₹1.50	February 7, 2020	March 14, 2027

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

In accordance with the IEPF Rules, the Company will send letters to the Members whose dividend amounts from the year 2013-14 is outstanding as per the Company's records requesting them to claim the same before being transferred to the IEPF Authority. The Company will upload the details of such incremental Members and their shares due for transfer to the IEPF Authority on its website www.adf-foods.com under the heading "IEPF Transfer List" to enable such Members to verify the details of their unencashed dividends and the shares liable to be transferred to the IEPF Authority.

Members are requested to note that no claim shall lie against the Company in respect of any shares/ dividend so transferred to the IEPF Authority.

As per Section 124(5) of the Companies Act, 2013, the Company has transferred the shares of those shareholders whose dividend remained to be encashed/ claimed for seven consecutive years or more. The details of such shareholders have been uploaded on the Company's website under the heading "IEPF Transfer List".

12. 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.
13. Members holding shares in physical form are requested to notify/ send the following to the Company's Registrar and Share Transfer Agents to facilitate better service:
 - any change in their address/ mandate/ bank details
 - particulars of their bank account in case the same have not been sent earlier, and
 - share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents.
15. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

16. Members who would like to ask any questions on the Financial Statements are requested to send their questions through email on co_secretary@adf-foods.com at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
17. Members holding shares in demat form and who have not registered their E-mail addresses so far are requested to register their E-mail address with the Depository Participants ('DP') for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
18. Members holding shares in physical form and who have not registered their E-mail address with the Company/ its RTA and or not updated the Bank Account mandate for receipt of dividend are requested to visit the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > E-mail/Bank Detail Registration - fill in the details, upload the required documents and submit.

Further, for all future correspondence, Members holding physical shares and who have not got their e-mail address registered or wish to update a fresh e-mail address may do so by submitting a self-attested scanned copy of their PAN Card and AADHAAR Card, scanned copy of the Share Certificate/s (front and back) alongwith their Name and Folio No., to the Company at the e-mail address csasst@adf-foods.com. To update the bank account details with the Company/ RTA, a request letter signed by the shareholder (including joint shareholder, if any) along with self-attested copy of his/her/their PAN Card(s) and AADHAAR Card(s) and cancelled cheque bearing name of the first shareholder/ a copy of Bank Passbook/ statement attested by bank shall be submitted with the Company/ RTA.

19. Pursuant to the provisions of Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 36 of the SEBI LODR Regulations, 2015, as amended, electronic copy of the Notice and Annual Report 2020-21 is being sent to the Members whose e-mail IDs are registered with the Company/ Depository Participant(s) (in case of shares held in demat form) or with Link Intime India Private Limited (in case of shares held in physical form).

As per the MCA General Circular 20/2020 dated May 5, 2020, the Annual Report will be sent through electronic mode to only those Members whose e-mail IDs are registered with the Registrar and Share Transfer Agent of the Company/ Depository Participant.

Members may also note that the Notice of the 31st Annual General Meeting and the Annual Report 2020-21 will be available on the Company's website www.adf-foods.com; websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively.

20. Nomination facility for shares is available for Members. For Members holding shares in physical form, the prescribed form can be obtained from the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited having address at C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400 083. For Members holding shares in electronic form, you are requested to approach your Depository Participant (DP) for the same.
21. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register their E-mail Ids with M/s. Link Intime India Private Limited for receiving the Annual Report and other communications through electronic mode pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended.
22. Since the AGM will be held through VC/OAVM, the Route map of the Venue of the AGM is not annexed to this Notice.

23. Voting through electronic means:

In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by Link Intime India Private Limited (LI IPL), on all Resolutions set forth in this Notice.

The instructions for e-Voting are as under:

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members the facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-Voting") will be provided by Link Intime India Private Limited (LI IPL).

The facility for e-Voting shall also be made available at the AGM and the Members attending the Meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the Meeting through e-Voting.

- II. The Member(s) who have cast their vote by remote e-Voting prior to the Annual General Meeting, may also attend/ participate in the Annual General Meeting through VC/OAVM but shall not be entitled to cast their vote again.
- III. The remote e-Voting period commences on Monday, September 20, 2021 and ends on Thursday, September 23, 2021. During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 17, 2021, 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 LI IPL for voting thereafter. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

A person who is a Member as on the cut-off date shall only be entitled for availing the Remote e-Voting facility or e-Voting at the Meeting.

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

- IV. The process and manner for remote e-Voting is as under:

Pursuant to SEBI Circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and Email-Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at: https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> Existing user who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are: https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest, the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at: https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and E-mail as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) and login through their Depository Participants	<ul style="list-style-type: none"> You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.
Individual Shareholders holding securities in Physical mode and e-Voting service provider is LINK INTIME	<ol style="list-style-type: none"> Open the internet browser and launch the URL: https://instavote.linkintime.co.in <ul style="list-style-type: none"> Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - <ol style="list-style-type: none"> User ID: Shareholders/ Members holding shares in physical form shall provide Event Number + Folio Number registered with the Company. PAN: Enter your 10 digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable). DOB/DOI: Enter the Date of Birth (DOB)/ Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format). Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company. <ul style="list-style-type: none"> Shareholders/ Members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio Number in 'D' above. Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter). Click "confirm" (Your password is now generated). Click on 'Login' under 'SHARE HOLDER' tab. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'. After successful login, you will be able to see the notification for e-Voting. Select 'View' icon. e-Voting page will appear. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/ Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link). After selecting the desired option i.e. Favour/ Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

Institutional Shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on the e-Voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian/ Mutual Fund/ Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution/ authority letter/ power of attorney, etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the '**Custodian/ Mutual Fund/ Corporate Body**' login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode and e-Voting service Provider is LINK INTIME, have forgotten the password:

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- o In case Shareholders/ Members is having valid E-mail address, Password will be sent to his/ her registered E-mail address.
- o Shareholders/ Members can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- o The password should contain minimum 8 characters, at least one special character (@!#\$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- o Shareholders/ Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned Depository/ Depository Participants website.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- o For Shareholders/ Members holding shares in physical form, the details can be used only for voting on the Resolutions contained in this Notice.
- o During the voting period, Shareholders/ Members can login any number of time till they have voted on the Resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case Shareholders/ Members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542/43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders and e-Voting service provider is LINK INTIME.

In case Shareholders/ Members holding securities in physical mode/ Institutional shareholders have any queries regarding e-Voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an E-mail to enotices@linkintime.co.in or contact on: Tel: 022-49186000.

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

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered E-mail Id) received during registration for InstaMeet and click on '**Submit**'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.
5. Enter the number of shares (which represents No. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
6. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
7. Once you confirm your vote on the Resolution, you will not be allowed to modify or change your vote subsequently.

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

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

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

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

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

In case the Members have any queries regarding login/e-Voting, they may send an E-mail to instameet@linkintime.co.in or Call on 022-49186175.

V. Process and manner for attending the AGM through InstaMeet (VC/OVAM):

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

- 1) Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/ OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

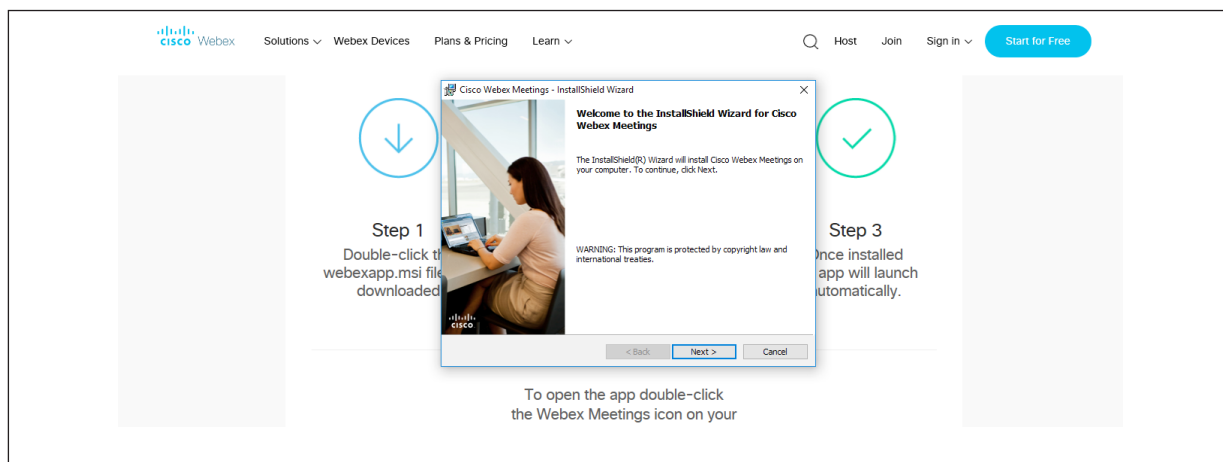
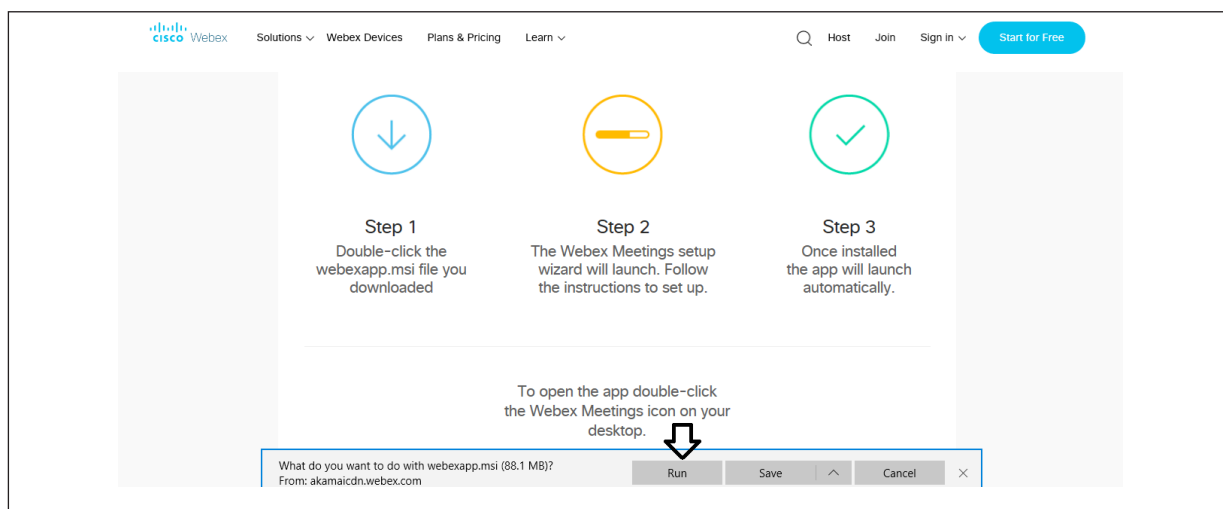
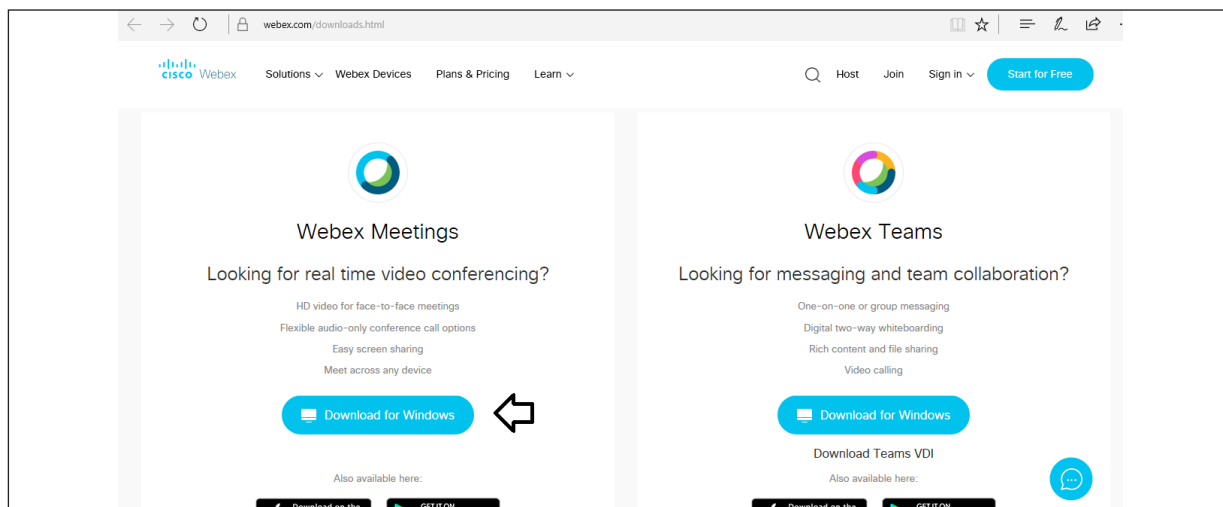
- 2) Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Members with > 2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors, etc. may be allowed to the Meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the Meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.
- 3) Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
 - ▶ Select the “**Company**” and ‘**Event Date**’ and register with your following details:
 - A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
 - Members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID.**
 - Members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.**
 - Members holding shares in **physical form shall provide** Folio Number registered with the Company.
 - B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. **Mobile No.:** Enter your mobile number.
 - D. **Email ID:** Enter your email id, as recorded with your DP/Company.
 - ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

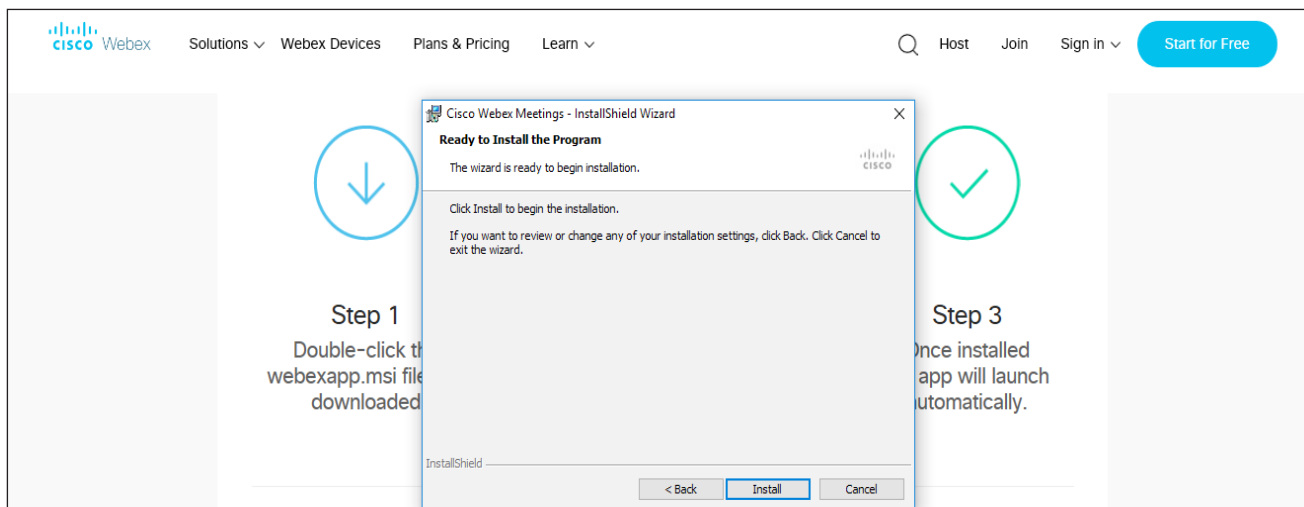
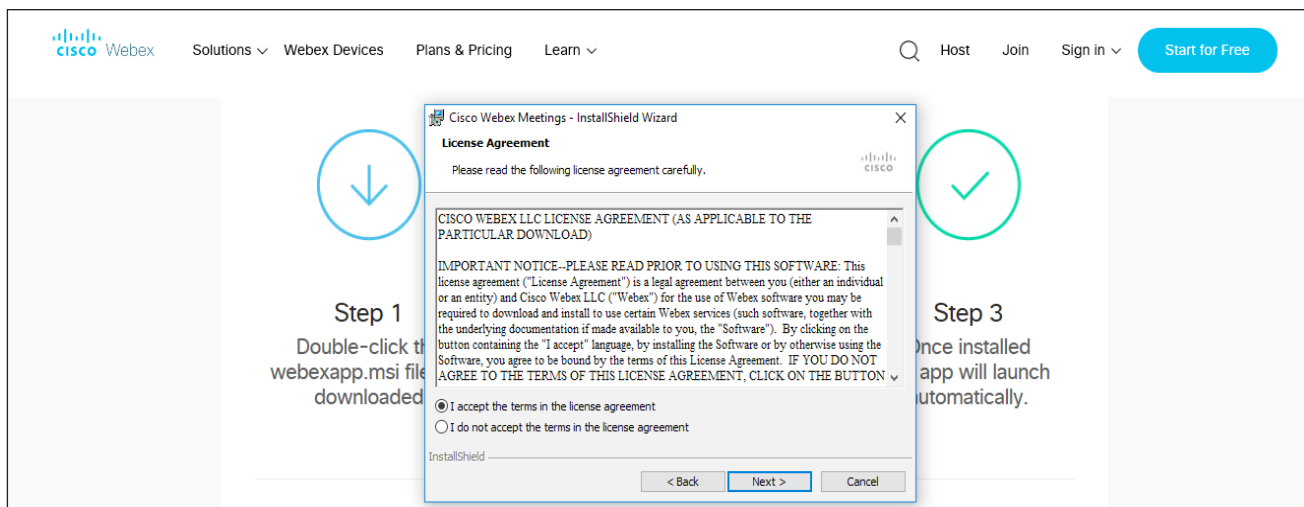
Please refer the instructions below for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, Members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>

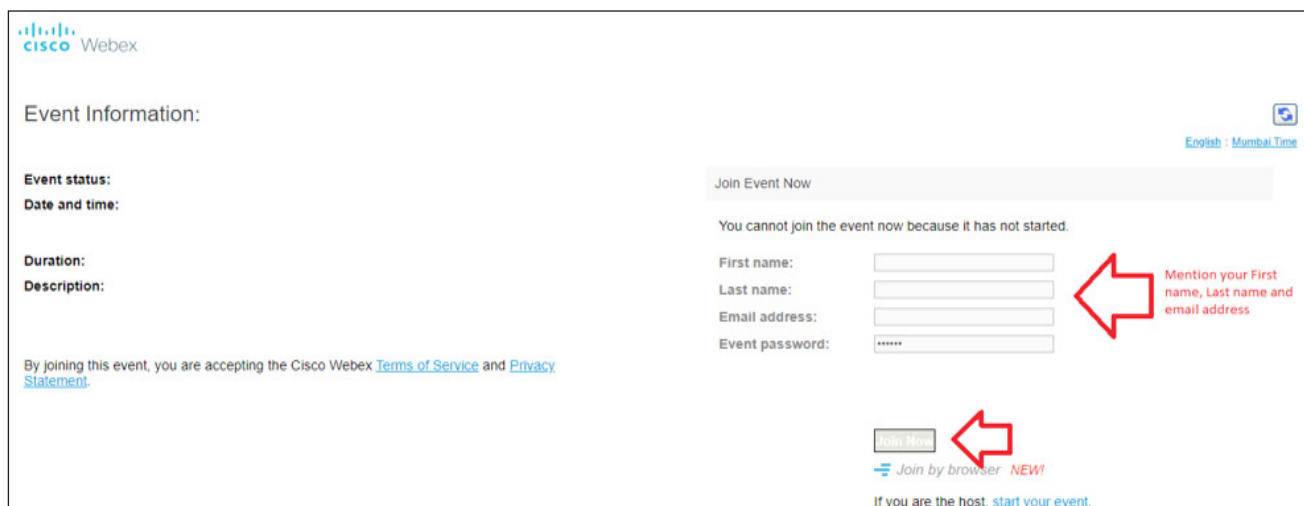




or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now.
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or <u>Run a temporary application</u> . Click on <u>Run a temporary application</u> , an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.



In case the Members have any queries regarding login, they may send an e-mail to instameet@linkintime.co.in or Call on 022-49186175.

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

Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/ folio number, E-mail id, mobile number at csasst@adf-foods.com from September 18, 2021 (9:00 a.m. IST) to September 20, 2021 (5:00 p.m. IST).

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

Members will get confirmation on first cum first basis depending upon the provision made by the Company.

Members will receive "speaking serial number" once they mark attendance for the meeting.

Other Members may ask questions to the panellist, via active chat-board during the meeting.

Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Members are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

VI. Dividend related information

1. Shareholders may note that the Income Tax Act, 1961, as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Shareholders. The Company shall therefore be required to deduct Tax at Source (TDS) at the time of making the final dividend. In order to enable us to determine the appropriate TDS rate as applicable, Members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.
 - a) **For Resident Shareholders**, TDS shall be made under Section 194 of the Income Tax Act, 1961 at 10% on the amount of Dividend declared and paid by the Company during financial year 2021-22 provided PAN is registered by the Shareholder. If PAN is not registered, TDS would be deducted at 20% as per Section 206AA of the Income Tax Act, 1961.

However, no tax shall be deducted on the Dividend payable to a resident individual if the total dividend to be received by them during financial year 2021-22 does not exceed ₹5,000. Please note that this includes the future dividends if any which may be declared by the Board in the financial year 2021-22.

Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm or HUF)/Form 15H (applicable to an Individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS shall be deducted.

- b) **For Non-resident Shareholders**, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is resident.
- Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
- Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.
- Self-declaration certifying the following points:
 - i. Member is and will continue to remain a tax resident of the country of its residence during the financial year 2021-22;
 - ii. Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;
 - iii. Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - iv. Member is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and
 - v. Member does not have a taxable presence or a permanent establishment in India during the financial year 2021-22.

2. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholder.
3. Accordingly, in order to enable us to determine the appropriate TDS/ withholding tax rate applicable, we request you to provide these details and documents as mentioned above before Monday, September 20, 2021.
4. Kindly note that the aforementioned documents are required to be submitted at www.linkintime.co.in under Investor Services > Tax Exemption Registration on or before Monday,

September 20, 2021 in order to enable the Company to determine and deduct appropriate TDS/ withholding tax rate. Alternatively, the shareholders can also send the aforementioned documents on the following e-mail id: adffoodsdivtax@linkintime.co.in. No communication on the tax determination/ deduction shall be entertained post Monday, September 20, 2021. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents from you, there would still be an option available with you to file the return of income and claim an appropriate refund, if eligible.

5. We shall arrange to e-mail the soft copy of TDS certificate to you at your registered e-mail ID in accordance with the provisions of the Income Tax Act, 1961 after filing of the quarterly TDS Returns of the Company, post payment of the said Dividend.

VII. Other Instructions

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

The results declared along with the Scrutinizer's Report shall be placed on the website of the Company and Link Intime India Pvt. Ltd. immediately after declaration of results by the Chairman or person authorized by him in writing. The results would be communicated to BSE Limited/ National Stock Exchange of India Limited and will be placed on their website thereafter. The result will also be displayed on the Notice Board of the Company at its Registered Office and the Corporate Office.

Mumbai, May 24, 2021

Regd. Office:

83/86, G.I.D.C. Industrial Estate, Nadiad - 387 001, Gujarat

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

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

Website: www.adf-foods.com

CIN: L15400GJ1990PLC014265

By order of the Board
For ADF FOODS LIMITED

Shalaka Ovalekar
Company Secretary
ACS No.: 15274

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

Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to Item No. 4 & 5 of the Notice.

Item No. 4: Continuation of directorship of Mr. Ravinder Kumar Jain as a Non-Executive Independent Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

The Securities and Exchange Board of India (SEBI) vide notification dated May 9, 2018 introduced SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), with effect from April 1, 2019, a company is required to seek approval of the members through Special Resolution in order to appoint or continue with the directorship of any person as a Non-Executive Director who has attained the age of seventy five years, and justification thereof should be indicated in the Explanatory Statement annexed to the Notice for such appointment.

The Members of the Company, at the 29th Annual General Meeting held on September 25, 2019, had granted approval for re-appointment of Mr. Ravinder Kumar Jain (DIN: 00652148) as a Non-Executive Independent Director for second consecutive term of five years effective from September 24, 2019, not liable to retire by rotation.

Mr. Ravinder Kumar Jain, Non-Executive Independent Director shall attain the age of 75 years on March 25, 2022, during his second consecutive term. In order to enable him to continue as a Non-Executive Independent Director of the Company, approval of the Members by way of passing Special Resolution is required.

Considering his vast and rich expertise and experience in various functional areas, contributions in strategic initiatives and upholding governance practices, the Board considers that his continued association would be of immense benefit to the Company and thus it is desirable to continue to avail services of Mr. Ravinder Kumar Jain as an Independent Director.

Accordingly, the Nomination and Remuneration Committee and the Board of Directors vide their Resolution dated May 24, 2021 approved and recommended to the Members the continuation of the directorship of Mr. Ravinder Kumar Jain on the Board of the Company as a Non-Executive Independent Director beyond 75 years of age.

Mr. Ravinder Kumar Jain fulfills all conditions specified by applicable laws for the position of a Non-Executive Independent Director of the Company. The Company has also received necessary declarations from him that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with applicable Rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. Further, he has also confirmed that he is not disqualified from being appointed as Director under Section 164 of the Companies Act, 2013 and Mr. Ravinder Kumar Jain is independent of the Management of the Company.

The Members are, therefore, requested to grant their approval by way of passing Special Resolution for the continuation of directorship of Mr. Ravinder Kumar Jain as a Non-Executive Independent Director of the Company upto September 23, 2024, not liable to retire by rotation.

Disclosure under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Statement setting out material facts.

Except Mr. Ravinder Kumar Jain and his relatives, none of the other Director and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice of the Annual General Meeting. This Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

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

Item No. 5: To approve leasing of assets exceeding 20% of the assets of the Material Subsidiary of the Company:

The Members are apprised that approval of shareholders of the Company by way of a Special Resolution is required under Regulation 24(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for selling, disposing and leasing of assets amounting to more than 20% (twenty per cent) of the assets of the material subsidiary on an aggregate basis during a financial year, unless *inter-alia* the sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/ Tribunal or under a Resolution Plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Members are requested to note that ADF Holdings (USA) Limited ("ADF Holdings") is a Material Subsidiary of the Company.

ADF Holdings has taken a warehouse on leasehold basis for storing food products in the USA. ADF Holdings may sub-lease the same fully/ partially to third parties on such terms as it may deem fit. The said proposed transactions may exceed 20% (twenty per cent) of the total assets of ADF Holdings during a financial year. Thus, an enabling approval of Shareholders of the Company by way of Special Resolution is being sought to enable ADF Holdings to execute the said proposed transaction from time to time.

The Board accordingly recommends the Special Resolution set out at Item No. 5 of this Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said Special Resolution.

ANNEXURE TO ITEM NO. 3 AND 4 OF THE NOTICE OF THE AGM

Pursuant to Secretarial Standard - 2 issued by the Institute of Company Secretaries of India and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the required details of the Directors proposed to be appointed and the terms of proposed remuneration of the Directors are given herein below:

Particulars	Mr. Bimal R. Thakkar	Mr. Ravinder Kumar Jain
Director Identification Number	00087404	00652148
Age	55 years	74 years
Date of Birth	September 17, 1965	March 25, 1947
Date of Appointment on Board	May 30, 2003	October 11, 2007
Qualifications	Bachelor of Commerce	Chemical Engineering (IIT Delhi) and Post Graduate Diploma in Business Administration (IIM Ahmedabad).
Experience/Expertise	Mr. Bimal Thakkar is having more than 35 years of experience in domestic and export food industry. He has played an instrumental role in developing Brands and new products, tapping new markets, international acquisitions, setting up of Subsidiary Companies in U.K. and U.S.A.	Mr. Ravinder Kumar Jain started his career in 1971 with Warner Hindustan Ltd., a pharma company as a Product Manager. He joined UB Group in 1974 as Brand Manager (Wines & Spirits) in Herbertsons Ltd. and moved on to Head of McDowell and Co., another group company. In 1992, he joined Shaw Wallace Ltd. as Managing Director which position he held until he left in 1999. Thereafter, he was Managing Director of Millennium Alcobev Pvt. Ltd., a Joint Venture (JV) of Scottish & New Castle, a British Company, UB Group and himself. In 2006, he exited the JV by selling his stake to his other Partners. In 2006, Mr. Jain promoted Vallee de Vin Pvt. Ltd, a company engaged in manufacture, branding and distribution of wines under the brand names of Zampa and One Tree Hill. In 2012, Vallee de Vin Pvt. Ltd. merged with another leading wine company Grover Vineyard Ltd. to form Grover Zampa Vineyards Ltd. Company owns famous brands such as Grover La Reserve and Grover Art Collection etc. Mr. Ravinder Kumar Jain has spent almost 40 years in beverage alcohol industry. He has been instrumental in developing several green field business in this industry as well as many well-known brands like McDowell's Whisky, Bagpiper Whisky, etc. Mr. Jain has also been involved in many mergers and acquisitions and has wide experience in managing of large conglomerates.
Terms and Conditions of appointment or re-appointment along with remuneration	Not Applicable	Not Applicable

Particulars	Mr. Bimal R. Thakkar	Mr. Ravinder Kumar Jain
The last drawn remuneration	₹2,81,56,258.00/- (for FY 2020-21).	Not Applicable
Shareholding in the Company	22,78,924 Equity Shares (11.38%) (under individual folio)	76,869 Equity Shares (0.38%) (under individual folio)
Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Bimal Thakkar is not related to any other Director, Manager and Key Managerial Personnel of the Company.	Mr. Ravinder Jain is not related with any other Director, Manager, and Key Managerial Personnel of the Company.
The Number of Meetings of the Board attended during the year	5	5
Other Directorships	<ul style="list-style-type: none"> Gujarat Sidhee Cement Limited Saurashtra Cement Limited ADF Foods (India) Limited Power Brands (Foods) Private Limited (under voluntary liquidation) Villa Trading Company Private Limited ADF Foods UK Limited ADF Holdings (USA) Limited ADF Foods (USA) Limited 	<ul style="list-style-type: none"> Delta Corp Limited Nector Ramco Trading Private Limited Brovel Trading Private Limited Noble Newera Milestone Trading and Investment Private Limited Accra Investments Private Limited Orange City Properties Private Limited Nobel Feedback Computers Private Limited Spirit Marketing Private Limited Craft Brewerkz Private Limited Marvel Resorts Private Limited
Memberships/Chairmanship of Committees of other companies	<p>Member:</p> <ol style="list-style-type: none"> Nomination and Remuneration Committee Gujarat Sidhee Cement Limited Saurashtra Cement Limited Audit Committee Gujarat Sidhee Cement Limited Corporate Social Responsibility Committee Gujarat Sidhee Cement Limited Saurashtra Cement Limited Share Allotment Committee Gujarat Sidhee Cement Limited Saurashtra Cement Limited <p>Chairmanship:</p> <ol style="list-style-type: none"> Shareholder's Grievance/ Stakeholder's Relationship Committee Saurashtra Cement Limited 	<p>Member:</p> <ol style="list-style-type: none"> Audit Committee Delta Corp Limited Marvel Resorts Private Limited Nomination and Remuneration Committee Marvel Resorts Private Limited

DIRECTORS' REPORT

Dear Shareholders,

ADF Foods Limited

Your Directors have pleasure in presenting the Thirty First Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2021.

A. FINANCIAL RESULTS:

The performance of the Company for the financial year ended March 31, 2021 is summarized below:

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	23,664.10	19,447.27	36,932.42	28,520.70
Other Income	424.85	937.23	600.46	942.04
Total Income	24,088.95	20,384.50	37,532.88	29,462.74
Total Expenditure				
Cost of materials consumed	10,733.14	8,180.85	10,733.14	8,180.85
Purchase of Stock-in-trade	740.43	747.01	12,488.52	8,644.83
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(165.80)	(47.47)	(1,709.26)	(1,918.82)
Employee benefits expense	1,476.72	1,511.84	1,764.35	1,764.49
Financial cost	115.83	133.41	115.99	133.42
Depreciation and amortization	588.77	551.60	588.99	552.71
Impairment losses	-	-	-	35.53
Other expenses	5,680.38	5,220.95	6,879.78	6,538.43
Total Expenses	19,169.47	16,298.19	30,861.51	23,931.44
Profit before exceptional and extraordinary items and tax	4,919.48	4,086.31	6,671.37	5,531.30
Exceptional Items	-	(32.51)	-	(32.51)
Profit before tax	4,919.48	4,053.80	6,671.37	5,498.79
Current tax	1,225.51	981.94	1,284.42	1,003.45
Deferred tax	25.41	(75.29)	380.04	217.86
Prior year's tax adjustment	-	-	-	-
Total tax expenses	1,250.92	906.65	1,664.46	1,221.31
Net Profit (+) / Loss (-)	3,668.56	3,147.15	5,006.91	4,277.48
Less: share of minority interest	-	-	-	-
Profit/loss for the period after minority interest	3,668.56	3,147.15	5,006.91	4,277.48
Net other Comprehensive income for the year	189.53	(333.98)	183.24	(313.35)
Total comprehensive income for the year	3,858.09	2,813.17	5,190.15	3,964.13
EPS (Basic)	18.32	15.72	25.01	21.36
EPS (Diluted)	17.56	15.72	23.96	21.36

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

FINANCIAL PERFORMANCE

The Standalone total income for the financial year ended March 31, 2021 stood at ₹24,088.95 Lakhs as against the corresponding figures of previous financial year which stood at ₹20,384.50 Lakhs representing growth of 18%. The Consolidated total income for the financial year ended March 31, 2021 stood at ₹37,532.88 Lakhs as against the corresponding figures of previous financial year which stood at ₹29,462.74 Lakhs representing growth of 27%.

The Standalone Profit Before Tax (PBT) for the financial year ended March 31, 2021 stood at ₹4,919.48 Lakhs as against the corresponding figures of previous financial year which stood at ₹4,053.80 Lakhs representing growth of 21%. The Consolidated Profit Before Tax (PBT) for the financial year ended March 31, 2021 stood at ₹6,671.37 Lakhs as against the corresponding figures of previous financial year which stood at ₹5,498.79 Lakhs representing growth of 21%.

B. BUSINESS DEVELOPMENT:

During the year under review, the Company launched new variants under Ashoka brand under the range of frozen vegetables and Kathi rolls. The Company also extended its current product line of Dipping Sauces under the ambient range.

During the year, the Company setup a manufacturing facility in Surat, Gujarat on lease. The facility is expected to increase the production capacity by 1,950 MTPA. This leasing option is an interim arrangement until further Greenfield expansion plans of the Company become operational. The facility has been established in response to the increased demand for the Company's core products - frozen bread, snacks and ready-to-eat products and was funded through internal accruals. The facility has started commercial production of frozen breads w.e.f. March 25, 2021.

The Company also gained additional listings in supermarkets in Canada and USA and has witnessed good product offtake from this channel.

During the year, more products were added in the product basket of the Company's existing Agency Distribution business with a leading FMCG Company.

The Company's US Subsidiary recently acquired 66,000 sq. feet of warehouse on leasehold basis situated at New Jersey, USA. This is in line with the Company's goal of expanding the distribution network to ensure uninterrupted product supply with direct reach to the retailers.

C. COVID-19 UPDATES:

The global spread of COVID-19 has created an unprecedented situation for the manufacturing sector, resulting from the mandated lockdowns across the global ecosystem.

Supply chains were disrupted in the early months of FY 2020-21, directly impacting the flow of raw materials and packaging material. Restrictions on transportation and shipment posed a challenge to food logistic as well. However, the Company managed to recover early because of the essential nature of its product category. During lockdown, there has been a major rise in the demand of packaged food products as most consumers are working from home and find these food items convenient, easily accessible and hygienic.

Currently, the Company's both manufacturing plants are operating at normal capacity and follow stringent social distancing and sanitization practices. The battle against the Pandemic COVID-19 however continues unabated. The Company is determined to deliver better performance in the years to come.

D. MATERIAL CHANGES AND COMMITMENTS 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:

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

E. SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2021 was ₹20.02 Crore. During the year under review, the Company had allotted 19,50,000 Convertible Warrants on preferential basis to certain Promoters and Non-Promoters of the Company at a price of ₹362/- per Warrant with a right to the Warrant holders to apply for and be allotted 1 (One) Equity Share of the face value of ₹10/- each at a Premium of ₹352/- per share for each Warrant aggregating to ₹70.59 Crore (Rupees Seventy Crores Fifty Nine Lakhs only). As on March 31, 2021, warrant subscription amount equivalent to 25% of total subscription amount has been paid by the Warrant holders.

F. DIVIDEND:

The Board of Directors has recommended a Final Dividend @ ₹3/- per share (i.e. 30%) on equity shares of face value of ₹10/- each for the Financial Year ended March 31, 2021, subject to the approval of the shareholders in the ensuing Annual General Meeting.

In view of the changes made under the Income Tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

G. TRANSFER TO RESERVES:

During the year under review, your Company has not transferred any amount to General Reserves. Further, the Company does not propose to transfer any amount to general reserve on declaration of the final dividend.

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 March 31, 2021. Power Brands (Foods) Pvt. Ltd. is undergoing Voluntary Liquidation vide Special Resolution passed by the Members on November 5, 2012. Hence, the annual financial statements as on March 31, 2021 of the said Subsidiary are not required to be prepared. During the year, the Board of Directors reviewed the affairs of the Subsidiaries in accordance with Section 129(3) of the Companies Act, 2013. The Company has prepared consolidated financial statements of the Company which forms part of the Annual Report. The salient features of the financial statements of the Subsidiaries are set out in the prescribed form AOC-1 which is attached to the financial statements. The statement also provides the details of performance and financial position of the Company's Subsidiaries.

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

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

I. BOARD OF DIRECTORS AND COMMITTEES:

o Directors

During the year, the following changes took place in the Board composition:

Name of Director	Position held	Date of Resignation/ Appointment
Mr. Chandir G. Gidwani	Non-Executive Independent Director	Regularised appointment as Non-Executive Independent Director for period upto February 6, 2025 in the Annual General Meeting held on August 5, 2020.
Ms. Deepa Misra Harris	Non-Executive Independent Director	Regularised appointment as Non-Executive Independent Director for period upto March 24, 2025 in the Annual General Meeting held on August 5, 2020.
Mr. Naresh Kothari	Non-Executive Independent Director	Resigned as an Independent Director of the Company with effect from December 21, 2020 due to other pre-occupations.

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

o Relationship between Directors *Inter-se*

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

o Meetings of Board of Directors

Five meetings of the Board of Directors of the Company were held during the year. The detail of the Board Meetings are provided in the Report on Corporate Governance of the Company, which forms part of this Annual Report.

o Committees of the Board

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

The Board of Directors of the Company has formed an Audit Committee which consists of Mr. Chandir G. Gidwani, Independent Director as Chairman, Mr. Ravinder Kumar Jain, Independent Director and Mr. Viren A. Merchant, Non-Executive Non-Independent Director, as Members of the Audit Committee.

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

The other Committees of the Board are:

- i) Nomination and Remuneration Committee
- ii) Shareholders' Grievance/ Stakeholders' Relationship Committee
- iii) Corporate Social Responsibility Committee
- iv) Risk Management Committee

The details with respect to the constitution/ reconstitution, powers, roles, terms of reference, meetings held and attendance of the Members at such meetings of the relevant Committees and such other related details are provided in the Report on Corporate Governance of the Company, which forms part of this Annual Report.

o **Directors' Responsibility Statement**

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

- a) that in the preparation of the annual financial statements for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Note 2 of the Notes to the Standalone Financial Statements and in Note 2 of the Notes to the Consolidated Financial Statements have been selected and applied consistently and judgment and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the financial year and of the Profit and Loss of the Company for the financial year ended March 31, 2021;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

o **Independent Directors' Declaration**

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

o **Meeting of Independent Directors**

A meeting of the Independent Directors was held on February 26, 2021 in order to take into consideration the performance of the Board as a whole, the Chairman and the Non-Independent Directors and timeliness of flow of information between the Company management and the Board that would be necessary for the Board to effectively and reasonably perform its duties, was reviewed in the said meeting. All the Independent Directors were present in the meeting.

o **Performance Evaluation of the Board**

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

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

o **Familiarization 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 and through a Corporate Presentation. The new Board Members are also acquainted to access the necessary documents/ brochures, Annual Reports and Policies available on the Company's website www.adf-foods.com to enable them to familiarize with the Company's procedures and practices. Periodic presentations are made by the Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, working capital management, fund flows, business risks and its mitigation strategy, effectiveness of Internal Financial Controls, Subsidiary Companies information, updates on major litigations, impact of regulatory changes on strategy, etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors.

Familiarization Programme of the Company as specified under Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is displayed on the Company's website www.adf-foods.com and is available under the weblink:

<https://www.adf-foods.com/wp-content/uploads/2021/04/Familiarization-Programme-2020-21.pdf>

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

In accordance with the provisions of Section 134(3)(e) of the Companies Act, 2013 ("the Act") read with Section 178(3) of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters, which is covered in the Corporate Governance Report which forms part of this Report.

J. CASH FLOW STATEMENT:

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

K. CONSOLIDATED ACCOUNTS:

The Consolidated Accounts of the Company are prepared in compliance with Regulation 34(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IND AS) as prescribed under Section 133 of the Companies Act, 2013. The Consolidated Accounts of the Company and its Subsidiaries are annexed to this Report.

L. GOVERNANCE:

o **Report on Corporate Governance**

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

Report on Management Discussion and Analysis is provided in separate section at Annexure A and forms part of this Annual Report. Various information required to be disclosed under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the Annexure B and forms part of this Report.

o Vigil Mechanism/Whistle Blower Policy

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

With the adoption of this Policy, the Company has put in place a mechanism wherein the Employees are free to report to the Management any actual or possible violation of the Principles or any other unlawful or unethical or improper practice or act, or activity of the Company including leakage of Unpublished Price Sensitive Information. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No personnel has been denied access to the Management and the Audit Committee. The mechanism is reviewed by the Audit Committee of the Company in accordance with the SEBI (LODR) Regulations, 2015. The Company did not receive any such complaints during the year, hence no complaints were pending as on March 31, 2021.

Whistle Blower Policy of the Company is displayed on the Company's website www.adf-foods.com and is available under the web link: <https://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-2.pdf>

o Nomination and Remuneration Policy

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

o Risk Management Framework

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

As per the amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide the Notification dated May 5, 2021, constitution of Risk Management Committee has been made applicable to Top 1000 listed companies based on market capitalization. In view of the same, Board of Directors at its Meeting held on May 24, 2021 formed Risk Management Committee with the following persons as its Members:

Sr. No.	Name of the Member	Category	Chairman/ Member
1.	Mr. Chandir G. Gidwani	Independent Director	Chairman
2.	Mr. Bimal R. Thakkar	Chairman, Managing Director & CEO	Member
3.	Mr. Shardul Doshi	Chief Financial Officer	Member

o Internal Financial Controls

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

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

In accordance with the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a 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: <https://www.adf-foods.com/wp-content/uploads/2016/01/Material-Events-21.12.2017.pdf>

The details of the other policies of the Company can be obtained using the following web-links:

Sr. No.	Policy	Link
1	Code of Conduct	https://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf
2	Nomination and Remuneration Policy	https://www.adf-foods.com/wp-content/uploads/2021/05/Nomination-and-Remuneration-Policy.pdf
3	Insider Trading Code	https://www.adf-foods.com/wp-content/uploads/2019/04/Insider-Trading-Code-2.pdf
4	Code of Practices & Procedures for Fair Disclosure of UPSI	https://www.adf-foods.com/wp-content/uploads/2020/07/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf
5	Policy for Procedure of inquiry in case of leak of UPSI	https://www.adf-foods.com/wp-content/uploads/2019/04/Policy-for-Procedure-of-inquiry-in-case-of-leak-of-UPSI.pdf
6	Policy for Determination of Legitimate Purposes	https://www.adf-foods.com/wp-content/uploads/2019/04/Policy-for-Determination-of-Legitimate-Purposes.pdf
7	Whistle Blower Policy	https://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-2.pdf
8	Related Party Transactions Policy	https://www.adf-foods.com/wp-content/uploads/2017/03/Related-Party-Transactions-Policy-1.pdf
9	Material Subsidiary Policy	https://www.adf-foods.com/wp-content/uploads/2019/04/Policy-for-Determining-Material-Subsidiary.pdf
10	CSR Policy	https://adf-foods.com/wp-content/uploads/2021/07/CSR-Policy-1.pdf
11	Familiarization Program	https://www.adf-foods.com/wp-content/uploads/2021/04/Familiarization-Programme-2020-21.pdf
12	Board Diversity Policy	https://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Board-Diversity-Policy.pdf
13	Sexual Harassment policy	https://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Sexual-Harassment-policy.pdf
14	Preservation of Documents	https://www.adf-foods.com/wp-content/uploads/2016/01/Preservation-of-Documents.pdf
15	Archival Policy	https://www.adf-foods.com/wp-content/uploads/2016/05/ADF-Archival-Policy.pdf
16	Dividend Distribution Policy	https://adf-foods.com/wp-content/uploads/2021/07/Dividend-Distribution-Policy-1.pdf

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

The Company has a policy on Prevention of Sexual Harassment of Women at Workplace pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company did not receive any such complaints during the financial year 2020-21.

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 web-link:

<https://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Sexual-Harassment-policy.pdf>

The Company has duly complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the FY 2020-21, no complaints were received and pending to be resolved pertaining to the sexual harassment.

M. PARTICULARS OF EMPLOYEES:

o **Key Managerial Personnel (KMP)**

Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO, Mr. Devang Gandhi, Chief Operating Officer, Mr. Shardul Doshi, Chief Financial Officer (appointed w.e.f. August 14, 2020) and Ms. Shalaka Ovalekar, Company Secretary & Compliance Officer are the KMPs of the Company as on date of this Report.

o **Employees**

There were no employees drawing remuneration exceeding the monetary ceiling of ₹1.02 Crores per annum or ₹8.50 Lakhs per month during the financial year 2020-21, if employed for a part of the year, as prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 except Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO of the Company whose remuneration is commission based and drawn from the Company's Subsidiary.

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

o **Human Resource and Employee Relations**

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

N. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE ACT:

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

O. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, subsidiary companies and other related parties which may have a potential conflict with the interest of the

Company at large. All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Prior Omnibus approval of the Audit Committee is obtained on yearly basis for the transactions which are of a foreseen and repetitive nature. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval/ noting on a quarterly basis. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Pursuant to Clause (h) of Sub-Section(3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014, the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties as specified in Sub-Section (1) of Section 188 of the Companies Act, 2013 are disclosed in Form AOC-2 which is attached as Annexure V to this Report.

Pursuant to requirements of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Company has formulated a 'Policy on determining Material Subsidiaries'. The Policy is posted on website of the Company viz. www.adf-foods.com.

The web link of the said Policy is:

<https://www.adf-foods.com/wp-content/uploads/2019/04/Policy-for-Determining-Material-Subsidiary.pdf>

P. PUBLIC DEPOSITS:

Your Company has not accepted any deposit within the meaning of Section 73 and 76 of the Companies Act, 2013 and the Rules made thereunder during the financial year 2020-21.

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

Pursuant to the provisions of Section 125(5) of the Companies Act, 2013, dividends pertaining to the financial year 2012-13 (Final) amounting to ₹14,00,870/- which remained unpaid or unclaimed for a period of 7 years were transferred by the Company to the Investor Education and Protection Fund during the financial year under review.

Transfer of Equity Shares to the Demat account of IEPF Authority -

Pursuant to the provision of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('Rules'), as amended from time to time, it is mandatory for the Company to transfer all the shares in the name of Investor Education and Protection Fund (IEPF) in respect of which dividend has not been claimed for seven consecutive years or more.

In compliance with the said Rules, during the financial year 2020-21, there were 247 shareholders holding 31,292 equity shares of ₹10/- each whose shares were transferred to IEPF.

The list of the aforesaid shareholders whose shares were transferred to IEPF is available at the below mentioned web-link:

<https://www.adf-foods.com/wp-content/uploads/2020/11/Details-of-Shares-Transferred-to-IEPF-2020.pdf>

R. CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES:

The Company has a Corporate Social Responsibility (CSR) Policy and set up CSR Committee and the same is currently comprising of four Members viz. Mr. Viren Merchant, Non-Executive Non-Independent Director, Mr. Bimal R. Thakkar, Chairman, Managing Director and CEO, Mr. Jay M. Mehta, Non-Executive Non-Independent Director and Ms. Deepa Misra Harris, Non-Executive Independent Director.

During the Financial Year 2020-21, the Company was required to spend an amount of ₹81,68,774.44/- on the CSR activities pursuant to Section 135 of the Companies Act, 2013 including an amount of ₹4,79,597/- which was unspent in the FY 2019-20.

During the year, the Company had spent an amount of ₹81,70,094/- towards various meaningful CSR activities in the areas such as education for underprivileged and disabled, covid relief measures, food and medical expenses of poor people, women empowerment, animal protection, environment protection through tree plantation etc.

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

S. BUSINESS RESPONSIBILITY REPORT:

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

T. ANNUAL RETURN:

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on:

<https://adf-foods.com/wp-content/uploads/2021/08/Annual-Return-2020-21.pdf>

U. AUDITORS AND THEIR REPORT:

o Statutory Auditors

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Registration No. 104607W/W100166) are the Statutory Auditors of the Company. At the Twenty-Ninth AGM held on September 25, 2019, the Members had approved their appointment as Statutory Auditors of the Company for a period of five years from the conclusion of the said AGM till the conclusion of the AGM to be held for the Financial Year 2023-24.

The requirement of seeking ratification by the Members for continuance of their appointment has been withdrawn consequent to changes made by the Companies (Amendment) Act, 2018 with effect from May 7, 2018. Hence, the Resolution seeking ratification of the Members for their appointment is not being placed at the ensuing Annual General Meeting.

The Board Members and the Audit Committee at their Meetings held on May 24, 2021 had reviewed the performance and effectiveness of the audit process of Statutory Auditors including their independence. The Board Members and the Audit Committee expressed their satisfaction towards the same and approved for their continuity as Statutory Auditors of the Company.

The Auditors' Report for 2020-21, does not contain any qualification, reservation or adverse remarks and therefore there are no further explanations to be provided for in this Report.

o Details with respect to fraud reported by Auditors

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

o Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Keyul M. Dedhia & Associates, Company Secretary in Practice (C.P. No. 8618), to undertake the Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Audit Report is annexed herewith as Annexure III.

There are no material qualifications, reservations or adverse remarks contained, in the said Report except certain observations. The summary of the observations along with the Company's explanation is as under:

Sr. No.	Observation	Company's Explanation
1.	In the Extraordinary General Meeting of the Members of Company held on October 5, 2020, the Chairperson of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee of the Board of Directors of the Company was not present as required under the provisions of Secretarial Standard-2 on General Meetings.	The Chairperson of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee of the Board of Directors of the Company could not remain present in the said Meeting on account of Covid-19 related restrictions.
2.	Mr. Viren Merchant, has been considered as Independent Director, however, Mr. Viren Merchant has not registered himself online with the Indian Institute of Corporate Affairs at Manesar for inclusion of his name in the data bank of Independent Directors within the time prescribed under the Companies Act, 2013. Further, in the Corporate Governance Report filed for the quarter and year ended March 31, 2021, Mr. Viren Merchant has been shown as an Independent Director on the Board of Directors of the Company.	Mr. Viren Merchant could not complete online registration with the Indian Institute of Corporate Affairs at Manesar for inclusion of his name in the data bank of Independent Directors within the time prescribed under the Companies Act, 2013 on account of technical issue. However, the Company remains compliant with the requirement of Board composition as prescribed under SEBI (LODR) Regulations, 2015 as on March 31, 2021.
3.	<p>a. Ms. Pallavi Navinchandra Mehta (mother-in-law of Mr. Bhavesh Thakkar), Ms. Shefali Bhupendra Mehta (paternal cousin of Ms. Priyanka Thakkar), Mr. Bhavesh R. Thakkar (Promoter);</p> <ul style="list-style-type: none"> are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of 6 months from the date of Order; restrained from buying, selling or dealing in the securities of ADF Foods Limited, directly or indirectly, in any manner whatsoever, for a period of 1 year; shall jointly and severally, disgorge the amount of unlawful gains and accordingly, the amount deposited in the escrow account (along with the interest accrued so far) shall be transferred to IPEF within a period of 45 days. 	None of the persons against whom the said Order has been passed are involved in the Company's management at present nor hold directorship of the Company. Further, Mr. Bhavesh Thakkar and Ms. Priyanka Thakkar did not hold any shares in the Company as on March 31, 2021. Further, no penalty/ stricture has been levied on the Company.

Sr. No.	Observation	Company's Explanation
	b. Mr. Navin Mansukhlal Mehta (father of Ms. Priyanka Thakkar), Mr. Abhishek Mehta, Ms. Priyanka Thakkar (Promoter); are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of 3 months from the date of Order.	

Keyul M. Dedhia & Associates have been re-appointed as the Secretarial Auditor of the Company for the F.Y. 2021-22.

o Internal Audit

The Company had appointed RMJ & Associates LLP, Chartered Accountants, Mumbai (Registration No. AAM 0182) to conduct Internal Audit of Nasik, Nadiad and Mumbai Divisions of the Company for the Financial Year 2020-21.

RMJ & Associates LLP, have been re-appointed as the Internal Auditors of the Company for all divisions across the organization for the F.Y. 2021-22.

The Audit Committee of the Board of Directors, Statutory Auditors and the Management are periodically apprised of the Internal Audit findings and corrective actions taken.

o Cost Records and Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by the Company.

V. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS:

During the financial year under review, no significant and material orders were passed by the Indian Regulators or Courts or Tribunals that would impact the going concern status of the Company and its future operations.

W. LISTING OF SHARES:

The Company's equity shares are listed on BSE Limited and the National Stock Exchange of India Limited. The Company has duly paid the necessary listing fees with the concerned Stock Exchange(s) for the financial year under review.

X. TECHNOLOGY AND QUALITY:

Your Company is committed to deliver highest quality of products by continuous improvement in terms of product quality and achieving customer satisfaction and delight.

Your Company has already obtained various Quality and Product Safety certifications such as the internationally recognized ISO 22000 certificate and GFSI-BRCGS (British Retail Consortium Brand Reputation Compliance Global Standard) Food Safety certification for its plants located at Nadiad, Gujarat and Nasik, Maharashtra.

Y. ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE:

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

Z. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:

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

AA. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year is not applicable.

BB. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:

The requirement to disclose the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

CC. DISCLOSURE REQUIREMENTS:

The various policies and codes adopted by the Company are stated in detail in the Corporate Governance Report of the Company, which forms part of the Annual Report.

The Company during the financial year complied with the applicable provisions of the Secretarial Standards issued by the Institute of the Companies Secretaries of India.

DD. ACKNOWLEDGEMENTS:

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

For and on Behalf of the Board of Directors

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

Mumbai, May 24, 2021

Regd. Office:

83/86, G.I.D.C. Industrial Estate, Nadiad - 387 001, Gujarat

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

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

CIN: L15400GJ1990PLC014265

ANNEXURE I

1. PARTICULARS OF REMUNERATION

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

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

Name of Executive Director	Ratio to Median Remuneration
*Mr. Bimal R. Thakkar	NA

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

Name of Person	% increase in Remuneration
*Mr. Bimal R. Thakkar - Chairman, Managing Director & CEO	NA
**Mr. Shardul Doshi - CFO	**NA
Ms. Shalaka Ovalekar - Company Secretary	22%
Mr. Devang Gandhi	15%

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

* There is a change in the remuneration structure of Mr. Bimal Thakkar w.e.f. October 1, 2020. Earlier, the remuneration was fixed by way of commission upto 5% of the Standalone Net Profits of the Company and w.e.f. October 1, 2020 it is fixed by way of commission upto 5% of the Consolidated Net Profit Before Tax of the Company for any financial year. Further, the ratio of remuneration of Mr. Bimal Thakkar to median remuneration is not determined as the median remuneration being fixed in nature cannot be compared to the commission based variable remuneration of Mr. Bimal Thakkar.

** Mr. Shardul Doshi was appointed as the CFO w.e.f. August 14, 2020 and was not entitled to increment till March 31, 2021.

(iii) The percentage increase in the median remuneration of employees in the financial year: 10%

(iv) The number of permanent employees on the payroll of Company: 301

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

The average increase in the fixed salaries of employees other than managerial personnel in Financial Year 2020-21 was 10%.

Due to change in the remuneration structure of the Managing Director and his remuneration being variable in nature the same can't be compared with fixed salaries of other employees.

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

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

2. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF NON-EXECUTIVE DIRECTORS

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

ANNEXURE II

NOMINATION & REMUNERATION POLICY:

Introduction:

The Company considers human resources as its prime invaluable asset. ADF believes in harmonizing the aspirations of human resources to be consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee on August 9, 2014 and approved by the Board of Directors in their Meeting on August 11, 2014. The said Policy was amended by the Board of Directors in their Meeting held on May 22, 2019.

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 April 1, 2014.

Constitution of the Nomination and Remuneration Committee:

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

The Nomination and Remuneration Committee comprises of following Directors:

- i) Mr. Chandir Gidwani, Chairman [Non-Executive Independent Director]
- ii) Mr. Viren A. Merchant, Member [Non-Executive Non-Independent Director]
- iii) Mr. Ravinder Kumar Jain, Member [Non-Executive Independent Director]
- iv) Mr. Jay Mehta, Member [Non-Executive Non-Independent Director]

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

Definitions:

- Board means Board of Directors of the Company.
- Directors mean Directors of the Company.
- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- Company or ADF means ADF Foods Limited.
- Independent Director means a Director referred to in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Key Managerial Personnel (KMP) means:
 - (i) Chief Executive Officer or the Managing Director or the Manager;
 - (ii) the Company Secretary;
 - (iii) the Whole Time Director;
 - (iv) the Chief Financial Officer;
 - (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed.
- Senior Management Personnel means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads.

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

Applicability

The Policy is applicable to:

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

General

This Policy is divided in three parts:

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

Part - B covers the appointment and nomination, and

Part - C covers remuneration and perquisites etc.

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

PART - A

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

The Committee shall:

- formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- formulate criteria for evaluation of performance of Independent Directors and the Board of Directors;
- devise a policy on diversity of Board of Directors;
- identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down in this Policy, and recommending to the Board of Directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- decide whether to extend or continue the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.
- recommend to the Board, all remuneration, in whatever form, payable to senior management and KMPs.

PART - B

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

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/ her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole Time Director who has attained the age of seventy years provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a Special Resolution based on the Explanatory Statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term/ Tenure:

1. Managing Director/ Whole Time Director:

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

2. Independent Director:

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

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Evaluation:

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

Removal:

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

Retirement:

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

PART - C

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

General:

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

5. The approval of Shareholders by Special Resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds fifty per cent of the total annual remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof.
6. The fees or compensation payable to Executive Directors who are Promoters or Members of the Promoter Group, shall be subject to the approval of the Shareholders by Special Resolution in General Meeting, if-
 - (i) the annual remuneration payable to such Executive Director exceeds Rupees 5 crore or 2.5 per cent of the net profits of the Company, whichever is higher; or
 - (ii) where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the Company.

Provided that the approval of the Shareholders under this provision shall be valid only till the expiry of the term of such Director.

• **Remuneration to Whole Time/ Executive/ Managing Director, KMP and Senior Management Personnel:**

1. Fixed pay:

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

2. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding the ceiling mentioned under Section 197 of the Companies Act, 2013. The same can be increased by way of a Special Resolution of the Members in accordance with the provisions of Schedule V of the Companies Act, 2013.

3. Minimum Remuneration:

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

4. Provisions for excess remuneration:

If any Whole Time Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed under the Companies Act, 2013 or without approval required under provisions of the Companies Act, 2013, he/ she shall refund such sums to the Company, within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it unless approved by the Company by Special Resolution within two years from the date the sum becomes refundable.

- **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 Rupees 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, 2021

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

To,

The Members,

ADF Foods Limited

Corporate Identity Number: L15400GJ1990PLC014265

83/86, GIDC Industrial Area, Nadiad, Gujarat - 387 001.

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

We would like to state that due to COVID-19 pandemic, we have not physically verified the records of the Company for the purpose of secretarial audit and have instead placed our reliance solely on the contents of electronically signed / scanned copies of the records, documents, papers, information, confirmation, etc; provided to us over e-mail by the Company, its officers and authorized representatives.

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, 2021 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to reporting made hereinafter:

We herewith report that maintenance of proper and updated Books, Papers, Minutes Books, filing of Forms and Returns with applicable regulatory authorities and maintaining other records is responsibility of management and of the Company. Our responsibility is to verify the content of the documents produced before us, make objective evaluation of the content in respect of compliance and report thereon. We have examined on test check basis, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended March 31, 2021, as per the provisions of:

- (i) The Companies Act, 2013, ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, to the extent the same was applicable to the Company;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (to the extent applicable);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit period)**;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit period)**;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit period)**; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure 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 review, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. and we have not found material observation or instances of non-compliance in respect of the same subject to the following observations:

1. ***In the Extraordinary General Meeting of the Members of Company held on October 5, 2020, the Chairperson of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee of the Board of Directors of the Company was not present as required under the provisions of Secretarial Standard-2 on General Meetings.***

2. *Mr. Viren Merchant, has been considered as Independent Director, however, Mr. Viren Merchant has not registered himself online with the Indian Institute of Corporate Affairs at Manesar for inclusion of his name in the data bank of Independent Directors within the time prescribed under the Companies Act, 2013. Further, in the Corporate Governance Report filed for the quarter and year ended March 31, 2021, Mr. Viren Merchant has been shown as an Independent Director on the Board of Directors of the Company.*

We further report that, pursuant to Securities and Exchange of Board of India Order dated March 30, 2021:

- a. Ms. Pallavi Navinchandra Mehta (mother-in-law of Mr. Bhavesh Thakkar), Ms. Shefali Bhupendra Mehta (paternal cousin of Ms. Priyanka Thakkar), Mr. Bhavesh R. Thakkar (Promoter);
 - are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of 6 months from the date of Order;
 - restrained from buying, selling or dealing in the securities of ADF Foods Limited, directly or indirectly, in any manner whatsoever, for a period of 1 year;
 - shall jointly and severally, disgorge the amount of unlawful gains and accordingly, the amount deposited in the escrow account (along with the interest accrued so far) shall be transferred to IPEF within a period of 45 days.
- b. Mr. Navin Mansukhlal Mehta (father of Ms. Priyanka Thakkar), Mr. Abhishek Mehta, Ms. Priyanka Thakkar (Promoter); are restrained from accessing the securities market and are further prohibited from buying, selling or otherwise dealing in securities, directly or indirectly, or being associated with the securities market in any manner, whatsoever, for a period of 3 months from the date of Order.

We further report that, one of the designated persons of the Company had dealt in the equity shares of the Company during non-transaction period notified as per the Company's Code of Conduct for Prevention of Insider Trading. The Company took necessary action in this regard.

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 decision is carried through and proper system is in place which facilitates / ensure to capture and record, the dissenting member's views, if any, as part of the Minutes.

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

We further report that, during the audit period:

- a. The Company has issued and allotted 19,50,000 warrants convertible into equity shares to certain Promoters/ Non-Promoters of the Company on Preferential basis.

For Keyul M. Dedhia & Associates

Company Secretaries

Unique ICSI Code Number: S2009MH120800

Keyul M. Dedhia

Proprietor

FCS No: 7756 COP No: 8618

UDIN: F007756C000364134

PR No.: 876/2020

May 24, 2021, Mumbai

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

ANNEXURE A

To,

The Members,

ADF Foods Limited

Corporate Identity Number: L15400GJ1990PLC014265

83/86, GIDC Industrial Area, Nadiad, Gujarat - 387 001.

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

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

For Keyul M. Dedhia & Associates

Company Secretaries

Unique ICSI Code Number: S2009MH120800

Keyul M. Dedhia

Proprietor

FCS No: 7756 COP No: 8618

UDIN: F007756C000364134

PR No.: 876/2020

May 24, 2021, Mumbai

ANNEXURE IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline of the CSR policy of the Company:

The Company has always recognized that its business is a part of the community where it operates. The Company has undertaken various CSR initiatives so far including construction of toilets under Clean India Mission, sponsoring education of urban and rural underprivileged students, women empowerment, medical aid for needy people, support to physically challenged people, contribution to environment protection by creating awareness for avoiding usage of plastic and tree plantation, animal welfare, funding COVID relief measures, etc. The Company will continue to contribute in these areas and will simultaneously explore the opportunities to contribute towards other social causes through its CSR program.

2. Composition of CSR Committee:

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Viren A. Merchant	Chairman (Non-Executive Non-Independent Director)	1	1
2.	Mr. Bimal R. Thakkar	Member (Chairman, Managing Director & CEO)	1	1
3.	Mr. Jay M. Mehta	Member (Non-Independent Director)	1	1
4.	Ms. Deepa Misra Harris	Member (Independent Director) - inducted w.e.f. 14.08.2020	1	Nil

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://adf-foods.com/wp-content/uploads/2021/07/Composition-of-Committees-of-the-Board.pdf>

<https://adf-foods.com/wp-content/uploads/2021/07/CSR-Policy-1.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

Not Applicable

5. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set off for the financial year, if any (in ₹)
1.	2020-21	NIL	₹1,319.56
	TOTAL	NIL	₹1,319.56

6. Average net profit of the Company as per Section 135(5) ₹38,44,58,872
7. (a) Two percent of average net profit of the Company as per Section 135(5). ₹76,89,177.44
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
- (c) Amount required to be set off for the financial year, if any. NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c). ₹81,68,774.44 (This includes an amount of ₹4,79,597 being unspent amount for the Financial Year 2019-20).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer
₹81,70,094.00	NIL				

- (b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr.No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration Number
NIL												

- (c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Aid to the centres imparting education for visually challenged and deaf students	Promoting education for disabled	Yes	Maharashtra	Mumbai	-	1,68,000	1,68,000	Nil	No	South Indian Education Society	CSR00002399

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount trans-ferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
2.	Sponsoring school fees of poor students	Education	Yes	Maharashtra Gujarat	Mumbai Nashik Kheda	-	16,05,000	16,05,000	Nil	No	Adapt - ₹1,00,000 Seva Sahayog Foundation - ₹4,50,000 Prem Dan - ₹2,15,000 Samarvay Samajik Sanstha - ₹4,30,000 Nirant Vividh Seva Trust - ₹4,10,000	CSR00001228 CSR00000756 CSR00006713 CSR00007607 CSR00004337
3.	Sponsoring food expenses of residential care centre for disabled and poor people	Eradication of hunger	Yes	Maharashtra Gujarat	Mumbai Kheda	-	13,62,355	13,62,355	Nil	No	Centrum Foundation - ₹5,00,000 Nirant Vividh Seva Trust - ₹38,855 Jalaram Seva Trust - ₹59,300 Cheshire Home - ₹3,14,200 Prem Dan - ₹2,50,000 Cuddles - ₹2,00,000	CSR00001436 CSR00004337 CSR00000625 CSR00006713 CSR00001473
4.	Distribution of women hygiene products	Women empowerment	Yes	Gujarat	Kheda	-	60,000	60,000	Nil	No	Dev Foundation	CSR00001019
5.	IDA (In Defense of Animals)	Animal Welfare	Yes	Maharashtra	Mumbai	-	1,00,000	1,00,000	Nil	No	IDA	CSR00004469
6.	Donation for medical purpose	Health	Yes	Gujarat	Kheda	-	1,69,400	1,69,400	Nil	No	Nirant Vividh Seva Trust	CSR00004337

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount trans-ferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/ No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
7.	Financial aid to under-privileged people	Eradication of poverty	Yes	Gujarat Maharashtra	Kheda Ahmed-nagar and Pune	-	26,60,750	26,60,750	Nil	No	Catalysts For Social Action - ₹4,50,000 Nirant Vividh Seva Trust - ₹22,10,750	CSR00002803 CSR00004337
8.	Protection of environment	Environmen-tal Protec-tion	Yes	Tamil Nadu and Karnataka	Districts of Tamil Nadu and Karna-taka	-	2,99,964	2,99,964	Nil	No	Isha Outreach	CSR00001844
9.	Covid Relief measures	Covid Relief	Yes	Gujarat Maharashtra	Kheda Nashik	-	13,44,625	13,44,625	Nil	No	One time Ex-gratia to workers - ₹4,92,700 The Dharmsinh Desai Foundation - ₹7,01,925 Uddhar Vikas Sanstha - ₹1,50,000	NA CSR00007252 CSR00006362
	TOTAL						77,70,094	77,70,094				

- (d) Amount spent in Administrative Overheads : ₹4,00,000
- (e) Amount spent on Impact Assessment, if applicable : Not Applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹81,70,094.00

(g) Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹76,89,177.44
(ii)	Total amount spent for the Financial Year	₹81,70,094.00 (This includes an unspent amount of ₹ 4,79,597 for Financial Year 2019-20.
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹1,319.56
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)] (i.e. FY 2021-2022)	₹1,319.56

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2019-20	NIL	4,79,597	N.A.			NIL

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
NIL								

- | | |
|--|-----------------------|
| <p>10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details)</p> <p>(a) Date of creation or acquisition of the capital asset(s).</p> <p>(b) Amount of CSR spent for creation or acquisition of capital asset.</p> <p>(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.</p> <p>(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).</p> | <p>Not Applicable</p> |
| <p>11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5).</p> | <p>N.A.</p> |

Bimal R. Thakkar
Managing Director & CEO

Viren A. Merchant
Director & Chairman of CSR Committee

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Introduction:

This policy has been framed in accordance with the provisions of Section 135 of the Companies Act, 2013 ('the Act') on Corporate Social Responsibility along with the Companies (CSR) Rules, 2014 ('the Rules') have become applicable w.e.f. April 1, 2014. The said Act and the Rules in this regard have been substantially amended with effect from January 22, 2021 necessitating changes to be made in the CSR Policy.

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 1,000 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, two Non-Executive Non-Independent Directors and one Independent Director.

The CSR Committee comprises of following Directors:

1. Mr. Viren A. Merchant, Chairman [Non-Executive Non-Independent Director];
2. Ms. Deepa Misra Harris, Member [Non-Executive Independent Director] - (appointed w.e.f. August 14, 2020);
3. Mr. Bimal R. Thakkar, Member [Chairman & Managing Director]; and
4. Mr. Jay Mehta, Member [Non-Executive Non-Independent Director].

The composition of the CSR Committee may be changed by the Board of Directors of the Company.

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

Role of CSR Committee:

The CSR Committee shall play the following role in fulfilling the Company's CSR objectives:

- Review and recommend the CSR Policy to the Board of Directors;
- Recommend the amount of annual expenditure to be incurred on the CSR activities;
- Review the Annual Action Plan for each financial year and recommend the same to the Board;
- Review and recommend to the Board, certain CSR projects/ programs as ongoing projects in accordance with the CSR Rules;
- Annually report to the Board, the status of the CSR activities and contributions made by the Company.

The CSR Committee shall do all such acts, deeds, matters and things to ensure compliance with applicable provisions relating to CSR and the CSR policy as amended, from time to time.

CSR Activities as per Schedule VII and CSR Rules:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
5. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
7. Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, Tribes, other backward classes, minorities and women;
9.
 - (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
 - (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
10. Rural development projects;
11. Slum area development
 Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
12. Disaster management, including relief, rehabilitation and reconstruction activities.

Guidelines for CSR activities/projects/programs:

The Company may directly undertake the CSR activities as permitted under Schedule VII and approved by the CSR Committee or execute and implement CSR activities through any other implementing agency registered in India, having a valid CSR Registration Number granted by the Ministry of Corporate Affairs (MCA) and having track record of service, performance, governance and accountability.

Provided that -

1. A Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee is in a position to report separately on such projects or programs in accordance with the CSR Rules;
2. The CSR projects shall be only taken up in India;
3. The CSR projects or programs or activities shall not only benefit the employees of the Company;
4. Company shall not contribute to any Political Party under CSR activities.

CSR Expenditure & Budget:

- CSR expenditure will include all amounts incurred/contributed by the Company towards its CSR Programs. CSR expenditure shall also include all direct and indirect expenditure incurred towards the CSR Programs as may be admissible under the regulatory framework.
- In line with the requirements of the Act, Administrative overheads i.e. all expenses towards 'General Management and Administration' of CSR activities of the Company shall be capped at a maximum of 5%. Further, these would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation.
- The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of its Annual Action Plan. Within the Budget, the allocation towards specific CSR initiatives/projects will be approved by the CSR Committee of the Board. All projects undertaken by the Company shall be approved/ratified by the CSR Committee.
- During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the outlay for approved project(s) subject to prior approval of the Managing Director.
- The surplus, if any, arising out of the CSR projects shall be ploughed back either to the same project from which such surplus arose or be spent in accordance with the Annual Action Plan.
- Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.
- In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.

- In case of excess CSR Spend in any year, such excess amount may be set-off against the requirement to spend under Section 135(5) of the Act up to immediate succeeding 3 financial years, subject to the condition that:
 - a) the excess amount available for set off shall not include surplus arising from CSR Activities; and
 - b) the Board shall pass a Resolution to that effect.

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.

Annual Action Plan:

The CSR Committee shall on an annual basis, recommend an Annual Action Plan to the Board for its approval. The Annual Action Plan shall include:

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes;
- (c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the Company.

Further, the Board may during the year, at the recommendation of the CSR Committee alter such plans.

Monitoring and Impact Assessment:

- The CSR initiatives/ projects of the Company will be monitored and reviewed by the Managing Director. The impact assessment will be done on the basis of the program reports to be submitted by the CSR implementing agencies.
- The CSR initiatives/ projects of the Company shall also be reported every year in the Annual Report of the Company.
- The CFO of the Company shall certify to the Board on an annual basis that the funds disbursed by the Company towards CSR activities have been utilized towards the same effect.

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. AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

1. Details of contracts or arrangements or transactions not at arm's length basis: The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2020-21.
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 2020-21 (₹)
ADF Foods (India) Limited	Wholly Owned Subsidiary	Sale, purchase or supply of any goods or materials and/or availing or rendering of any services and/ or leasing of property Maximum Limit ₹50 crore per annum.	Duration of Contract is from April 1, 2020 to March 31, 2023.	August 10, 2019	September 25, 2019	43,25,425
ADF Foods (India) Limited	Wholly Owned Subsidiary	Subscription to Share Capital	NA	January 29, 2021	NA	25,00,000
ADF Foods (USA) Limited	Step down Subsidiary	Re-imbursement of Legal fees in respect of a Litigation	NA	November 9, 2020	NA	11,00,813
Shivaan B. Thakkar	Person in place of profit	Employment contract. Basic: ₹86,400/- p.m.; 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 his family subject to a ceiling of ½ months basic salary in a year; Ex-gratia at the time of Diwali subject to one month's basic salary; Other benefits such as PF and Gratuity; Provision of a car with driver for use on Company's business.	Duration of Contract is for a period of three years with effect from February 15, 2019.	February 12, 2019	NA	15,51,788

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 2020-21 (₹)
Sumer B. Thakkar	Person in place of profit	Employment contract. Monthly Basic Salary: ₹72,000.00 (from August 14, 2020 till March 31, 2021); House Rent Allowance: 40% of Basic; Leave Travel Allowance for himself and his family in accordance with the rules of the Company subject to a ceiling of ½ months basic salary in a year; Reimbursement of Medical expenses incurred by him and his family subject to a ceiling of ½ months basic salary in a year; Leave encashment as per the Company's policy. 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; Contribution to the Company's Provident Fund in accordance with the rules of the Funds; Gratuity payable in accordance with the Company's scheme; Provision of a car with driver for use on Company's business; Reimbursement of expenses actually and properly incurred by him for the business of the Company and will not be considered as perquisite.	Duration of Contract is from August 14, 2020 to March 31, 2022.	August 14, 2020	NA	8,52,426
ADF Holdings (USA) Limited	Wholly Owned Subsidiary	Expense Sharing	April 1, 2020 to March 31, 2021.	February 7, 2020	NA	11,56,508

For and on Behalf of the Board of Directors

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

Mumbai, May 24, 2021

Regd. Office:

83/86, G.I.D.C. Industrial Estate, Nadiad - 387 001, Gujarat
Tel.: 0268-2551381/2, Fax: 0268-2565068;
E-mail: info@adf-foods.com; Website: www.adf-foods.com
CIN: L15400GJ1990PLC014265

ANNEXURE VI

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo as prescribed under Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2021.

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:-	2020-21	2019-20
1	Electricity		
a	Purchased Units (KWH)	4,102,360	4,268,954
	Total Amount (₹)	33,699,105	35,964,979
	Average Rate/Unit (₹)	8.21	8.42
b	Own Generation	2020-21	2019-20
i	Through Diesel Generator	N.A.	N.A.
	Units (KWH)	-	-
	Units/ Lt. of Diesel	-	-
	Cost/Unit (₹)	-	-
ii	Through Steam Turbine/Generator	N.A.	N.A.
2	Agro Waste & Fire Wood:	2020-21	2019-20
	Quantity (kgs)	2,262,145	1,763,374
	Total Amount (₹)	12,038,125	8,768,533
	Average Rate/KL (₹)	5.32	4.97
3	Fuel Furnace Oil + Light Diesel	2020-21	2019-20
	Quantity (K.L.)	303,713	299,996
	Total Amount (₹)	11,356,427	10,553,813
	Average Rate/KL (₹)	37.39	35.18
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.
- Standardization 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. (Amount in ₹)

Expenditure on R&D	2020-21	2019-20
(a) Capital	111,972	117,483
(b) Recurring	3,567,247	112,585
(c) Total	3,679,219	230,068
(d) Total R&D expenditure as a percentage of total turnover	0.16%	0.01%

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation. The Company upgraded its technology at Nadiad to world class standard. At Nasik, the Company has improved state of the art machinery for manufacture of spices and masalas.

2. Benefits derived as a result of the above efforts.

Satisfaction of customer needs, improvement in product quality, new product development.

C. Foreign Exchange Earnings and Outgo:

1. The Company has maintained its focus on development of exports both in the ethnic and mainstream markets. The Company's products under the brand name "ASHOKA" & "AEROPLANE" are very popular in the U.S.A., U.K., Canada and Australia, while "CAMEL" is popular in the Middle East. The Company will continue to make exports a thrust area.

2. Total Foreign Exchange used and earned:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Total Foreign Exchange Earned	21,419.65	17,295.72
Total Foreign Exchange Used	2,130.58	1,977.42

For and on Behalf of the Board of Directors

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

Mumbai, May 24, 2021

ANNEXURE A

MANAGEMENT DISCUSSION AND ANALYSIS

ADF Foods Limited (ADF) is a leading player in the prepared ethnic food market. The Company is primarily engaged in manufacturing and exporting of ready-to-eat food, ready-to-cook food, frozen food, frozen vegetables, and meal accompaniments like pickles, sauces and pastes. ADF has well established brands with international presence in 55+ countries and strong network with 180+ distributors across Europe, USA, Middle East, Australia, Canada and Asia. The Company has established a strong position in the growing prepared food industry through customer centric approach and continuous innovations.

1. Industry Overview

a. Global Ethnic Food Market

The global ethnic food market is expected to be valued at USD 50.5 billion in 2021 and is projected to register a CAGR of 11.8%, to reach USD 71 billion in 2024 (*Source: Mordor Intelligence*).

The rising trend in the global ethnic food market is attributed to the increasing migration among the world population for personal and professional purposes. Driven by consumers that are increasingly looking for more innovative and experimental food choices which are authentic, healthy and are convenient to adapt to their busy lifestyles.

After the closure of restaurants, hotels, and other foodservice facilities during the advent of the COVID-19 pandemic, the consumers moderately increased the intake of ready-to-eat food products, which comes in various ethnicities such as Italian, Indian, Chinese and others, which has propelled the demand for ethnic foods during the year.



• UK Ethnic Food Market

UK is the biggest ethnic food market which benefits from strong demand as six in ten adults (60%) enjoy eating foreign food (*Source: Mintel*). The market is continuing to grow every year backed by a variety of factors – increasing preference for ready-to-eat, new product developments, an increasingly multicultural Britain, and improved offerings by supermarkets.

The Indian Food market in the UK is expected to be valued at £325.24 billion in 2021 (*Source: UK India Business Council*). Indian food remains the largest segment in the market ahead of Chinese. Indians are the largest ethnic minority in the UK which ranks sixth in the world in the Indian diaspora. There are approximately 1.76 million Indians living in the UK and are the largest foreign-born population group in the UK (*Source: Ministry of External Affairs*).

- **US Ethnic Food Market**

U.S. retail sales of ethnic foods amounted to an estimated USD 12.5 billion in 2018 from USD 11 billion in 2013. The highest portion of sales was from Mexican/Hispanic foods, followed by products with Asian heritage (*Source: Statista*).

An increasingly diverse population and more frequent home cooking has helped the ethnic food market in the US to continue to grow. The fast-paced millennial population, along with a growing trend of eating and experimenting with various food cuisines on a frequent basis has provided a plethora of growth opportunities for ethnic food services. A good selection of ethnic and cultural foods is very important when selecting their primary grocery store.

b. Global Ready-to-eat Food Market

The advent of the pandemic in 2020 has reshaped consumer preferences with respect to packaged foods and ready to eat meals. The consumers have significantly increased their consumption of the aforementioned food products, owing to nationwide lockdowns as well as work-from-home directives provided by various states across the globe. As a result, the global ready-to-eat food market generated revenues worth USD 464.6 billion in 2021 and is expected to grow at a CAGR of 3.52% for the period 2021-2025 (*Source: Statista*).

Moreover, it is found that the younger population spent majority of their income on ready-to-eat food products. In Europe alone, majority of the population belongs to 18-35 years age group, highlighting that the convenience factor of the aforementioned food product incentivises the consumers across the globe. The fastest growing market for this segment is Europe, whereas North America continues to be the largest market for the same.

- **UK Ready-to-eat Food Market**

The revenues generated from the ready-to-eat food market in the UK amounted to USD 14.31 billion in 2021 and is expected to grow at a CAGR of 0.43% for the period 2021-2025 (*Source: Statista*). Low levels of unemployment, convenience centric mindset of the general public as well as ability of incumbent operators to cater to the ever-changing taste and preferences of the consumers has shaped the ready-to-eat market within the United Kingdom in the past few years.

- **US Ready-to-eat Food Market**

The US ready-to-eat market generated over USD 48 billion in 2021 and is expected to grow at a CAGR of 0.25% for the period 2021-2025 (*Source: Statista*). Increased product and packaging innovations as well as escalated expansion of e-commerce within the US has accelerated growth within the ready-to-eat food market in the country.

Adding on, demographically working consumers are the major contributors to ready-to-eat foods. The youth who prefer ready-to-eat products are becoming more aware and selective in their choices of ready-to-eat food.

c. Industry Trends

Over time, evolving consumer tastes and preferences have propelled demand for convenient foods that are nutritious while maintaining quality of taste -

- Evolving consumer tastes and preferences offering opportunities for innovations

Consumers demand healthy and authentic food alternatives with fewer artificial ingredients. Ongoing trends, such as non-GMO and vegan products, have accelerated as consumers focus on boosting their immunity and overall health to help stave off the virus.

- Strong preference of convenience RTE food by millennials

In addition to being readily available and having longer storage life than fresh foods, RTE foods are increasingly becoming the go to food for most meals for millennials. The rise in the number of nuclear families, lack of sufficient cooking skills and longer working hours are the primary factors responsible for the increase in the ready-to-eat food market.

- Emerging importance of a balanced healthy diet

With people becoming more aware and more compassionate, they are beginning to care about what they are eating and the source of their food products. Plant based meat alternatives are witnessing a rising number of consumer demand with the aim to provide health, sustainability, transparency, food safety and animal welfare, while maintaining consumer taste preferences.

- COVID-19 impact on sector

The increasing number of people infected by COVID-19 has triggered geopolitical concerns and worries in various nations which has raised uncertainty regarding the pace of global economic recovery. However, there is limited impact due to the essential service category for food products.

As an impact of COVID-19, the demand for ready-to-eat food rose considerably owing to consumer demand for convenient and relishing food at home. Uninterrupted availability with longer storage life and the stay at home restrictions imposed by almost all major countries has boosted the preference for ready-to-eat foods. With most restaurants continuing to remain closed and public gathering discouraged the ready to eat market has witnessed accelerated growth during the pandemic. This shift in consumer behaviour and preferences is expected to become the new normal as more and more countries and workplaces are adapting to a work from home culture.

- Government Initiatives for Food Processing Sector

Recently, the Government of India authorised the inclusion of food processing sector in its Production Linked Incentive (PLI) scheme. The outlay for this sector is capped at INR 10,900 crore. The introduction of this scheme would enable Indian players to gain recognition on the global platform. It would also boost economic activity as well as generate employment opportunities within the economy.

The Indian Government has made provisions which allow for 100% FDI in food processing as well as single-brand retail. In addition to this, the government has authorised setting up of 37 food parks financed under the Mega Food Parks Scheme.

2. Company Overview

ADF Foods is a market leader in the prepared ethnic food segment with products spanning across a wide range of categories from ready to eat to frozen foods and meal accompaniments. With a strong portfolio of 7 brands including Ashoka, Truly Indian, Camel, Aeroplane, ADF Soul, Nate's and PJ's Organics and a global

presence in 55+ countries. ADF has a large global footprint with 95%+ of revenues coming from exports across the globe. The largest contribution being from North America, Europe and GCC Markets.

To satisfy the ever changing consumer tastes and preferences, ADF has been continuously innovating and developing new products under different categories. The company has a dedicated team of professionals engaged in understanding the developments and bringing out innovative products.

During the year under review, the Company launched new variants under Ashoka brand under the range of frozen vegetables and Kathi rolls. The Company also extended its current product line of Dipping Sauces under the ambient range.

ADF's Product Portfolio

						
Ready to eat food	Ready to eat food	Meal accompaniments	Meal accompaniments	Ready to eat food	Ready to eat Burritos	Meal accompaniments
Frozen Vegetables	Papad (poppadum)	Cooking pastes	Cooking pastes			Cooking pastes
Meal accompaniments	Meal accompaniments		Curry powders			Cooking sauces
Flavoured drink milk	Cooking pastes		Cooking sauces			Instant masala mixes
Cooking pastes	Cooking sauces					
Mango pulps and mango slices	Organic ready to eat and organic cooking sauces					

In addition to the business of prepared ethnic food, the Company also has an "Agency Distribution" Segment which was introduced last year with a leading FMCG Company. Under this arrangement, the Company started with the distribution of Indian tea and coffee products of the said FMCG Company across the US and UK markets.

This new segment gives the Company a wider product portfolio to offer to the retailers thereby boosting distributor relationships.

The agency distribution business generated INR 76 Crores revenues in FY21. During FY20, the revenue contribution of this segment in the overall business was 11%. This segment fared well in FY21 with good growth of over 136% YoY.

The Company has two state of the art manufacturing plants located in Nashik, Maharashtra and Nadiad, Gujarat, with a total manufacturing capacity of ~28,000 MTPA. The Nashik plant is spread across 10,100 sq. meters of area. The Nadiad facility is built in an area of 15,000 sq meters. Both are HACCP (Hazard Analysis and Critical Control Point) and BRC (British Retail Consortium) accredited and ISO 22000:2005 certified. Product line automation has also been set up with new lines added in both manufacturing plants during the course of the year.

During the year, the Company setup a manufacturing facility in Surat, Gujarat on lease. The facility is expected to increase the production capacity by 1,950 MTPA. This leasing option is an interim arrangement until further Greenfield expansion plans of the Company become operational. The estimated capex of this project was

INR 2 crores. The facility was established in response to the increased demand for the Company's core products - frozen breads, snacks and ready-to-eat products and was funded through internal accruals. The facility has started commercial production of frozen breads w.e.f. March 25, 2021.

The wide distribution network of the Company encompasses 180+ distributors and 7 Country Managers. The Company's US Subsidiary recently acquired 66,000 square feet of warehouse on leasehold basis located at New Jersey, USA. This is in line with the Company's goal of expanding the distribution network to ensure uninterrupted product supply with direct reach to the retailers.

The global spread of COVID-19 has created an unprecedented situation for the manufacturing sector, resulting from the mandated lockdowns across the global ecosystem.

Supply chains were disrupted in the early months, directly impacting the flow of raw materials and packaging material. Restrictions on transportation and shipment posed a challenge to food logistic as well. However, the Company managed to recover early because of the essential nature of its product category. During lockdown, there has been a major rise in the demand of packaged food products as most consumers are working from home and find these food items convenient, easily accessible and hygienic.

Currently, the Company's all manufacturing plants are operating at normal capacity and follow stringent social distancing and sanitisation practices. The battle against the Pandemic COVID-19 however continues unabated. The company is determined to deliver better performance in the years to come.

3. Financial Highlight

On a Standalone basis for the year ended March 31, 2021, total income for the Company grew by ₹37.04 Crores over the last year to ₹240.89 Crores.

EBIDTA grew by 17.87% over the previous FY to ₹56.24 Crores. During the Fiscal year 2021, the Company's PAT was ₹36.69 Crores, up from ₹31.47 Crores in the previous year, a year-on-year growth of 16.58%.

The financials this year were impacted due to resurgence of COVID-19 as well as shortage of shipping containers.

On a Consolidated basis, the Company's total income for FY 2020-21 stood at ₹375.33 Crores with a year-on-year increase of 27.39%. The EBIDTA grew by 17.97% over the previous FY to ₹73.76 Crores. PAT for the year ended March 31, 2021 stood at ₹50.07 Crores with an increase of 17.06% as compared to ₹42.77 crores in the previous year.

(₹ in Crores)

Particulars	Standalone		Consolidated	
	FY20-21	FY19-20	FY20-21	FY19-20
Total Income	240.89	203.85	375.33	294.63
EBIDTA	56.24	47.71	73.76	62.53
EBIDTA Margin	23.35%	23.41%	19.65%	21.22%
Interest	1.16	1.33	1.16	1.33
PAT	36.69	31.47	50.07	42.77
PAT Margin	15.23%	15.44%	13.34%	14.52%
Working Capital Management	141.21	83.00	193.63	118.48
ROE	12.76%	13.60%	18.31%	20.92%
ROCE	17.51%	18.24%	24.82%	27.71%
Basic EPS	18.32	15.72	25.01	21.36
Diluted EPS	17.56	15.72	23.96	21.36

Details of significant changes in key financial ratios:

Particulars	March 2021	March 2020
Debtors Turnover	87 days	88 days
Inventory Turnover	3.90 times	3.31 times
Interest Coverage Ratio	43.47 times	31.63 times
Current Ratio	6.76 times	2.76 times
Debt Equity Ratio	-	-
Operating Profit Margin (%)	22.01%	23.17%
Net Profit Margin (%)	16.04%	17.28%

Debtors Turnover Ratio: The ratio has improved over the previous year on account of collection efficiency.

Inventory Turnover Ratio: The ratio has improved because of better inventory management.

Interest Coverage Ratio: During the year, the cash flow from operations improved and interest cost declined on account of repayment. Hence, the ratio is improved.

Current Ratio: Current ratio has improved on account of higher inflow from operations and better working capital management.

Debt-Equity Ratio: Not applicable to the Company.

Operating Profit Margin: The ratio declined slightly on account of change in product mix.

Net Profit Margin: The ratio declined slightly due to change in product mix and increase in other cost.

4. Risk and Mitigation

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

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

Mitigation: The Company manages this financial risk through booking of forward contracts in the range of approximately 50% of our projected sales.

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

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

- **Competition:** Increasing competition from existing players and entry of new players can impact the market share. The presence of unorganized sector offering products in loose unbranded form also intensifies competition.

Mitigation: Your Company has invested significantly in building strong brands which helps differentiate its products and increase in market share.

5. Internal Control Systems & Adequacy

Identification and monitoring the internal control systems play a crucial role in an organization. The Company has a well-established system of internal controls including internal financial controls and its adequacy is

constantly supervised by the Management. The internal control system implemented by the Company strikes at achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with all applicable laws and regulations. Key controls have been tested during the year and corrective and preventive actions are taken for any weakness. Regular internal audits are conducted by outsourced audit teams. Risk based internal audit plan is approved by the Audit Committee which also reviews adequacy and effectiveness of the Company's internal financial controls.

6. Material Development in Human Resources/Industrial Relations front, including number of people employed

The Company believes in the overall development and continuous growth of its employees. The Company continues to provide its employees the ideal workplace where they can give optimum results. This has resulted into team spirit and team work. The Company continues to equip its employees with the skill which would enable them to meet the growing organizational challenges. The relationships with employees have been cordial and operations at the factory uninterrupted. Measures for safety of employees, welfare and development continue to receive top priorities. The Company has 301 employees as on March 31, 2021.

7. Opportunities and Outlook

The Company has witnessed strong tailwinds from the Covid-19 pandemic with increasing demand for convenient ready-to-eat foods across major markets like North America and Europe and has continued to see demand driving up over the years with evolving consumer tastes and preferences.

With over 30 years of establishing a strong brand identity and an expanding global distribution network, your Company is well placed to tap into these opportunities. By ascertaining a good foothold in the ethnic and ready to eat market, the Company plans to expand in the following structured manner -

a) Increasing capacities

During the year, the Company acquired a manufacturing unit on lease as a stop-gap arrangement to cater to the increasing demand for the frozen food categories. Further, the Company aims to complete a Greenfield expansion in the near term. This will substantially enhance the manufacturing capacity which is running currently at optimal levels of utilization.

b) Broadening Distribution Network

The Company aims to expand the distribution network to increase direct reach to retailers and consumers by investing in own depots, warehouses and channel distributions, thereby cutting down intermediary costs and improving margins. Additionally, improving relations and adding more distributors and supermarkets will help in further widening the distribution network. During this year, the Company gained additional listings in supermarkets in Canada and USA and has witnessed good product offtake from this channel.

c) Strengthening Agency Distribution Segment

The Company aims to increase the product offerings in the distribution business. In this endeavour, more products were added in the product basket of the Company's existing Agency Distribution business with the leading FMCG Company during the year.

Additionally, the Company aims to target similar strategic tie-ups for complimentary products across geographies.

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.

ANNEXURE B

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest levels of transparency, disclosure, monitoring and fairness in all spheres of its operations and in all its dealings with the shareholders, employees, the Government and other stakeholders. Your Company is committed to adoption and adherence to the best Corporate Governance practices at all times.

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

The Company presents a summary of the practices it followed during the year 2020-21 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 March 31, 2021, the total strength of the Board of Directors of the Company was 6 (Six) Directors comprising of one Executive Promoter Director, one Non-Executive Non-Independent Director and four Non-Executive Independent Directors. The Non-Executive Directors are eminent professionals/ entrepreneurs with wide range of knowledge and experience in business, industry, finance and product branding. Their presence on the Board has been advantageous and fruitful in taking business decisions.

The composition of the Board, their *inter-se* relationship, their attendance at the meeting, their Directorship and Chairmanship/ Memberships of Committees in other Companies as on March 31, 2021 are given below:

Name of the Director	Designation Executive/Non Executive Independent/ Promoter	Relationship with each other	Board Meetings held and attended by the Directors		Attendance at the last Annual General Meeting	*[1] Directorships in other Companies	*[2] No. of Board Committees in which Chairman / Member	
			Held	Attended			Chairman	Member
Mr. Bimal R. Thakkar	Promoter/ Chairman, Managing Director & CEO	No <i>inter-se</i> relationship with other Directors	5	5	Yes	3	1	2
Mr. Jay M. Mehta	Non-Executive Non-Independent Director	No <i>inter-se</i> relationship with other Directors	5	5	Yes	3	Nil	2
Mr. Viren A. Merchant	Non-Executive Independent Director	No <i>inter-se</i> relationship with other Directors	5	4	Yes	1	Nil	Nil
Mr. Ravinder Kumar Jain	Non-Executive Independent Director	No <i>inter-se</i> relationship with other Directors	5	5	Yes	1	1	1

Name of the Director	Designation Executive/Non Executive Independent/ Promoter	Relationship with each other	Board Meetings held and attended by the Directors		Attendance at the last Annual General Meeting	*[1] Directorships in other Companies	*[2] No. of Board Committees in which Chairman / Member	
			Held	Attended			Chairman	Member
Mr. Naresh Kothari [^]	Non-Executive Independent Director	No <i>inter-se</i> relationship with other Directors	5	4	Yes	N.A.	N.A.	N.A.
Mr. Chandir G. Gidwani	Non-Executive Independent Director	No <i>inter-se</i> relationship with other Directors	5	5	Yes	8	1	3
Ms. Deepa Misra Harris	Non-Executive Independent Director	No <i>inter-se</i> relationship with other Directors	5	5	Yes	5	1	4

[^] Mr. Naresh Kothari resigned as an Independent Director of the Company with effect from December 21, 2020 due to other pre-occupations. He also confirmed that there were no other material reasons, other than those provided, for the resignation.

The Board, on request of the Director(s) has granted Leave of Absence to the Director(s) being unable to attend the respective Board Meeting(s) and Committee Meeting(s).

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

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

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

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

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

The Whole Time Director of the Company doesn't serve as Independent Director in more than three listed companies.

The Company has received declarations of independence as prescribed under Section 149(7) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from the Independent Directors. All requisite declarations have been placed before the Board.

The details of Directorship of Directors in other listed entities and their category of Directorship are mentioned below:

Sr. No.	Name of the Director	Name of Listed Entity	Category
1.	Mr. Bimal R. Thakkar	Gujarat Sidhee Cement Limited Saurashtra Cement Limited	Independent Director
2.	Mr. Jay M. Mehta	Gujarat Sidhee Cement Limited Saurashtra Cement Limited	Executive Vice-Chairman and Managing Director
3.	Mr. Ravinder K. Jain	Delta Corp Limited	Independent Director
4.	Mr. Chandir G. Gidwani	Centrum Capital Limited Rap Media Limited	Non-Executive Non-Independent Director Independent Director
5.	Ms. Deepa Misra Harris	TCPL Packaging Limited Prozone Intu Properties Limited PVR Limited Jubilant Foodworks Limited	Independent Director

Disclosure of the number of equity shares and preferential warrants of the Company held by Non-Executive Directors as on March 31, 2021:

Sr. No.	Name of the Non-Executive Director	No. of Shares held in the Company (as first holder)	No. of preferential warrants held in the Company
1.	Mr. Jay M. Mehta	50,000	25,000
2.	Mr. Viren A. Merchant*	50,000	-
3.	Mr. Ravinder Kumar Jain	76,869	25,000
4.	Mr. Chandir G. Gidwani	Nil	25,000
5.	Ms. Deepa Misra Harris	Nil	25,000

* In addition to the above, Mr. Viren Merchant holds 28,500 shares as a joint holder and 25,000 preferential warrants are issued to his wife Mrs. Shaila Merchant.

B. Induction and training of Independent Directors:

At the time of appointing an Independent Director, a formal letter of appointment is given to him/her, which *inter-alia* explains the role, function, duties and responsibilities expected of him/her as an Independent Director of the Company. The Directors appointed by the Board are given induction and orientation with respect to the Company's mission, business operations, growth strategies and financial position by having one to one meeting with the Managing Director and through Corporate Presentation.

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

The details of the Familiarization programme imparted to the Independent Directors can be accessed by following the web link: <https://www.adf-foods.com/wp-content/uploads/2021/04/Familiarization-Programme-2020-21.pdf>

C. Performance evaluation of the Board of Directors:

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

D. Details of sitting fees, remuneration, etc. paid to Directors for the year ended March 31, 2021:

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

Name of Non-Executive Director	Sitting fees paid for attending meetings of the Board and Committees (in ₹)
Mr. Jay M. Mehta	4,20,000
Mr. Viren A. Merchant	6,30,000
Mr. Ravinder K. Jain	6,50,000
Mr. Chandir G. Gidwani	4,00,000
Ms. Deepa Misra Harris	3,20,000
Mr. Naresh L. Kothari [^]	2,60,000

[^] Mr. Naresh Kothari resigned as an Independent Director of the Company with effect from December 21, 2020 due to other pre-occupations. He also confirmed that there were no other material reasons, other than those provided, for the resignation.

The details of remuneration paid to the Managing Director/ Whole Time Directors during the financial year ended March 31, 2021 are as under:

Sr. No.	Director	Inter-se relationship between Directors	Period of employment contract, Notice period.	Stock options	Salary (₹)	Other Perquisite (₹)	Commission from ADF Holdings (USA) Ltd.	Total (₹)
1.	Mr. Bimal R. Thakkar Chairman, Managing Director & CEO	Not related to any Directors	October 1, 2018 till September 30, 2023 Notice Period: 3 months	Nil	Nil	Nil	2,81,56,258.00	2,81,56,258.00

NOTES:

- All appointments of Directors are non-contractual except those of Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO. Appointment of Mr. Bimal R. Thakkar is for five years with effect from October 1, 2018. His earlier term was from October 1, 2017 to September 30, 2018. The appointment of the above managerial personnel is conditional and subject to termination by three calendar months' notice in writing on either side but no severance fees of any other kind is payable.

- (ii) Presently, the Company does not have any scheme for grant of Stock Options to its Directors, Managing Director or other employees.
- (iii) None of the employees except Mr. Shivaan B. Thakkar, Manager - Business & Strategy Development and Mr. Sumer B. Thakkar, Manager - Business & Strategy Development are related to Mr. Bimal Thakkar, Chairman & Managing Director of the Company as on March 31, 2021.

E. Number of Board Meetings held:

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

May 11, 2020, August 14, 2020, September 4, 2020, November 9, 2020 and January 29, 2021.

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

F. Independent Directors' Meeting:

The Meeting of the Independent Directors of the Company was held on February 26, 2021 to:

- review the performance of the Board as a Whole and the Chairman of the Board;
- the performance of the Non-Independent Directors; and
- timeliness of flow of information between the Company management and the Board that would be necessary for the Board to effectively and reasonably perform its duties for the year under review.

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

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

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

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

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

I. Confirmation:

The Board hereby confirms that the Independent Directors of the Company fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and are independent of the management.

III. COMMITTEES OF DIRECTORS

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory Committees viz. Audit Committee, Stakeholders' Relationship/ Shareholders' 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 Committee Members individually and tabled at the Board Meetings.

• AUDIT COMMITTEE

A. Composition & Meetings:

The Audit Committee was constituted on January 13, 2001 and over the years the Committee has been reconstituted to align it with the requirements of the provisions of applicable laws, rules and regulations. All Members of the Committee are financially literate and are having the requisite financial management expertise.

The present composition of the Audit Committee is in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The composition of the Audit Committee as on March 31, 2021 was as under:

Sr. No.	Name of the Director	Category	Chairman/ Member
1.	Mr. Chandir G. Gidwani*	Independent Director	Chairman
2.	Mr. Ravinder Kumar Jain	Independent Director	Member
3.	Mr. Viren A. Merchant**	Independent Director	Member

* Mr. Chandir G. Gidwani has been inducted as a Member of the Committee w.e.f. August 14, 2020. He has been designated as the Chairman of the Committee w.e.f. January 1, 2021.

** Mr. Viren Merchant has been re-designated from Chairman of the Committee to Member of the Committee w.e.f. January 1, 2021.

Mr. Bimal Thakkar resigned as a Member of the Committee w.e.f. January 1, 2021.

The Company Secretary acts as the Secretary to the Committee. The Managing Director & CEO, Chief Financial Officer, Chief Operating Officer, General Manager - Accounts, Internal Auditors and the Statutory Auditors are invited to the Audit Committee Meetings.

During the year under review, four Audit Committee Meetings were held on May 11, 2020, August 13, 2020, November 9, 2020 and January 29, 2021.

The attendance of each Audit Committee Member during the FY 2020-21 is given hereunder:

Sr. No.	Name of the Audit Committee Member	No. of meetings attended
1.	Mr. Viren A. Merchant**	4
2.	Mr. Ravinder Kumar Jain	4
3.	Mr. Bimal R. Thakkar***	3
4.	Mr. Chandir G. Gidwani*	2

* Mr. Chandir G. Gidwani has been inducted as a Member of the Committee w.e.f. August 14, 2020. He has been designated as the Chairman of the Committee w.e.f. January 1, 2021.

** Mr. Viren Merchant has been re-designated from Chairman of the Committee to Member of the Committee w.e.f. January 1, 2021.

*** Mr. Bimal Thakkar resigned as a Member of the Committee w.e.f. January 1, 2021.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on August 5, 2020.

B. The terms of reference of the Audit Committee:

The said Committee is entrusted with the powers and scope as prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Under the Companies Act, 2013:-

1. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
2. review and monitor the auditor's independence and performance, and effectiveness of audit process;
3. examination of the financial statement and the auditors' report thereon;
4. approval or any subsequent modification of transactions of the Company with related parties;

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

Provided further that in case of transaction, other than transactions referred to in Section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board:

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it:

Provided also that the provisions of this clause shall not apply to a transaction, other than a transaction referred to in Section 188, between a holding company and its wholly owned subsidiary company.

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

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

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

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower Mechanism;
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

C. Review of Information by the Audit Committee:

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of Significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal Audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
6. Statement of deviations:
 - (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) Annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7).
7. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.

• STAKEHOLDERS' RELATIONSHIP/SHAREHOLDERS' GRIEVANCE COMMITTEE

A. Composition & Meetings:

The Stakeholders' Relationship/ Shareholders' Grievance Committee was constituted on May 2, 2001 and over the years, the Committee has been reconstituted to align it with the requirements of the provisions of applicable laws, rules and regulations. The same was renamed as Stakeholders' Relationship/ Shareholders' Grievance Committee in the Board Meeting held on May 28, 2014.

The composition of the Stakeholders' Relationship/ Shareholders' Grievance Committee as on March 31, 2021 was as under:

Sr. No.	Name of the Director	Category	Chairman/ Member
1.	Mr. Viren A. Merchant	Independent Director	Chairman
2.	Mr. Bimal R. Thakkar	Executive Director	Member
3.	Ms. Deepa Misra Harris [^]	Independent Director	Member

[^] Ms. Deepa Misra Harris has been inducted as a Member of the Committee w.e.f. December 31, 2020.

Ms. Shalaka Ovalekar, Company Secretary acts as the Compliance Officer for the Committee.

During the year, four Meetings of the said Committee were held on May 11, 2020, August 14, 2020, November 9, 2020 and January 29, 2021.

The attendance of each member is given hereunder:

Sr. No.	Name of the Committee Member	No. of meetings attended
1.	Mr. Viren A. Merchant	3
2.	Mr. Bimal R. Thakkar	4
3.	Mr. Naresh L. Kothari**	3
4.	Ms. Deepa Misra Harris [^]	1

** Mr. Naresh L. Kothari has resigned from Board of Directors of the Company w.e.f. December 21, 2020.

[^] Ms. Deepa Misra Harris has been inducted as a Member of the Committee w.e.f. December 31, 2020.

B. The terms of reference of the Stakeholders' Relationship/ Shareholders' Grievance Committee:

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

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings, etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company.

The Committee specifically looks into redressing of investors' complaints including non-receipt of annual reports, non-receipt of declared dividends and complaints related to transfer of shares.

The Registrar and Share Transfer Agents provide quarterly confirmation to the Committee on compliance of the requirements in respect of dealing with the transfers, transmissions, complaints and other shareholder related matters. The Committee also monitors and reviews the performance and service standards of the Registrar and Share Transfer Agent and provides continuous guidance to improve the service levels for investors.

C. Shareholders' complaints:

2 complaints were received from the shareholders during the financial year ended March 31, 2021. The complaints were mainly relating to non-receipt of the rejected DRF and Share Certificate sent for completion of demat process and transfer of shares. The Complaints received were resolved to the satisfaction of the Shareholders. No complaints remained pending as on March 31, 2021.

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

- NOMINATION & REMUNERATION COMMITTEE**

A. Composition & Meetings:

The Remuneration Committee was constituted on May 8, 2002 to recommend to the Board the remuneration package for managerial persons and over the years, the Committee has been reconstituted to align it with the requirements of the provisions of applicable laws, rules and regulations. The same has been renamed as Nomination & Remuneration Committee in the Board Meeting held on May 28, 2014.

The composition of the Nomination and Remuneration Committee as on March 31, 2021 was as under:

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

* Mr. Chandir G. Gidwani has been inducted as a Chairman of the Committee w.e.f. January 1, 2021.

** Mr. Viren Merchant has been re-designated as a Member of the Committee from Chairman w.e.f. January 1, 2021.

During the year, three Meetings of the said Committee were held on May 11, 2020, August 14, 2020 and November 9, 2020.

Sr. No.	Name of the Remuneration Committee Member	No. of meetings attended
1.	Mr. Viren A. Merchant	2
2.	Mr. Ravinder Kumar Jain	3
3.	Mr. Jay M. Mehta	3

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

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

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

Under the Companies Act, 2013:

- 1) The Committee shall identify persons with suitable qualifications to be appointed as Directors, Senior Management Personnel and recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- 2) The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- 3) The Committee shall, while formulating the policy ensure that-
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

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

- 1) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other employees;
- 2) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- 3) devising a policy on diversity of Board of Directors;
- 4) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- 5) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- 6) recommend to the Board, all remuneration, in whatever form, payable to senior management.

C. Performance evaluation criteria for Independent Directors:

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

• SHARE TRANSFER COMMITTEE

Ms. Shalaka Ovalekar, Company Secretary has been delegated authority to approve/ ratify registration of transfer of shares in physical mode and to transact other shares-related matters.

• CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

A. Constitution & Meetings:

The CSR Committee was constituted on May 28, 2014 and over the years the Committee has been reconstituted to align it with the requirements of the provisions of applicable laws, rules and regulations.

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

The composition of the Corporate Social Responsibility Committee as on March 31, 2021 was as under:

Sr. No.	Name of the Director	Category	Chairman/ Member
1.	Mr. Viren A. Merchant	Independent Director	Chairman
2.	Mr. Bimal R. Thakkar	Executive Director	Member
3.	Mr. Jay M. Mehta	Non-Executive Non-Independent Director	Member
4.	Ms. Deepa Misra Harris [^]	Independent Director	Member

[^] Ms. Deepa Misra Harris has been inducted as a Member of the Committee w.e.f. August 14, 2020.

During the year, one Meeting of the said Committee was held on May 11, 2020.

Sr. No.	Name of the CSR Committee Member	No. of meetings attended
1.	Mr. Viren A. Merchant	1
2.	Mr. Bimal R. Thakkar	1
3.	Mr. Jay M. Mehta	1
4.	Ms. Deepa Misra Harris [^]	Nil

[^] Ms. Deepa Misra Harris has been inducted as a Member of the Committee w.e.f. August 14, 2020.

B. The terms of reference of the CSR Committee:

- Review and recommend the CSR Policy to the Board of Directors;
- Recommend the amount of annual expenditure to be incurred on the CSR activities;
- Review the Annual Action Plan for each financial year and recommend the same to the Board;
- Review and recommend to the Board, certain CSR projects/ programs as ongoing projects in accordance with the CSR Rules;
- Annually report to the Board, the status of the CSR activities and contributions made by the Company.

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
2017-18	Saturday, September 15, 2018	12.00 noon	Nadiad Nagar Palika Ipcowala Town Hall, Near City Point, Paras Circle, Santram Road, Nadiad - 387 001, Gujarat.
2018-19	Wednesday, September 25, 2019	12.00 noon	Nadiad Nagar Palika Ipcowala Town Hall, Near City Point, Paras Circle, Santram Road, Nadiad - 387 001, Gujarat.
2019-20	Wednesday, August 5, 2020	11.00 a.m.	Through Video Conferencing/ Other Audio Visual Means.

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.	Saturday, September 15, 2018	Re-appointment of Mr. Bimal R. Thakkar as Chairman, Managing Director & Chief Executive Officer for a term of five years w.e.f. October 1, 2018.
2.	Wednesday, September 25, 2019	<ol style="list-style-type: none"> Approval for making structural changes in remuneration of Mr. Bimal Thakkar, Chairman, Managing Director & CEO. Re-appointment of Mr. Viren A. Merchant as an Independent Director of the Company for a term of five years from September 24, 2019. Re-appointment of Mr. Ravinder Kumar Jain as an Independent Director of the Company for a term of five years from September 24, 2019.
3.	Wednesday, August 5, 2020	None

The Members of the Company at their Extra Ordinary General Meeting held on October 5, 2020 had approved the issuance and allotment of upto 19,50,000 (Nineteen Lakhs Fifty Thousand Only) Convertible Warrants ("Warrants") each convertible into or exchangeable for One (1) Equity Share of face value of ₹10/- each at a price (including the warrant subscription price and the warrant exercise price) of ₹362/- each aggregating to ₹70,59,00,000/- (Rupees Seventy Crores Fifty Nine Lakhs only) to certain Promoters and Non-Promoters of the Company on Preferential basis.

C. Postal Ballot:

Resolutions put through Postal Ballot during the period and details of voting pattern:

During the Financial Year 2020-21, the resolution for variation in terms and conditions of appointment in respect of payment of remuneration to Mr. Bimal Thakkar was passed through the Postal Ballot on December 20, 2020. The results of the voting by Postal Ballot were announced on December 21, 2020.

Mr. Sanjay Risbud of M/s. S. S. Risbud & Co, Company Secretary in whole-time practice was appointed as the Scrutinizer by the Board to conduct the Postal Ballot process. The following result of the postal ballot (e-voting only) was declared. The following resolution was passed with requisite majority.

Resolutions passed through Postal Ballot	Votes in favour of the resolution		Votes against the resolution	
	No. of shares	Percentage (%)	No. of shares	Percentage (%)
Variation in terms and conditions of appointment in respect of payment of remuneration to Mr. Bimal Thakkar	63,38,298	99.98	1,018	0.02

Procedure for Postal Ballot

In compliance with the provisions of Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with rules made thereunder, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SS-2 and the provisions of the Ministry of Corporate Affairs Circulars, and any amendments thereto, the Company provided facility for voting by E-voting to all the Members to enable them to cast their votes electronically. For this purpose, the Company engaged the services of its RTA viz. Link Intime India Private Limited and had made necessary arrangements with RTA to facilitate e-Voting. In terms of the General Circular No. 14/2020 dated April 08, 2020 read with General Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs, Government of India (the 'MCA Circulars'), voting was done only by e-Voting.

In compliance with the requirements of the MCA Circulars, hard copies of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope was not sent to the Members for this Postal Ballot. The Postal Ballot Notice was sent to members only in electronic form to the e-mail addresses registered with the Depository Participants (in case of electronic shareholding)/ the Company's Registrar and Share Transfer Agent (in case of physical shareholding). The Company had also published a notice in the newspapers declaring the details of completion of dispatch and such other requirements as mandated under the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members were requested to vote before the close of the business hours on the last date of the e-Voting.

The scrutinizer submitted his report to the Chairman, after the completion of the scrutiny, and the results of the voting by postal ballot, were then announced by the Company Secretary. The results were displayed on the Company's website www.adf-foods.com and were also put on the notice board of the Company besides being communicated to the Stock Exchanges, Depository and Registrar and Share Transfer Agent. The last date for e-voting was the date on which the resolution was considered as passed.

There is no immediate proposal for passing any resolution through Postal Ballot.

V. MEANS OF COMMUNICATION

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

The financial results and other information are displayed on the Company's website viz. www.adf-foods.com 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. 'Investors' where information for the shareholders is made available. The Company's Annual Report is also available in downloadable form on website.

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

Annual Report: The Annual Report containing *inter-alia*, Audited Financial Statements, Audited Consolidated Financial Statements, Directors' Report, Corporate Governance Report, Business Responsibility Report, Management Discussion & Analysis Report, Auditors Report and other important information is circulated to the Members and others entitled thereto.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for the Corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Financial Results, Statement of Investor's Complaints, among others on NSE are filed electronically on NEAPS.

BSE Listing Centre: The Listing Centre is a web-based application designed by BSE for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Financial Results, Statement of Investor's Complaints, among others on BSE are filed electronically on Listing Centre.

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

Institutional Investors: There was/ were no presentation/(s) made to institutional investors or to the analysts during the year under review.

VI. GENERAL SHAREHOLDERS' INFORMATION

A. ANNUAL GENERAL MEETING:

Day, Date & Time : Friday, September 24, 2021 at 4.00 p.m.
Mode of conduct : Video Conferencing

B. FINANCIAL YEAR:

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

C. FINANCIAL CALENDAR 2021-22:

Schedule of Board Meetings (tentative):

First Quarter ending June 30, 2021	:	on or before August 14, 2021
Half Year ending September 30, 2021	:	on or before November 14, 2021
Third Quarter ending December 31, 2021	:	on or before February 14, 2022
Year ending March 31, 2022	:	on or before May 30, 2022

D. DATES OF BOOK CLOSURE:

The Share Transfer Register will remain closed from Saturday, September 18, 2021 to Friday, September 24, 2021 (both days inclusive).

E. DIVIDEND:

The Board of Directors has recommended a Final Dividend @ ₹3/- per share (i.e. 30%) on equity shares of face value of ₹10/- each for the financial year ended March 31, 2021, subject to the approval of the shareholders in the ensuing Annual General Meeting.

F. LISTING ON STOCK EXCHANGES:

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

The Annual Listing fee for the securities listed on the aforesaid Stock Exchanges has been paid to the aforesaid Stock Exchanges for the Financial Year 2021-22 within the time limit.

G. STOCK CODE/SYMBOL:

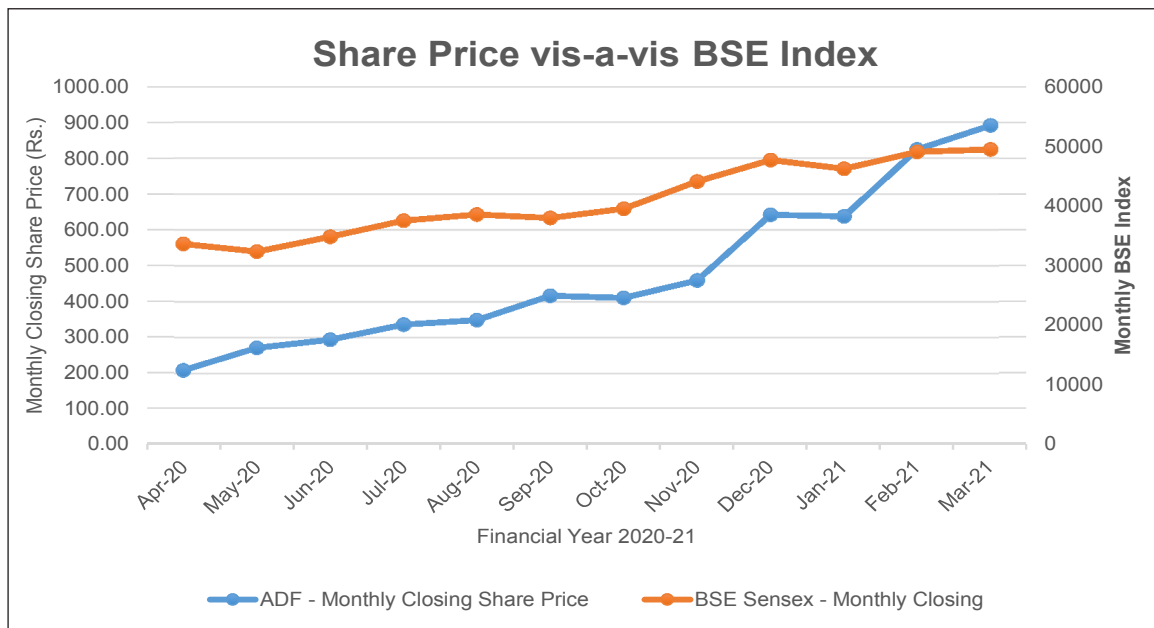
BSE Limited	:	519183
The National Stock Exchange of India Limited	:	ADFFOODS
ISIN	:	INE982B01019
CIN	:	L15400GJ1990PLC014265

H. MARKET PRICE DATA:

The monthly high, low and closing price quotations of the Company's shares traded on the BSE Limited during financial year 2020-21 are as under:

Month	High (₹)	Low (₹)	Close (₹)	Total Traded Quantity (Nos.)
April 2020	231.80	169.10	209.75	19,900
May 2020	279.95	195.05	272.20	1,09,189
June 2020	327.90	271.25	294.70	6,38,315
July 2020	350.20	280.30	337.20	93,096
August 2020	418.15	331.00	349.35	3,54,861
September 2020	459.75	332.75	417.15	4,84,318
October 2020	447.35	396.65	411.30	1,28,662
November 2020	478.95	398.85	459.75	1,07,595
December 2020	680.00	466.00	642.65	6,57,842
January 2021	670.45	586.50	638.60	2,62,895
February 2021	863.05	611.25	825.15	1,82,800
March 2021	949.00	809.70	891.90	1,01,886

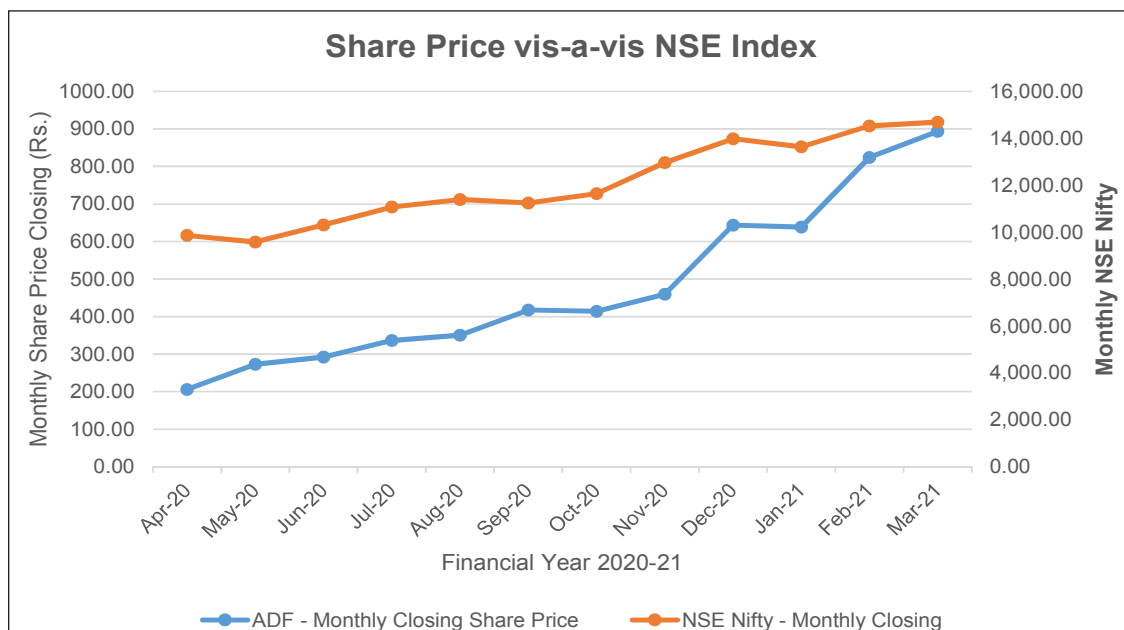
PERFORMANCE IN COMPARISON TO BROAD BASED INDICES (BSE - SENSEX)



The monthly high, low and closing price quotations of the Company's shares traded on the National Stock Exchange of India Limited during financial year 2020-21 are as under:

Month	High (₹)	Low (₹)	Close (₹)	Total Traded Quantity (Nos.)
April 2020	234.80	167.50	206.20	3,57,322
May 2020	280.95	195.05	273.15	15,32,456
June 2020	325.00	268.00	292.45	15,97,913
July 2020	352.00	282.00	336.25	12,34,939
August 2020	417.65	333.00	350.30	35,30,214
September 2020	459.65	334.20	417.65	31,82,308
October 2020	447.00	396.20	414.00	11,38,260
November 2020	479.75	404.45	459.80	11,19,032
December 2020	652.00	461.00	643.40	57,86,299
January 2021	670.00	583.10	638.25	12,16,576
February 2021	869.65	612.35	823.90	16,10,676
March 2021	945.00	810.50	893.55	7,70,475

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



I. REGISTRAR & SHARE TRANSFER AGENTS:

The Company's Registrar and Share Transfer Agents are Link Intime India Private Limited. Their address and contact numbers remain the same as reproduced below:

C-101, 1st Floor, 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

J. SHARE TRANSFER SYSTEM:

Shares held in the dematerialised form are electronically traded in the Depositories and the Registrar and Share Transfer Agents of the Company, viz. Link Intime India Pvt. Ltd., periodically receive the beneficial holdings data from the Depositories so as to enable them to update their records and to send all corporate communications. Transfer of shares held in physical form is not permitted after March 31, 2019 through statutory notifications.

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

The Company Secretary & Compliance Officer has been given the authority by the Board of Directors to approve the share transfers and other share related matters. Shareholders' Grievance/ Stakeholders' Relationship Committee notes the approval of the same at the next Meeting.

K. DISTRIBUTION PATTERN OF SHAREHOLDING AS ON MARCH 31, 2021:

Shareholding of Nominal Value (₹)	No. of Shareholders	% of Total	Face Value (₹)	% of Total
1 to 5000	22,255	95.40	1,77,73,040	8.88
5001 to 10000	534	2.29	42,44,580	2.12
10001 to 20000	247	1.06	36,75,070	1.83
20001 to 30000	103	0.44	26,48,450	1.32
30001 to 40000	31	0.13	11,06,860	0.55
40001 to 50000	37	0.16	17,13,410	0.86
50001 to 100000	55	0.24	41,05,530	2.05
100001 & above	66	0.28	16,49,60,250	82.39
Total	23,328	100.00	20,02,27,190	100.00

L. DEMATERIALISATION OF EQUITY SHARES AND LIQUIDITY:

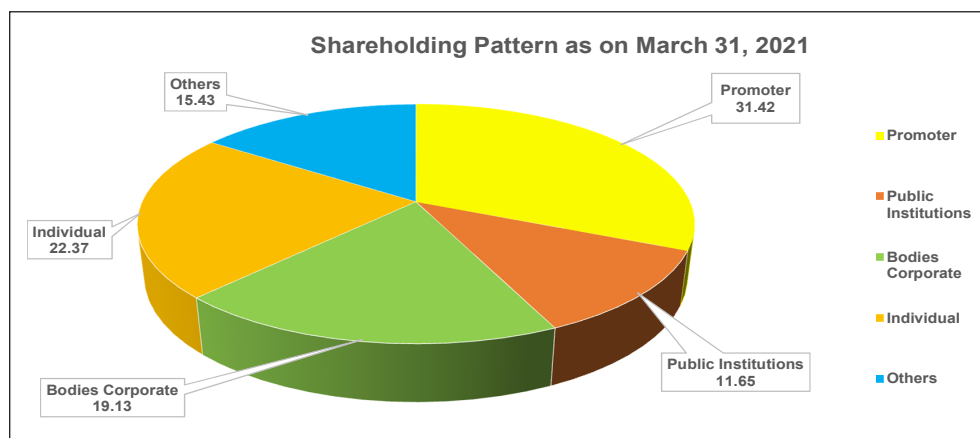
The shares of the Company are mainly traded in dematerialised form and are available for trading under both the Depository Systems, viz. NSDL (National Securities Depository Limited) and CDSL [Central Depository Services (India) Limited]. Nearly 96.74% of total equity shares of the Company are held in dematerialised form with NSDL and CDSL.

Reconciliation of Share Capital Audit Report

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

M. SHAREHOLDING PATTERN AS ON MARCH 31, 2021:

Category	No. of Shares	% Holding
A. Holding of the Promoter Group		
(a) Individual / HUF	56,71,798	28.33
(b) Bodies Corporate	6,18,915	3.09
Total (A)	62,90,713	31.42
B. Non-Promoters Holding		
1. Institutional Investors		
(a) Mutual Funds / UTI	600	0.00
(b) Alternate Investment Funds	3,29,287	1.65
(c) Financial Institutions / Banks	500	0.00
(d) Foreign Portfolio Investors	20,03,000	10.00
Sub Total (B1)	23,33,387	11.65
2. Others		
(a) Bodies Corporate	38,30,328	19.13
(b) Individual	44,78,964	22.37
(c) Clearing Member	38,814	0.20
(d) Non Resident Indian (Repat/ Non-Repat)	2,15,423	1.08
(e) NBFCs Registered with RBI	14,84,500	7.41
(f) Independent Directors	1,26,869	0.63
(g) HUF	1,56,553	0.78
(h) Other directors and Relatives of Directors	1,32,000	0.66
(i) Investor Education and Protection Fund	4,35,168	2.17
(j) Foreign Companies	5,00,000	2.50
Sub Total (B2)	1,13,98,619	56.93
Total B1+B2 (B)	1,37,32,006	68.58
Grand Total (A)+(B)	2,00,22,719	100.00

N. OUTSTANDING GDRS/ ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS CONVERSION


DATE AND LIKELY IMPACT ON EQUITY:

During the year, the Company has allotted 19,50,000 Convertible Warrants on preferential basis at a price of ₹362/- per Warrant with a right to the Warrant holders to apply for and be allotted 1 (One) Equity Share of the face value of ₹10/- each of the Company at a Premium of ₹352/- per share for each Warrant aggregating to ₹70,59,00,000/- (Rupees Seventy Crores Fifty Nine Lakhs only) to certain Promoters and Non-Promoters of the Company. Each Warrant is convertible into 1 (One) Equity Share and the conversion can be exercised at any time during the period of Eighteen (18) months from the date of allotment of Warrants, as the case may be, on such terms and conditions as applicable, entitling the allottees to subscribe to and be allotted the Warrants convertible into Equity Shares of the Company.

The Equity Shares arising out of the conversion of the warrants shall rank *pari-passu inter-se* and with the then existing equity shares of the Company in all respects, including in relation to dividend.

The Company has received 25% of the subscription money from all the warrant holders during the Financial Year 2020-21.

O. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:

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

P. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) - ₹125.79 Lakhs as on March 31, 2021.

Q. Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the last financial year, the same to be disclosed along with reasons thereof: N.A.

R. Total fees for all services paid by the Company and its Subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/ network entity of which the Statutory Auditor is a part:

Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) have been appointed as the Statutory Auditors of the Company. The particulars of Statutory Auditors' fees, on consolidated basis for the Financial Year 2020-21 are given below:

Name of the Entity	Auditor's Fees (₹)
ADF Foods Limited:	
Audit Fees	13,35,000
Limited Review Reports (Quarterly)	6,00,000
Other Services	6,19,500
Out of Pocket Expenses	55,000
ADF Foods (India) Limited:	
Audit Fees	3,75,000
Limited Review Reports (Quarterly)	1,50,000
Total	31,34,500

S. PLANT LOCATIONS:

- * 77/84, GIDC Industrial Estate, Nadiad 387 001, Gujarat.
- * 83/86, GIDC Industrial Estate, Nadiad 387 001, Gujarat.
- * 94, GIDC Industrial Estate, Nadiad 387 001, Gujarat.
- * C 1-40/2, GIDC Industrial Estate, Nadiad 387 001, Gujarat.
- * Plot No. 5, MIDC Industrial Estate, Malegaon, Sinnar, Nashik 422 103, Maharashtra.
- * Plot No. C-4, RS/Block No. 243, Village Shah, Kim-Mandvi, State Highway No. 165/169, Taluka Mangrol, District Surat.

T. ADDRESS FOR INVESTOR CORRESPONDENCE:

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

C - 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai - 400 083, India.

Tel.: 022-49186270 Fax: 022-49186060

For general correspondence, please write to:

ADF Foods Limited

Registered Office: 83/86, G.I.D.C. Industrial Estate, Nadiad 387 001, Gujarat.

Corporate Office: The Company Secretary,

Marathon Innova, B2, G01, Ground Floor, Lower Parel, Mumbai - 400 013.

Email: co_secretary@adf-foods.com

Tel.: 022 6141 5555; Fax: 022 61415577

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

U. List of all credit ratings obtained by the Company along with any revisions thereto during the financial year, for all debt instruments of the Company or any fixed deposit programme or any scheme or proposal of the Company involving mobilization of funds, whether in India or abroad: N.A.

V. OTHER DISCLOSURES:

i) Disclosure regarding materially significant related party transactions:

- (a) No transaction of material nature has been entered into by the Company with the related parties that may have potential conflict with the interest of the Company.
- (b) Transactions with related parties viz. Directors and their relatives, Key Managerial Personnel and Subsidiaries are covered by contracts which govern the terms and conditions clearly.
- (c) The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in Note No. 42 of the Financial Statements.
- (d) Related Party Transaction Policy is stated under the web-link below: <https://www.adf-foods.com/wp-content/uploads/2017/03/Related-Party-Transactions-Policy-1.pdf>

ii) Details of compliance with the mandatory requirements and adoption of non-mandatory requirements:

The Company has complied with the mandatory requirements and adopted the non-mandatory requirements the details of which are given at Point No. (xi) below.

iii) Subsidiary Companies:

The Company's Material Subsidiary Policy is stated under the web-link below:

<https://www.adf-foods.com/wp-content/uploads/2019/04/Policy-for-Determining-Material-Subsidiary.pdf>

The Company does not have any material unlisted Indian subsidiary as on March 31, 2021.

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 V forming part of the Board's Report.

Power Brands (Foods) Private Limited:

Power Brands (Foods) Pvt. Ltd., Wholly Owned Subsidiary of the Company, is undergoing Voluntary Liquidation vide Special Resolution passed by the Members on November 5, 2012.

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

In terms of proviso to Sub-Section 3 of Section 129 of the Act, the salient features of the financial statement of the subsidiaries is set out in the prescribed form AOC-1, which forms part of the Annual Report.

iv) Certification from Company Secretary in Practice:

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

v) Disclosure of Accounting Treatment:

The financial statements of the Company have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed U/s 133 of the Companies Act, 2013 which became applicable to the Company w.e.f. April 1, 2017.

vi) Risk Management:

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

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

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

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

ix) Vigil Mechanism/ Whistle Blower Policy:

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

With the adoption of this Policy, the Company has put in place a mechanism wherein the Employees are free to report to the management any actual or possible violation of the Principles or any other unlawful or unethical or improper practice or act, or activity of the Company including leakage of Unpublished Price Sensitive Information. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. No person has been denied access to the Management and Audit Committee. The mechanism is being reviewed by the Audit Committee of the Company in accordance with the Listing Regulations.

Whistle Blower Policy of the Company is displayed on the Company's website www.adf-foods.com under the web-link: <https://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-2.pdf>

The Whistle Blower Policy is stated elsewhere in this Report.

During the year, no complaints were received and remained pending under the Whistle Blower Policy.

x) Disclosure on Sexual Harassment of Women at Workplace:

The disclosure pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given as under:

No. of complaints filed during the financial year - Nil

No. of complaints disposed of during financial year - Nil

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

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

Particulars	Regulation Number	Compliance status (Yes/No/NA) refer note below
Independent Director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1), (1A) & (1B)	Yes - 17(1) and 1(A) NA - 17(1B)
Meeting of Board of Directors	17(2)	Yes
Quorum of Board Meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Role of the Audit Committee and the information to be reviewed by the Audit Committee	18(3)	Yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee Meeting	19(2A)	Yes
The Chairperson of the Nomination and Remuneration Committee may be present at the Annual General Meeting, to answer the shareholders' queries	19(3)	Yes
Meeting of Nomination and Remuneration Committee	19(3A)	Yes
Role of the Nomination and Remuneration Committee	19(4)	Yes
Composition of Stakeholder Relationship Committee	20(1) (2), & (2A)	Yes
The Chairperson of the Stakeholders Relationship Committee shall be present at the annual general meetings to answer queries of the security holders	20(3)	Yes

Particulars	Regulation Number	Compliance status (Yes/No/NA) refer note below
Meeting of Stakeholders Relationship Committee	20 (3A)	Yes
Role of the Stakeholders Relationship Committee	20(4)	Yes
Composition and role of Risk Management Committee	21(1),(2),(3)&(4)	N.A.
Meeting of Risk Management Committee	21(3A)	N.A.
The provisions of this regulation shall be applicable to top 500 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year.	21(5)	N.A.
Vigil Mechanism	22	Yes
Policy for Related Party Transaction	23(1), (1A), (5),(6),(7) & (8)	Yes – 23(1),(5),(6),(7) & (8) N.A. – 23(1A)
Prior or Omnibus approval of Audit Committee for all Related Party Transactions	23(2) & (3)	Yes
Approval for material Related Party Transactions	23(4)	Yes
Disclosure of Related Party Transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	Yes
Annual Secretarial Compliance Report	24A	Yes
Alternate Director to Independent Director	25(1)	N.A.
Maximum Tenure	25(2)	Yes
Meeting of Independent Directors	25(3) & (4)	Yes
An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of Board of Directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these Regulations.	25(5)	Yes
Filling up of casual vacancy caused by removal/ resignation of Independent Director	25(6)	N.A.
Familiarization of Independent Directors	25(7)	Yes
Declaration from Independent Director	25(8) & (9)	Yes

Particulars	Regulation Number	Compliance status (Yes/No/NA) refer note below
D&O Insurance for Independent Director	25(10)	Yes
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from Members of Board of Directors and Senior Management Personnel	26(3)	Yes
Disclosure of Shareholding by Non-Executive Directors	26(4)	Yes
Policy with respect to Obligations of Directors and Senior Management	26(2) & 26(5)	Yes
No employee including Key Managerial Personnel or Director or Promoter of a listed entity shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an Ordinary Resolution.	26(6)	Yes
Other Corporate Governance Requirements	27(1) & (2)	Yes

With regards to the Corporate Governance, the Company is in compliance with the requirements under Regulation 17 to 27 read with Schedule V and Clause (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

- A. The Board: The Company has an Executive Chairperson. Therefore, the discretionary requirements pertaining to Non-Executive Chairperson are not applicable.
- B. Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
- C. Modified opinion(s) in Audit Report: The Company's financial statement for the year 2020-21 does not contain modified Audit opinion.
- D. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

Details of compliances under Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46:

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

W. NON COMPLIANCE OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT, WITH REASONS THEREOF: N.A.
X. DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT:

In accordance with the provision of Regulation 39(4) and Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is in the process of opening an Unclaimed Suspense Account with IIFL Wealth Management Ltd. The Company will arrange to transfer the unclaimed shares of the shareholders held in physical form to the said account after following the due procedure mentioned in the said Schedule VI.

The requisite disclosures as per Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard are given below:

- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year - Nil
- Number of shareholders who approached listed entity for transfer of shares from suspense account during the year - Nil
- Number of shareholders to whom shares were transferred from suspense account during the year - NA
- Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of year - Nil
- that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Y. CODE OF CONDUCT:

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

"It is hereby declared that the Company has obtained from all Members of the Board and Senior Management Personnel, an affirmation that they have complied with the Code of Conduct for the Board Members and Senior Management Personnel for the financial year ended March 31, 2021."

Code of Conduct of the Company is displayed on the Company's website www.adf-foods.com under the web-link <https://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf>

Bimal R. Thakkar

Chairman, Managing Director & CEO

DIN: 00087404

Z. CEO/CFO CERTIFICATION:

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

For and on behalf of the Board of Directors

Bimal R. Thakkar

Chairman, Managing Director & CEO

DIN: 00087404

ANNEXURE I

REPORT ON CORPORATE GOVERNANCE

DETAILS OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS OF ALL THE DIRECTORS AS ON MARCH 31, 2021:

[1] MR. BIMAL R. THAKKAR

Other Directorships:

- Gujarat Sidhee Cement Limited
- Saurashtra Cement Limited
- ADF Foods (India) Limited
- Power Brands (Foods) Private Limited [Under Voluntary Liquidation]
- ADF Foods UK Limited
- ADF Holdings (USA) Limited
- ADF Foods (USA) Limited
- Villa Trading Company Private Limited

Committee Memberships:

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

[2] MR. VIREN A. MERCHANT

Other Directorships:

- Encore Healthcare Private Limited
- Encore Healthcare International Private Limited
- ADF Foods (India) Limited
- ADF Foods (USA) Limited
- ADF Holdings (USA) Limited
- ADF Foods UK Limited

Committee Memberships:

- ADF Foods Limited
 - Audit Committee
 - Nomination and Remuneration Committee
 - CSR Committee
 - Shareholders' Grievance/ Stakeholders' Relationship Committee

[3] MR. JAY M. MEHTA

Other Directorships:

- Gujarat Sidhee Cement Limited
- Saurashtra Cement Limited
- Metro Pizza Private Limited
- Goodkarma Hospitality Private Limited
- Indianapolis Hospitality Private Limited
- Omna Exports Private Limited
- Parsec Enterprises Private Limited
- Bhadra Textiles and Trading Private Limited
- Galaxy Technologies Private Limited
- Mehta Private Limited
- Agrima Consultants International Limited
- Arclightz and Films Private Limited
- Knight Riders Sports Private Limited
- ADF Foods UK Limited

Committee Memberships:

- ADF Foods Limited
 - Nomination and Remuneration Committee
 - CSR Committee
- Gujarat Sidhee Cement Limited
 - Shareholder's Grievance/ Stakeholder's Relationship Committee
 - CSR Committee
- Saurashtra Cement Limited
 - Shareholder's Grievance/ Stakeholder's Relationship Committee
 - CSR Committee

[4] MR. RAVINDER KUMAR JAIN

Other Directorships:

- Delta Corp Limited
- Nector Ramco Trading Private Limited
- Brovel Trading Private Limited
- Noble Newera Milestone Trading and Investment Private Limited

- Accra Investments Private Limited
- Orange City Properties Private Limited
- Nobel Feedback Computers Private Limited
- Spirit Marketing Private Limited
- Craft Brewerkz Private Limited
- Marvel Resorts Private Limited

Committee Memberships:

- ADF Foods Limited
 - Audit Committee
 - Nomination and Remuneration Committee
- Delta Corp Limited
 - Audit Committee
- Marvel Resorts Private Limited
 - Audit Committee
 - Nomination and Remuneration Committee

[5] MR. CHANDIR G. GIDWANI

Other Directorships:

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

Committee Memberships:

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

[6] MS. DEEPA MISRA HARRIS

Other Directorships:

- TCPL Packaging Limited
- Prozone Intu Properties Limited
- PVR Limited
- Jubilant Foodworks Limited
- Taj Safaris Limited
- Concept Hospitality Private Limited

Committee Memberships:

- Prozone Intu Properties Limited
 - Audit Committee
 - Nomination and Remuneration Committee
 - Shareholder's Grievance/ Stakeholder's Relationship Committee
 - Corporate Social Responsibility Committee
- PVR Limited
 - Audit Committee
 - Nomination and Remuneration Committee
 - Corporate Social Responsibility Committee
- Jubilant Foodworks Limited
 - Audit Committee
 - Corporate Social Responsibility Committee
 - Risk Management Committee
- Taj Safaris Limited
 - Nomination and Remuneration Committee
- ADF Foods Limited
 - Corporate Social Responsibility Committee
 - Shareholders' Grievance/ Stakeholders' Relationship Committee

ANNEXURE II

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

To
The Board of Directors
ADF Foods Limited

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 March 31, 2021 and that to the best of our knowledge and belief;
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, of which we are aware and we have taken steps to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee that:
 - 1. there are no significant changes in internal control over financial reporting during the year;
 - 2. there are no significant changes in accounting policies during the year; and
 - 3. there has been no instance of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Shardul Doshi
CFO

Date: May 24, 2021

ANNEXURE III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
ADF Foods Limited
Mumbai

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

Place: Thane
Date: April 9, 2021

Name: Sanjay S. Risbud,
Practicing Company Secretary
Membership No.: 13774
CP No.: 5117
UDIN: A013774C000030967

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of ADF Foods Limited

1. We, Kalyaniwalla & Mistry LLP, Chartered Accountants, the Statutory Auditors of ADF Foods Limited ("the Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2021, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended ("SEBI Listing Regulations"), pursuant to the Listing Agreement of the Company with the Stock Exchanges.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27, Clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2021.
8. We draw attention to the fact that Mr. Viren Merchant has been considered as Independent director, however, Mr. Viren Merchant has not applied online with the Indian Institute of Corporate Affairs at Manesar for inclusion of his name in the data bank of Independent director within the time limit prescribed under the Companies Act, 2013.

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

Restriction on use

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

For **KALYANIWALLA & MISTRY LLP**

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

UDIN: 21127355AAAAET6932

Place: Mumbai

Date: May 24, 2021

ANNEXURE C

BUSINESS RESPONSIBILITY REPORT

ABOUT THE COMPANY

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

ABOUT THIS REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L15400GJ1990PLC014265
2. Name of the Company : ADF Foods Limited
3. Registered Address : 83/86, G.I.D.C. Industrial Area,
Nadiad, Gujarat - 387 001, India
4. Website : www.adf-foods.com
5. E-mail Id : info@adf-foods.com
6. Financial Year reported : April 1, 2020 to March 31, 2021
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

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

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

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

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

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

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

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

b. Plant locations

1. 77/84, 83/86, 94, C1-40/2, GIDC Industrial Estate, Nadiad 387 001, Gujarat.
2. Plot No. 5, MIDC Industrial Estate, Malegaon, Sinnar, Nasik - 422 103, Maharashtra.
3. Plot No. C-4, RS/Block No. 243, Village Shah, Kim-Mandvi, State Highway No. 165/169, Taluka Mangrol, District Surat.

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

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

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	:	₹20.02 Crores
2.	Total Turnover	:	₹236.64 Crores
3.	Total Profit after taxes	:	₹36.69 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)	:	2 % of PAT. Total CSR expenditure is 2% of average net profits (before tax) of the Company made during the three immediately preceding financial years. During the FY 2020-21, the Company spent ₹81,70,094/- on CSR activities which is 2.23% of profit after tax.
5.	List of activities in which expenditure in 4 above has been incurred	•	<ul style="list-style-type: none"> Covid relief measures Promotion of education Medical Aid Women Empowerment Sponsoring Food expenses of poor people Environmental Protection Animal welfare

SECTION C: OTHER DETAILS

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

The Company has three Subsidiaries viz. ADF Foods UK Ltd., Power Brands (Foods) Pvt. Ltd. and ADF Foods (India) Ltd. and two step down Subsidiaries viz. ADF Holdings (USA) Ltd. and ADF Foods (USA) Ltd. as on March 31, 2021. M/s. Power Brands (Foods) Pvt. Ltd., a Wholly Owned Subsidiary of the Company, is undergoing Voluntary Liquidation vide Special Resolution passed by the Members on November 5, 2012.

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

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

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

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

SECTION D: BR INFORMATION
1. Details of Director/Directors responsible for BR
a. Details of the Director/Directors responsible for implementation of the BR policy/policies

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

b. Details of the BR Head

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

2. Principle-wise (as per NVGs) BR Policy/policies
a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1 Ethics, transparency & sustainability accountability	P2 Sustainability in life-cycle of product	P3 Employee well-being	P4 Stakeholder engagement	P5 Promotion of human rights	P6 Environmental protection	P7 Responsible public policy advocacy	P8 Inclusive growth	P9 Customer value
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	NA	Y	Y
	1. Code of Conduct 2. Whistle Blower Policy 3. Code of Fair Disclosure of Unpublished Price Sensitive Information 4. Policy on Related Party Transactions 5. Policy on Disclosure of Material Events			1. Code of Conduct 2. Whistle Blower Policy 3. Prevention of Sexual Harassment of women at workplace	Whistle Blower Policy	1. Code of Conduct 2. Prevention of Sexual Harassment of women at workplace 3. HR Policy	Code of Conduct		CSR Policy	
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify?	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y Signed by MD	Y Signed by MD	Y Signed by MD	Y Signed by MD	Y Signed by MD	Y Signed by MD	NA	Y Signed by MD	Y Signed by MD
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	NA	Y	Y
7	Indicate the link for the policy to be viewed online?	<ul style="list-style-type: none"> Code of conduct - http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf Whistle Blower Policy- https://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-2.pdf Code of Fair Disclosure of Unpublished Price Sensitive Information- https://www.adf-foods.com/wp-content/uploads/2020/07/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf CSR policy- https://adf-foods.com/wp-content/uploads/2021/07/CSR-Policy-1.pdf Related Party Transaction policy- https://www.adf-foods.com/wp-content/uploads/2017/03/Related-Party-Transactions-Policy-1.pdf Policy on Sexual Harassment of Employees- https://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Sexual-Harassment-policy.pdf Policy on Disclosure of Material Events and Information- https://www.adf-foods.com/wp-content/uploads/2016/01/Material-Events-21.12.2017.pdf 								
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	NA	N	N

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

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

3. Governance related to BR

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

Yes, the Company publishes the BRR annually as a part of its Annual Report. The hyperlink to view the said report is as follows:

<https://adf-foods.com/wp-content/uploads/2021/08/Business-Responsibility-Report-2020-21.pdf>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, transparency & sustainability accountability

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

No, the Whistle Blower & Protection policy of the Company which is applicable to not just all our directors, employees and their representative bodies, but it also extends to all its business associates and security holders as well. This policy provides a platform to these stakeholders for reporting violation of any law, misuse or misappropriation of the Organization's assets, gross waste of or misuse or misappropriation of the organization's funds, incorrect financial reporting or misrepresentation of facts which are not in line with applicable Company policy, substantial and specific danger to health and safety, serious improper conduct (including any kind of mental or sexual harassment) and leakage of Unpublished Price Sensitive Information by any employee/director in the Company. Rest of the policies cover only the Company.

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

2 complaints were received from the shareholders during the financial year ended March 31, 2021. The complaints were mainly relating to non-receipt of the rejected DRF and Share Certificate sent for completion of demat process and transfer of shares.

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

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

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

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? *Optional*
- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

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

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

The Company contributes to sustainable sourcing by purchasing organic raw materials which are free of fertilizers and pesticides for a range of its products. This constitutes around 10% of total raw material sourcing.

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

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

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

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

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

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

Permanent employees: 301

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

Contractual employees: 212

3. Please indicate the Number of permanent women employees

Permanent women employees: 65

4. Please indicate the Number of permanent employees with disabilities

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

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

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

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

Around 8% of the permanent employees are members of these employee associations.

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

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

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

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

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

Principle 4: Stakeholder's management

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

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

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

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

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

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

- o Covid relief measures*
- o Construction of toilets in rural households*

- o Establishment of vocational training centre for handicapped women
- o Supply of women hygiene products
- o Educational aid to children
- o Food and Medical expenses of the poor people
- o Supply of gas stoves to Govt. recognized pre-schools
- o Repair of school building
- o Tree plantation
- o Animal welfare

Principle 5: Promotion of Human Rights

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

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

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

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

Principle 6: Environmental Protection

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

Applicable only to the Company.

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

No

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

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

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

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

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

No

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

The Company has installed solar panels at its Nasik plant that meets a substantial part of its energy requirements.

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

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

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

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

Nil

Principle 7: Responsible public policy advocacy

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

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

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

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

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

Principle 8: Inclusive Growth

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

The Company has always recognized that its business is a part of the community where it operates. The Company believes that its investments must result in long-term sustainable growth as well as economic and social progress of the rural and urban poor. We have undertaken various CSR initiatives so far including covid relief measures, construction of toilets under Clean India Mission, sponsoring education of urban and rural underprivileged students, repair of school building, women empowerment through construction of vocational training center, medical aid for needy people, support to physically challenged people, contribution to environment protection by creating awareness for avoiding usage of plastic, tree plantation, animal welfare etc.

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

Most of the CSR Programmes of the Company are implemented through external NGOs.

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

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

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

During the FY 2020-21, the Company has implemented its CSR activities through NGOs. The Company hasn't directly contributed to any community development projects.

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

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

Principle 9: Customer Value

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

All customer complaints received during the FY 2020-21 were promptly responded by the Company. There are no pending customer complaints as on March 31, 2021.

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

No

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

No

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of ADF Foods Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of ADF Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2021, and profit (financial performance including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Our Response
1. Impairment of Indefinite-lived intangible assets	
<p>Indefinite-lived intangible assets (Brands) as at March 31, 2021 amount to ₹ 2,132.84 lakhs.</p> <p>The impairment assessment must be performed at least annually and involves the determination of the recoverable amount, being the higher of the value-in-use and the fair value less costs to dispose.</p> <p>We consider this to be a key audit matter because the recoverability assessment of such assets involves complex and subjective estimates and judgements.</p> <p>These estimates and judgements are entrenched with inherent uncertainty as they include assumptions in relation to forecasting revenue growth rates, direct costs, foreign exchange rates, discount rates and future cash flows.</p>	<p>We have assessed the valuation methodology and challenged management's analysis and assumptions around the key drivers of cash flow forecasts including discount rate, terminal growth rate, royalty rate etc. by comparing them to relevant market data and with the assistance from our independent external experts.</p> <p>We assessed the appropriateness and completeness of the related disclosures in the financial statements.</p>
2. Derivative Instruments and Hedge Accounting	
<p>The Company enters into a high volume of derivative financial instrument contracts to manage its exposure to foreign currency risk. These contracts gave rise to Derivative Assets of ₹ 74.90 lakhs as at March 31, 2021. These contracts are recorded at fair value and for the majority of them hedge accounting is applied, such that gains and losses arising from fair value changes are deferred in equity and recognised in the Statement of Profit or Loss when hedges mature. The high volume of contracts necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date. The valuation of hedging instruments and consideration of hedge effectiveness can involve a significant degree of both complexity and management judgement and are subject to an inherent risk of error.</p>	<p>Ensure that the entity's Hedging policy is documented, validated by adequate level of management and those charged with governance, and communicated to all stakeholders within the entity.</p> <p>Assess the process and controls to validate hedging requests to ensure that all hedging requests were duly validated by adequate level of management, and are in line with the entity's documented hedging policy.</p> <p>Verify that all derivatives documented in hedging relationships are allocated to a specific hedged risk from their inception.</p> <p>Testing management's controls over derivative financial instruments and hedge accounting.</p> <p>Inspecting, on a sample basis, appropriateness of hedging documentation and contracts.</p> <p>Obtaining confirmation in respect of derivative financial instruments from counterparties.</p> <p>Re-performing the year end valuations of derivative financial instruments and calculations of hedge effectiveness; and</p> <p>We assessed the appropriateness and completeness of the related disclosures in the financial statements.</p>

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely Management Discussion and Analysis, Director's report, Corporate Governance Report, Business Responsibility Report and Share Holders Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Ind AS Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the Standalone Ind AS Financial Statements, including the disclosures, and whether the Standalone Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure "A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
- (g) According to information and explanations given to us and based on our examination of the records of the Company, the Company has paid managerial remuneration in accordance with the provisions of Section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its Standalone financial position in its Standalone Ind AS Financial Statements – Refer Note 37 to the Financial Statements.
 - ii. The Company did not have any material foreseeable losses, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

UDIN: 21127355AAAAEP6097

Place: Mumbai

Date: May 24, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the standalone Ind AS Financial Statements for the year ended March 31, 2021.

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

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of fixed assets, by which all fixed assets are verified once in three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and discrepancies reported on such verification were not material and have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- 2) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies reported on such verification were not material and have been properly dealt with in the books of accounts.
- 3) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of sub-clause (a) (b) and (c) of paragraph 3(iii) the Order are not applicable.
- 4) In our opinion and according to information and explanations given to us, the Company has not advanced any loans to the persons covered under section 185 or given guarantees or granted securities under section 186 of the Act. In our opinion and according to the information and explanations given to us, the provisions of Section 186 of the Act in respect of Investments made have been complied with by the Company.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from Public and hence the directives issues by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder are not applicable.
- 6) In our opinion and according to the information and explanation given to us, the maintenance of cost records under sub section (i) of section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.
- 7) (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities, wherever applicable and there are no such outstanding dues as at March 31, 2021, for a period of more than six months from the date they became payable
- (b) According to the information and explanations given to us and on the basis of our examination of books of accounts and record, the Company has generally been regular in depositing undisputed statutory dues including Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise and Value added Tax except the following:

Sr. No.	Name of the Statute	Amount (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
1	Finance Act, 1994	463.54	F.Y.2006-2007 to F.Y.2010-2011	CESTAT
2	Income Tax Act, 1961	164.98	F.Y.2009-2010 to F.Y.2013-2014	CIT (Appeal)

- 8) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not defaulted in repayment of borrowings to banks. The Company does not have any loans or borrowings from financial institutions, government or debenture holders.
- 9) The Company has not raised any funds by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the paragraph 3 (ix) of the Order is not applicable.
- 10) During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company, has been noticed or reported during the year.
- 11) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 13) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of warrants (pending conversion into equity shares) during the year in compliance with the requirements of section 42 of the Act. The amount raised have been used for the purpose for which these have been raised and pending such utilisation have been invested in money market mutual funds. There are no private placement of any fully or partly paid convertible debentures.
- 15) According to the information and explanation given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Hence the provisions of Section 192 of the Act are not applicable.
- 16) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 hence the provisions of paragraph 3 (xvi) of the Order are not applicable.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

UDIN: 21127355AAAAEP6097

Place: Mumbai

Date: May 24, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Standalone Ind AS Financial Statements for the year ended March 31, 2021.

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

We have audited the Internal Financial Controls with reference to Financial Statements of ADF Foods Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System with reference to financial statements and their operating effectiveness.

Our audit of Internal Financial Controls System with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

A Company's Internal Financial Control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal Financial Control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS Financial Statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate Internal Financial Controls System with reference to financial statements and such Internal Financial Controls with reference to financial statements were operating effectively as at March 31, 2021, based on "the Internal Control Over Financial Reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

UDIN: 21127355AAAAEP6097

Place: Mumbai

Date: May 24, 2021

STANDALONE BALANCE SHEET AS AT MARCH 31, 2021

₹ Lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4(a)	5,588.02	5,583.63
Capital work-in-progress	4(b)	34.68	237.70
Intangible assets	4(c)	2,134.57	2,135.31
Financial assets			
Investments	5	6,997.28	6,614.19
Loans	6	174.01	139.00
Other financial assets	7	12.91	375.83
Income tax assets (net)	8	498.53	456.85
Other non-financial assets	9	47.74	110.40
Total non-current assets		15,487.74	15,652.91
Current assets			
Inventories	10	3,041.61	2,755.87
Financial assets			
Investments	11	1,662.65	1,802.93
Trade receivables	12	5,425.02	4,393.00
Cash and cash equivalents	13	2,039.24	1,005.68
Bank balance other than above	14	2,486.28	1,650.75
Loans	15	104.80	10.54
Other financial assets	16	970.47	714.19
Other non financial assets	17	844.45	680.54
Total current assets		16,574.52	13,013.50
Total assets		32,062.26	28,666.41
Equity and liabilities			
Equity			
Equity share capital	18	2,040.10	2,040.10
Other equity	19	26,714.95	21,093.30
Total equity		28,755.05	23,133.40
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	20	5.81	61.54
Provisions	21	79.15	78.52
Deferred tax liabilities (net)	22	768.98	679.82
Total non-current liabilities		853.94	819.88
Current liabilities			
Financial liabilities			
Borrowings	23	-	2,316.42
Trade payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises	38	148.90	27.30
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	24	1,668.75	1,337.59
Other financial liabilities	25	478.32	827.15
Other non financial liabilities	26	116.81	166.89
Provisions	27	12.66	9.95
Income tax liabilities (net)	28	27.83	27.83
Total current liabilities		2,453.27	4,713.13
Total liabilities		3,307.21	5,533.01
Total equity and liabilities		32,062.26	28,666.41
Significant accounting policies	2		

The accompanying notes 1 to 53 form an integral part of the standalone financial statements.

As per our report of even date

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

Place: Mumbai

Date: May 24, 2021

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

For and on behalf of the Board**Bimal R. Thakkar**

Chairman, Managing Director & C.E.O.

DIN: 00087404

Place: London

Shardul A. Doshi

Chief Financial Officer

Place: Mumbai

Shalaka Ovalekar

Company Secretary

Membership No: A15274

Place: Mumbai

Date: May 24, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	29	23,664.10	19,447.27
Other income	30	424.85	937.23
Total income		24,088.95	20,384.50
Expenses			
Cost of materials consumed	31(a)(b)	10,733.14	8,180.85
Purchase of stock-in-trade	31(c)	740.43	747.01
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(165.80)	(47.47)
Employee benefits expenses	33	1,476.72	1,511.84
Finance cost	34	115.83	133.41
Depreciation and amortisation expenses	35	588.77	551.60
Other expenses	36	5,680.38	5,220.95
Total expenses		19,169.47	16,298.19
Profit before exceptional items and tax		4,919.48	4,086.31
Exceptional items	51	-	(32.51)
Profit before Tax		4,919.48	4,053.80
Tax expense	22		
Current tax		1,225.51	981.94
Deferred tax		25.41	(75.29)
Total tax expense		1,250.92	906.65
Profit for the year		3,668.56	3,147.15
Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or loss			
Re-measurements of the defined benefit plans		(2.49)	(51.07)
Income tax on above item		0.63	12.85
		(1.86)	(38.22)
B. Items that will be reclassified subsequently to profit or loss			
Net gain/(loss) on cash flow hedges		255.77	(395.24)
Income tax on above item		(64.38)	99.48
		191.39	(295.76)
Net other comprehensive income for the year (net of tax) (A + B)		189.53	(333.98)
Total comprehensive income for the year		3,858.09	2,813.17
Earning per equity share [Nominal value per share ₹ 10/- each]	45		
Basic (₹)		18.32	15.72
Diluted (₹)		17.56	15.72

The accompanying notes 1 to 53 form an integral part of the standalone financial statements.

As per our report of even date

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 24, 2021

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

For and on behalf of the Board

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

Shalaka Ovalekar
Company Secretary
Membership No: A15274
Place: Mumbai
Date: May 24, 2021

Shardul A. Doshi
Chief Financial Officer
Place: Mumbai

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

₹ Lakhs

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
A. Cash Flow from Operating Activities		
Profit before Taxation	4,919.48	4,053.80
Adjustment for:		
Depreciation and amortisation expense	588.77	551.60
Loss on sale / write off of Fixed Assets	-	19.14
Profit on sale of fixed assets	(5.86)	(1.48)
Finance cost	115.83	133.41
Liabilities no longer required written back	(22.94)	(0.95)
Unrealised exchange (gain)/loss	(44.74)	(200.61)
Net (gain) /loss on sale of investments	(43.17)	(3.13)
Unwinding of security deposit	(3.40)	(3.14)
Notional Rent on Security Deposit	3.68	3.54
Rent concession	(30.41)	-
Interest income	(122.93)	(96.28)
Dividend income	(0.05)	(24.72)
Fair value of Mutual Funds	(21.99)	(0.15)
Operating Profit before working capital changes	5,332.27	4,431.03
Adjustment for:		
(Increase)/Decrease in Trade receivables	(1,029.71)	(0.74)
(Increase) / Decrease in Inventories	(285.74)	(138.17)
(Increase)/ Decrease in Non-Current Financial Assets	(31.63)	14.81
(Increase) / Decrease in Non-Current Non - Financial Assets	1.01	(7.34)
(Increase) / Decrease in Current Financial Assets	(295.71)	(71.26)
(Increase) / Decrease in Current Non - Financial Assets	(163.91)	163.33
(Increase) / Decrease in Assets held for sale	-	14.63
Increase / (Decrease) in Trade Payable	475.98	275.55
Increase / (Decrease) in Non - Current Provisions	0.62	(41.23)
Increase / (Decrease) Current Financial Liabilities	(95.82)	207.26
Increase / (Decrease) in Liabilities held for sale	-	(50.00)
Increase / (Decrease) Current Provisions	2.71	(40.67)
Increase / (Decrease) Current Non - Financial Liabilities	(50.09)	59.56
Cash generated from operating activities	3,859.98	4,816.76
Taxes Paid (Net of refunds)	(1,267.19)	(1,265.46)
Net Cash Flow from / (used in) Operating Activities (A)	2,592.79	3,551.30
B. Cash Flow from Investing Activities		
Purchase of Property, plant and equipments	(392.76)	(1,034.40)
Proceeds from sale of Property, plant and equipments	67.21	4.23
Fixed Deposits placed with the bank	(841.26)	(1,251.19)
(Investment made) / Proceeds from Mutual Fund (net)	205.45	(1,799.65)
Investment in subsidiary	(25.00)	(821.67)
Share Application Money Given	-	(358.09)
Dividend Received	0.05	24.72
Interest received	143.00	43.49
Net Cash Flow from/ (used in) Investing Activities (B)	(843.31)	(5,192.56)
C. Cash Flow from Financing Activities		
(Repayment of)/Proceeds from borrowings	(2,316.42)	2,316.42
Proceed from Warrants	1,764.75	-

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Finance cost	(108.58)	(115.12)
Payment of Lease Rent	(78.35)	(108.49)
Dividend Paid	-	(600.68)
Dividend Tax paid	(1.19)	(122.28)
Net cash flow from / (used in) financing activities (C)	(739.79)	1,369.85
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	1,009.69	(271.41)
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING OF THE YEAR	1,005.68	1,234.69
Unrealised Foreign Exchange Restatement in Cash and cash Equivalents	23.87	42.40
Cash and Cash Equivalents - Closing Balance	2,039.24	1,005.68
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,033.56	(229.01)

Notes:	For the year ended	
	March 31, 2021	March 31, 2020
1. Cash and Cash Equivalents:		
(a) Cash on Hand	3.15	1.92
(b) Balance with banks	2,036.09	1,003.76
Cash and Cash Equivalents	2,039.24	1,005.68

2. The standalone cash flow statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 on 'Cash Flow Statement' and presents cash flows by operating, investing and financing activities.
3. The above standalone cash flow statement includes ₹ 81.70 lakhs towards Corporate Social Responsibility activities (Refer Note 46)
4. Movement of borrowings: ₹ Lakhs

Particulars	March 31, 2020	Cash flow	Non-cash changes (Fair value changes)	March 31, 2021
Long term borrowings	-	-	-	-
Short term borrowings	2,316.42	(2,316.42)	-	-
Total borrowings	2,316.42	(2,316.42)	-	-

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

5. Figures for the previous year have been regrouped/ restated wherever necessary to conform to current year's classification.

As per our report of even date

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 24, 2021

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

For and on behalf of the Board

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

Shardul A. Doshi
Chief Financial Officer
Place: Mumbai

Shalaka Ovalekar
Company Secretary
Membership No: A15274
Place: Mumbai
Date: May 24, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

(a) Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance at the beginning of the year	20,022,719	2,002.27	20,022,719	2,002.27
Issued during the year	-	-	-	-
Balance at end of the year	20,022,719	2,002.27	20,022,719	2,002.27

(b) Other Equity

₹ Lakhs

Particulars	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Money received against share warrants (Refer Note 19 (e))	Retained earning	Cash flow hedge reserve	Total
Balance as at April 1, 2019	105.00	197.73	2,166.86	763.97	-	15,562.94	206.59	19,003.09
Addition during the year	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	3,147.15	-	3,147.15
Other Comprehensive Income	-	-	-	-	-	(38.22)	(295.76)	(333.98)
Dividend paid	-	-	-	-	-	(600.68)	-	(600.68)
Tax on dividend	-	-	-	-	-	(122.28)	-	(122.28)
Balance as at April 1, 2020	105.00	197.73	2,166.86	763.97	-	17,948.91	(89.17)	21,093.30
Addition during the year	-	-	-	-	1,764.75	-	-	1,764.75
Profit for the year	-	-	-	-	-	3,668.56	-	3,668.56
Other Comprehensive Income	-	-	-	-	-	(1.86)	191.39	189.53
Dividend paid	-	-	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	(1.19)	-	(1.19)
Balance as at March 31, 2021	105.00	197.73	2,166.86	763.97	1,764.75	21,614.42	102.22	26,714.95

The accompanying notes 1 to 53 form an integral part of these standalone financial statements.

As per our report of even date

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355
Place: Mumbai
Date: May 24, 2021

Signatures to the Standalone Statement of changes in equity and
Notes to the financial statements

For and on behalf of the Board

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

Shalaka Ovalekar
Company Secretary
Membership No: A15274

Place: Mumbai
Date: May 24, 2021

Shardul A. Doshi
Chief Financial Officer
Place: Mumbai

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1 Company Overview

Description of Business

ADF Foods Limited ("the Company") is a public company incorporated under the provisions of the Companies Act, 1956 and domiciled in India having registered office at 83/86 G.I.D.C Industrial Estate, Nadiad, Gujarat. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The Company is engaged in the manufacture and selling of food products like pickles, chutneys, ready to eat items, paste and sauces, frozen foods, spices etc. The Company caters mainly to international markets and domestic market.

Basis of Preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Company's Financial Statements for the year ended March 31, 2021 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

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

Basis of Measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

Key Accounting Estimates and Judgements:

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations – Note 44
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Note 37
- (c) Recognition of deferred tax liabilities – Note 22
- (d) Impairment of Intangible asset – Note 35

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

The Company has considered the possible effects that may result from the pandemic relating to COVID 19 in the preparation of these standalone financial statements including the recoverability and carrying amount of its assets comprising Property, Plant and Equipment, Intangible assets, receivables and other financial assets. The Company has considered internal and external information upto the date of approval of these financial statements and expects that the carrying amount of these assets will be recovered. Further, the company is debt free and would have adequate liquidity available to honour its liabilities and obligations, as and when due. The impact of COVID 19 on the Company's Financial Statements may differ from that estimated as at the date of approval of these Standalone Financial Statements. The management will continue to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

Measurement of fair values

The Company's accounting policies and disclosures require financial instruments to be measured at fair values. The Company has an established control framework with respect to the measurement of fair values. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2 Significant Accounting Policies

2.1 Property, Plant and Equipment

2.1.1 Initial Recognition

Property, Plant and Equipment are initially recognised at cost which comprises of purchase price including import duties, non-refundable taxes and any directly attributable cost of bringing the assets to its present condition and location for its intended use, including the cost of replacing parts only when future economic benefit associated to that cost will flow to the company and its cost can be reliably measured, borrowing costs for long term construction projects if the recognition criteria are met and present value of any expected cost for decommissioning, restoration and similar liability of an asset after its use is included in the cost of respective asset. On replacement of a component, its carrying amount is derecognised.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Further, in case the component was not depreciated separately, the cost of incoming component is used as an indication to determine the cost of the replaced part at the time of capitalising.

2.1.2 Subsequent Recognition

Subsequent recognition is at cost less accumulated depreciation and accumulated impairment losses, if any. Impairment testing is undertaken at the balance sheet date if there are indicators.

2.1.3 Disposal or Retirement

The carrying value is eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.1.4 Component Accounting

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

2.1.5 Depreciation

Depreciation is calculated on Straight Line Basis as per the useful lives specified in Schedule II to the Companies Act, 2013 on pro rata basis except for carboys and pallets where lower lives of 5 years is applied based on the technical advice obtained by the company.

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

The estimated useful lives for computing depreciation are generally as follows:

Machinery and equipment	15 Years
Furniture and fixtures	10 Years
Automobiles	08 Years
Office Building	60 Years
Factory Building	30 Years
Computers	03 Years

Leasehold land under operating lease is depreciated over the leasehold period or its estimated useful life, whichever is shorter.

Freehold land is not depreciated.

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

2.2 Capital Work In Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset on completion of the expansion project or otherwise on commencement of commercial use of the asset.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Intangible Assets

2.2.1 Initial Recognition

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

2.2.2 Subsequent Recognition

Intangible assets are carried at cost less accumulated amortisation and impairment loss, if any.

2.2.3 Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Goodwill - 5 years

Software - 3 Years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Indefinite life intangibles mainly consist of brands. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not the change in useful life from indefinite to finite is made on a prospective basis.

2.2.4 Derecognition

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

2.3 Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

2.4 Inventories

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

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

Finished goods and work in progress: In the case of manufactured inventories and work in progress, cost includes all costs of purchases, an appropriate share of production overheads based on normal operating capacity and other costs incurred in bringing each product to its present location and condition. Finished goods valuation also includes applicable duty. Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

2.5 Cash and Cash Equivalents

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

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

2.6 Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment. The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

2.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

2.7.1 Financial Assets

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

2.7.1.1 Initial recognition and measurement

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

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

2.7.1.2 Subsequent measurement

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

2.7.1.2.1 Financial assets at amortised cost

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

After initial measurement, debt instruments at amortised cost are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

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

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

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

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

2.7.1.2.3 Financial assets at fair value through profit or loss

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

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

2.7.1.2.4 Financial assets as Equity Investments

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

The Company makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

2.7.1.3 Derecognition

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

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

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

2.7.1.4 Impairment

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The company follows 'Simplified Approach' for recognition of impairment allowance. This approach doesn't require the Company to track changes in credit risk. Rather, it recognises impairment allowances based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. Lifetime ECL are expected credit losses resulting from all possible defaults over the expected life of a financial instrument. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

2.7.2 Financial Liabilities

(i) Classification

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

(ii) Initial recognition and measurement

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

(iii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to loans and borrowings.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(iv) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.7.3 Share Capital

Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

2.7.4 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

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

The company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in Statement of profit and loss.

When forward contracts are used to hedge forecast transactions, gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within other equity.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within other equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

2.8 Government Subsidy/Grants

Grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as a deferred grant which is recognized as income in the Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

2.9 Provisions, Contingent Liabilities and Contingent Assets

2.9.1 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.9.2 Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

2.9.3 Contingent Assets

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

2.10 Revenue from Operation

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

2.11 Other Non-Operating Income

2.11.1 Interest Income

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

2.11.2 Dividend Income

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

2.12 Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

a) Short-term employee benefits

- i) Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Long Term Employee Benefit Plan

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

c) Post Separation Employee Benefit Plan

i) Defined Benefit Plan

- Gratuity Liability on the basis of actuarial valuation as per Ind AS-19. Liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

- Actuarial gain / loss pertaining to above and other components of re-measurement of net defined benefit liability (asset) are accounted for as OCI. All remaining components of costs are accounted for in statement of profit & loss.

ii) Defined Contribution Plans:

Defined contribution plans are Employee Provident Fund scheme and Employee State Insurance scheme for eligible employees. The Company's contribution to defined contribution plans is recognised as an expense in the Statement of Profit and Loss as they fall due.

2.13 Taxes

2.13.1 Current Taxes

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its branch operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates to items recognized directly in equity/OCI, in which case it is recognized in other comprehensive income. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.13.2 Deferred Taxes

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary timing differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and MAT credit entitlements only if it is probable that future taxable amounts will be available to utilise those temporary differences, losses and credit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.14 Foreign Currencies

The Company's functional currency is Indian Rupee (INR) and it is also the presentation currency for the Company.

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rate of exchange prevailing on the date of the transaction. Monetary assets and monetary liabilities denominated in foreign currencies and remaining unsettled at the end of the year are converted at the functional currency spot rate of exchange prevailing on the reporting date.

Differences arising on settlement or conversion of monetary items are recognised in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction except for the qualifying cash flow hedge, which are recognised in OCI to the extent that the hedges are effective.

2.15 Leases

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

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

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

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.16 Borrowings costs

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

2.17 Dividend

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.18 Earnings Per Share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

For the purpose of calculating diluted earnings per share, the net profit for the period attributed to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3. Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

4(a) Property, Plant and Equipment

₹ Lakhs

Particulars	Period	Land		Buildings	Leasehold improvement	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Office premises	Electrical installation	Laboratory equipment	Computers	Total
		Freehold	Leasehold											
Opening gross carrying amount as at	April 1, 2019	4.18	94.39	-	2,750.92	93.14	2,563.60	84.90	118.11	20.29	97.77	86.99	23.39	5,945.17
Additions		-	-	253.27	10.85	-	1,073.98	-	78.06	7.73	-	1.17	5.82	1,430.88
Deductions		-	-	-	-	-	(39.30)	(0.02)	(2.75)	(0.08)	-	(0.01)	(0.02)	(42.18)
Closing gross carrying amount as at	March 31, 2020	4.18	94.39	253.27	2,761.77	93.14	3,598.28	84.88	193.42	27.94	97.77	86.99	29.19	7,333.87
Opening gross carrying amount as at	April 1, 2020	4.18	94.39	253.27	2,761.77	93.14	3,598.28	84.88	193.42	27.94	97.77	86.99	29.19	7,333.87
Additions		-	-	-	209.32	-	317.70	-	98.15	10.24	-	1.12	4.84	653.77
Deductions		-	-	-	-	-	(4.44)	-	(75.10)	-	-	-	-	(79.54)
Closing gross carrying amount as at	March 31, 2021	4.18	94.39	253.27	2,971.09	93.14	3,911.54	84.88	216.47	38.18	97.77	99.39	34.03	7,908.10
Opening accumulated depreciation	April 1, 2019	-	3.03	-	304.75	9.14	749.96	33.22	60.94	11.66	5.05	26.85	12.57	1,220.11
Charge for the year		-	1.01	99.31	113.73	17.75	264.62	10.64	22.85	4.40	1.69	0.98	4.23	550.40
Deduction		-	-	-	-	-	(18.01)	-	(2.24)	(0.02)	-	-	-	(20.27)
Closing accumulated depreciation	March 31, 2020	-	4.04	99.31	418.48	26.89	996.57	43.86	81.55	16.04	6.74	36.04	16.80	1,750.24
Opening accumulated depreciation	April 1, 2020	-	4.04	99.31	418.48	26.89	996.57	43.86	81.55	16.04	6.74	36.04	16.80	1,750.24
Charge for the year		-	1.01	99.31	117.69	17.70	302.38	8.21	20.13	4.09	1.68	0.81	5.27	588.03
Deduction		-	-	-	-	-	(3.80)	-	(14.39)	-	-	-	-	(18.19)
Closing accumulated depreciation	March 31, 2021	-	5.05	198.62	536.17	44.59	1,295.15	52.07	87.29	20.13	8.42	45.79	22.07	2,320.08
Net carrying amount as at	March 31, 2020	4.18	90.35	153.96	2,343.29	66.25	2,601.71	41.02	111.87	11.90	91.03	50.95	12.39	5,583.63
Net carrying amount as at	March 31, 2021	4.18	89.34	54.65	2,434.92	48.55	2,616.39	32.81	129.18	18.05	89.35	53.60	11.96	5,588.02

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

4(b) Capital Work - in - Progress

₹ Lakhs

Particulars	Total
Opening as at April 1, 2019	147.72
Additions during the year	1,328.30
Capitalised during te year	(1,238.32)
Closing as at March 31, 2020	237.70
Opening as at April 1, 2020	237.70
Additions during the year	391.27
Capitalised during te year	(594.29)
Closing as at March 31, 2021	34.68

4(c) Intangible assets

₹ Lakhs

Particulars	Period	Brands	Software	Total
Opening gross carrying amount as at	April 1, 2019	2,132.84	16.05	2,148.89
Additions		-	0.50	0.50
Deductions		-	-	-
Closing gross carrying amount as at	March 31, 2020	2,132.84	16.55	2,149.39
Opening gross carrying amount as at	April 1, 2020	2,132.84	16.55	2,149.39
Additions		-	-	-
Deductions		-	-	-
Closing gross carrying amount as at	March 31, 2021	2,132.84	16.55	2,149.39
Opening accumulated amortisation	April 1, 2019	-	12.88	12.88
Charge for the year		-	1.20	1.20
Deduction		-	-	-
Closing accumulated amortisation	March 31, 2020	-	14.08	14.08
Opening accumulated amortisation	April 1, 2020	-	14.08	14.08
Charge for the year		-	0.74	0.74
Deduction		-	-	-
Closing accumulated amortisation	March 31, 2021	-	14.82	14.82
Net carrying amount as at	March 31, 2020	2,132.84	2.47	2,135.31
Net carrying amount as at	March 31, 2021	2,132.84	1.73	2,134.57

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

5 Investments

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in equity instruments		
Investment in Subsidiaries (Unquoted)		
(At amortised cost)		
a) ADF Foods (India) Limited		
Face value (₹)	10	10
Number of shares	300,000	50,000
Amount in ₹ Lakhs	30.00	5.00
b) ADF Foods UK Limited		
Face value (£)	1	1
Number of shares	2,085,281	2,085,281
Amount in ₹ Lakhs	1,826.29	1,826.29
c) Power Brands (Foods) Private Limited (Refer Note 47)		
Face value (₹)	10	10
Number of shares	20,885,992	20,885,992
Amount in ₹ Lakhs	-	-
Investments in preference shares:		
Investment in Subsidiaries (Unquoted)		
(At amortised cost)		
a) ADF Foods UK Limited		
(0.001% Redeemable Cumulative Preference Shares)		
Face value (£)	1	1
Number of shares	5,502,160	5,106,434
Amount in ₹ Lakhs	5,140.99	4,782.90
Aggregate amount of unquoted investments	6,997.28	6,614.19
Aggregate amount of impairment in value of investments	-	-

6 Non-current loans

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured Considered good		
Security deposits	147.73	135.18
Loans and advances to Employees	2.16	3.82
Loans and advances to others	24.12	-
Total	174.01	139.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

7 Other non-current financial assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Export incentives receivables	10.04	10.04
Share Application Money	-	358.09
Bank deposits held as margin more than 12 months*	2.87	7.70
Total	12.91	375.83

* Above bank deposits are pledged as margin money.

8 Income tax assets (net)

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance payment of income tax (Net)	498.53	456.85
Total	498.53	456.85

9 Other non-current financial assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good		
Capital Advances	34.86	92.85
Prepayments	6.66	8.93
Deferred lease expenses	5.09	8.62
Other Assets	1.13	-
Total	47.74	110.40

10 Inventories

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost and net realizable value)		
Raw materials	322.17	356.18
Packing materials	804.63	650.68
Work-in-progress	948.10	1,303.59
Finished goods	857.72	400.68
Traded goods	108.99	44.74
Total	3,041.61	2,755.87

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

11 Current Investments

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in Mutual Funds (Quoted) (Measured as FVTPL)		
HDFC overnight - Growth	-	901.46
Kotak overnight fund reg - Growth	-	901.47
IDFC Low Duration Regular Plan - Growth	428.88	-
HDFC Corporate Bond - Growth	303.78	-
IDFC Corporate Bond Regular - Growth	303.57	-
Nippon India Money Market - Growth	323.02	-
Nippon India Banking & PSU Debt - Growth	303.40	-
Total	1,662.65	1,802.93
Aggregate amount of quoted investments at Cost	1,640.66	1,802.78
Aggregate amount of quoted investments at market value	1,662.65	1,802.93
Aggregate amount of impairment in value of investments	-	-

12 Current trade receivables

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good		
Related parties	28.33	61.20
Others	5,396.69	4,331.80
	5,425.02	4,393.00
Trade receivable which have significant increase in credit risk	4.51	4.51
Less: Allowance for credit impaired	(4.51)	(4.51)
Total	5,425.02	4,393.00

13 Cash and cash equivalents

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	3.15	1.92
Balances with banks		
in Current account	524.26	428.11
in EEFC account	1,511.83	575.65
Total	2,039.24	1,005.68

14 Bank balances other than above

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks		
in Current account *	69.84	80.40
in Fixed deposit account **	2,072.49	1,150.00
in Margin deposit account***	343.95	420.35
Total	2,486.28	1,650.75

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

** Deposit with maturity of less than 12 months.

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

15 Current loans

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security Deposit	59.31	-
Loans to employees	7.80	10.54
Loans and advances to others	37.69	-
Total	104.80	10.54

16 Other current financial assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Derivative foreign exchange forward contracts	74.90	-
Interest accrued on fixed deposits and others	41.61	61.67
Export incentive receivable	853.52	652.47
Other receivables	0.44	0.05
Total	970.47	714.19

17 Other current non-financial assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advance to suppliers for services	26.05	37.18
Advance to suppliers for services - Related party	1.13	-
Advance to suppliers for goods	13.05	52.93
Balances with Government authority	695.57	573.67
Prepayments	103.43	13.23
Deferred lease expenses	3.53	3.53
Other Assets	1.69	-
Total	844.45	680.54

18 Equity share capital

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized shares		
2,50,00,000 (March 31, 2020: 2,50,00,000) equity shares of ₹ 10/- each	2,500.00	2,500.00
Issued, subscribed and fully paid share capital		
2,00,22,719 (March 31, 2020: 2,00,22,719) equity shares of ₹ 10/- each	2,002.27	2,002.27
Shares forfeited		
7,56,600 (March 31, 2020: 7,56,600) equity shares of ₹ 10/- each; amount originally paid up thereon @ ₹ 5 per share	37.83	37.83
Total	2,040.10	2,040.10

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	No. of shares	₹ Lakhs
Equity shares		
As at April 1, 2019	20,779,319	2,040.10
Issued during the year	-	-
As at March 31, 2020	20,779,319	2,040.10
Issued during the year	-	-
As at March 31, 2021	20,779,319	2,040.10

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

(b) Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of equity shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2021	As at March 31, 2020
Mr. Bimal R. Thakkar		
No. of Shares	2,278,924	2,278,924
%	11.38	11.38
Mrs. Mahalaxmi R. Thakkar		
No. of Shares	1,953,000	1,958,022
%	9.75	9.78
Authum Investment and Infrastructure Limited		
No. of Shares	3,894,940	4,494,052
%	19.45	22.44
Infinity Holdings		
No. of Shares	2,000,000	-
%	9.99	-
Total - Number of shares	10,126,864	8,730,998
Total - %	50.57	43.60

(d) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

The Company has 1,950,000 (March 31, 2020: Nil) Equity Shares reserved for issue on subscription of Preferential Share Warrants (Refer Note 19 (e) for terms of Preferential Share Warrants)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(e) Equity shares movement during the five years preceding March 31, 2021

Financial Year	Aggregate no. of equity shares bought back
2015-16	-
2016-17	798,539
2017-18	-
2018-19	1,178,742
2019-20	-

19) Other equity

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	105.00	105.00
Capital redemption reserve	197.73	197.73
Securities premium	2,166.86	2,166.86
General reserve	763.97	763.97
Money received against share warrants (Refer Note 19 (e))		
Received during the year	1,764.75	-
Closing balance	1,764.75	-
Retained earning		
As per Last Balance Sheet	17,948.91	15,562.94
Add: profit for the year	3,668.56	3,147.15
Re-measurement of defined benefit plans	(1.86)	(38.22)
Less: Dividend paid	-	(600.68)
Less: Tax on dividend (₹ 1.19 Lakhs related to previous year)	(1.19)	(122.28)
Movement during the year	3,665.51	2,385.97
Closing balance	21,614.42	17,948.91
Cash flow hedge reserve		
As per Last Balance sheet	(89.17)	206.59
Add: Change in fair value of hedging instrument	255.77	(395.24)
Less: Deferred tax	(64.38)	99.48
Closing balance	102.22	(89.17)
Total	26,714.95	21,093.30

Nature of Reserves

(a) Capital reserve

The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

(b) Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(c) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(d) Cash flow hedge reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the Company uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedge reserve is reclassified to profit or loss when the hedged item affects profit or loss.

(e) Money received against Preferential Share Warrants

The Company has obtained approval of shareholders by way of a special resolution dated October 5, 2020 for issuance of 19,50,000 warrants at a price of ₹362/- each on preferential basis to certain promoters and non-promoters. Further, the Company has obtained in-principle approval from National Stock Exchange and Bombay Stock Exchange on October 9, 2020 and October 23, 2020 respectively for the allotment of the said warrants. As all the allottees have paid the advance Subscription Price of ₹ 90.50 per warrant which is equivalent to 25% of subscription Price aggregating to ₹ 1,764.75 Lakhs, the said warrants have been allotted vide Board resolution dated November 1, 2020. The balance 75% of the subscription money is payable within 18 months from the date of the allotment as stated above. On receipt of the entire subscription money each warrant will get converted into equivalent number of equity shares bearing face value of ₹ 10/- and share premium of ₹ 352/-.

20 Other non-current financial liabilities

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability	5.81	61.54
Total	5.81	61.54

21 Non-current provisions

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note no. 44)		
For compensated absences	67.00	66.28
For compensated sick leaves	12.15	12.24
Total	79.15	78.52

22. Income Taxes

a) Tax expense recognised in profit and loss

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax expense for the year	1,225.51	981.94
Deferred Income tax liability / (asset), (net)		
Origination and reversal of temporary differences	25.41	(75.29)
Total	1,250.92	906.65

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

b) Tax expense recognised in other comprehensive income

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Items that will not be reclassified subsequently to profit or loss		
Re-measurements of the defined benefit plans	0.63	12.85
Items that will be reclassified subsequently to profit or loss		
Net gain / (loss) on cash flow hedges	(64.38)	99.48
Total	(63.75)	112.33

c) Reconciliation of effective tax rate

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before tax	4,919.48	4,053.80
Tax using the company's domestic tax rate	1,238.08	1,020.26
Tax rate %	25.17%	25.17%
Tax effect of:		
Expenses not deductible for tax purposes	24.20	18.32
Allowances under Income Tax Act	(8.89)	(36.21)
Prior year tax adjustment	-	15.76
Differences in tax rate *	-	(126.76)
Others	(2.47)	15.28
Total	1,250.92	906.65

*In the previous year the Company has opted for new tax rate of 25.17% under new section 115BBA of Income Tax Act, 1961.

d) Movement in deferred tax balances

March 31, 2021

₹ Lakhs

Particulars	Net Balance April 01, 2020	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2021
Deferred tax assets / (liabilities)				
Property, plant and equipment	(856.87)	(36.41)	-	(893.28)
Cash flow hedge reserve	92.52	-	(64.38)	28.14
Employee benefits	81.11	20.39	0.63	102.13
Provision for doubtful advances	1.13	-	-	1.13
Lease Liability	2.29	(9.39)	-	(7.10)
Net Deferred tax assets / (liabilities)	(679.82)	(25.41)	(63.75)	(768.98)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

March 31, 2020

₹ Lakhs

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

23 Current borrowings

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured Loan		
Loans repayable on demand		
From banks *	-	2,316.42
Total	-	2,316.42

* In previous year unsecured loans were repayable on demand and the interest payable on borrowings range from 4.5% to 5% p.a.

24 Current trade payables

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,668.75	1,337.59
Total	1,668.75	1,337.59

25 Other Current Financial Liabilities

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Derivative Foreign exchange forward contracts	-	199.17
Employees related payables	98.79	56.37
Lease Liability	55.74	101.51
Unclaimed dividend	69.84	80.40
Payable to Related party (Refer Note no. 42)	0.04	-
Payable for capital goods	46.87	56.97
Gratuity Payable	69.12	63.64
Other liabilities	137.92	269.09
Total	478.32	827.15

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

26 Other current non-financial liabilities

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	31.60	61.73
Statutory dues and other dues payable	79.22	104.88
Other liabilities	5.99	0.28
Total	116.81	166.89

27 Current provisions

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note no. 44)		
For compensated absences	10.74	8.18
For compensated sick leaves	1.92	1.77
Total	12.66	9.95

28 Income tax liabilities (net)

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for taxation (net)	27.83	27.83
Total	27.83	27.83

29 Revenue from operations

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	22,875.82	18,208.81
Export Incentive	788.28	1,238.46
Total	23,664.10	19,447.27

The Chief Operating Decision Maker (CODM) evaluates the performance of the Company based on revenue and operating income in one segment i.e. "Processed food". Accordingly, as per Ind AS-108, the Company has only one business segment and hence disaggregation information has not been separately disclosed.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

30 Other income

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income from		
Bank deposits	111.90	89.59
Others	11.03	6.69
Dividend income		
From subsidiary	0.05	0.04
From mutual fund	-	24.68
Unwinding of discount on security deposit	3.40	3.14
Foreign exchange gain (net)	51.62	672.13
Liabilities no longer required written back	22.94	0.95
Profit on sale of fixed assets	5.86	1.48
Profit on sale of mutual funds	43.17	3.13
Profit on fair value of mutual funds	21.99	0.15
Miscellaneous income	152.89	135.25
Total	424.85	937.23

31. Cost of materials consumed

a) Raw material consumed

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year	356.18	274.47
Add: Purchases (net)	7,808.65	5,968.91
	8,164.83	6,243.38
Less: Inventories at the end of the year	322.17	356.18
Total	7,842.66	5,887.20

b) Packing material consumed

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year	650.68	641.69
Add: Purchases (net)	3,044.43	2,302.64
	3,695.11	2,944.33
Less: Inventories at the end of the year	804.63	650.68
Total	2,890.48	2,293.65
Total cost of materials consumed	10,733.14	8,180.85

c) Purchase of stock-in-trade

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchases	740.43	747.01
Total	740.43	747.01

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year		
Work-in progress	1,303.59	1,495.86
Finished goods	400.68	154.51
Stock in trade	44.74	51.17
	1,749.01	1,701.54
Less: Inventories at the end of the year		
Work-in progress	948.10	1,303.59
Finished goods	857.72	400.68
Stock in trade	108.99	44.74
	1,914.81	1,749.01
Total	(165.80)	(47.47)

33 Employee benefits expenses

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	1,344.44	1,381.57
Contribution to provident fund and other funds	73.91	71.21
Staff welfare expenses	58.37	59.06
Total	1,476.72	1,511.84

34 Finance costs

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on		
Borrowing from banks	33.27	70.61
Lease	7.25	18.29
Others	75.31	44.51
Total	115.83	133.41

35 Depreciation and amortisation expenses

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Tangible assets	588.03	550.40
Intangible assets	0.74	1.20
Total	588.77	551.60

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

36 Other expenses

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Freezing and preservation charges	81.76	59.07
Power & fuel	570.94	552.87
Electricity	5.40	12.56
Water charges	18.38	14.42
Rent including lease rent	76.59	40.00
Repairs and maintenance to building	16.33	80.48
Repairs and maintenance to machinery	122.95	112.60
Repairs and maintenance to others	36.06	31.33
Insurance	47.01	35.02
Rates and taxes	18.72	44.81
Communication expenses	22.57	36.05
Travelling and conveyance expenses	198.75	376.02
Motor car expenses	26.52	35.10
Printing and stationery expenses	9.36	11.50
Freight and forwarding expenses	2,267.26	1,440.62
Advertisement	594.95	541.33
Sales Promotion/Commission/Claims and marketing expenses	648.98	978.04
Donations	0.13	-
Legal and professional fees	514.37	470.96
Payment to auditor (Refer Note no. 36.1)	26.10	20.57
CSR expenses (Refer Note no. 46)	81.70	59.79
Registration and filling fees	6.97	7.12
Directors' sitting fees	26.80	23.30
Loss on sale of fixed assets / assets scrapped	-	19.14
Miscellaneous expenses	261.78	218.25
Total	5,680.38	5,220.95

36.1

₹ Lakhs

Payment to Auditors:	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to auditor comprise :		
For statutory audit	13.35	11.00
For other services	12.20	8.82
For reimbursement of expenses	0.55	0.75
Total	26.10	20.57

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

37. Contingent Liabilities and Commitments

a. Contingent Liabilities

₹ Lakhs

Sr. No	Particulars	As at March 31, 2021	As at March 31, 2020
1.	Claims against the company not acknowledged as debts:		
	a. Income Tax Matters	289.04	289.04
	b. Service Tax Matters	463.54	463.54
	c. Legal Cases	18.24	11.05
2.	Guarantees:		
	a. Guarantees given on behalf of subsidiaries (net of margin money)	125.31	114.35

Notes:

- It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.

b. Capital commitments

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Capital commitments (net of advances)	87.83	76.25

38. Dues to Micro and Small Enterprises

Micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Sundry creditors include total outstanding dues to micro enterprises and small enterprises amounting to ₹ 154.89 lakhs (2019-20: ₹ 27.58 lakhs). The disclosures pursuant to MSMED Act based on the books of account are as under:

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Dues remaining unpaid	154.89	27.58
Principal	148.90	27.30
Interest	5.99	0.28
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	5.99	0.28
Amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

39. Disclosures made in terms of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

a. Advances to Subsidiaries

There are no loans and advances in the nature of loans given to subsidiaries, associates, firms/companies in which directors are interested.

b. Deposits paid to related parties

Interest free security deposit of ₹ 9.00 lakhs (2019-20: ₹ 9.50 lakhs), paid for guest house taken on lease from a Related party.

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

Details of investments made are disclosed under Note 5 & 11 and Guarantees are disclosed under note no. 37(a). There are no loans given by the company.

41. Disclosures in respect of lease

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

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

The Company has not applied the requirements of Ind AS 116 for leases of low value assets.

Movement of right-of-use assets and depreciation is given in Note no. 4(a) and Interest on account of Ind AS 116 is given in Note no. 34

The Company has entered into operating leases on its office building and guest house. These leases have terms of between 3 and 99 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum contractual rentals payable under non-cancellable operating leases as at March 31, 2021 are, as follows:

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
i) Not later than one year	57.65	111.65
ii) Later than one year and not later than five years	2.00	59.15
iii) Later than five years	39.83	40.33

Total cash outflow is ₹ 154.94 Lakhs, which includes short term lease payment recognised in the Statement of Profit and Loss of ₹ 76.59 lakhs and ₹ 78.35 Lakhs related to lease premises on which IND AS 116 is applied.

The Company has applied the practical expedient to rent concession for office premises. ₹ 33.30 lakhs recognized in profit and loss for the year ended March 31, 2021 to reflect changes in lease payments that arises from rent concessions to which the Company has applied the practical expedient.

The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.95% for measuring the lease liability.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

42. Related party disclosures

List of related parties as required by Ind AS – 24, “Related Party Disclosure” are given below:

Sr. No:	Related party relationship	Name of the Related Parties
1	Direct subsidiaries	ADF Foods UK Limited
		ADF Foods (India) Limited
		Power Brands (Foods) Private Limited (Under members’ voluntary liquidation-refer note no. 47)
2	Step down subsidiaries	ADF Holdings (USA) Limited
		ADF Foods (USA) Limited
3	Key managerial personnel – Non Executive	Mr. Jay M. Mehta
		Mr. Naresh L. Kothari (Up to 21.12.2020)
		Mr. Ravindra Kumar Jain
		Mr. Viren A. Merchant
		Mr. Chandir Gidwani
		Ms. Deepa Harris
4	Key managerial personnel	Mr. Bimal R. Thakkar – Chairman, Managing Director and Chief Executive Officer
		Mr. Devang Gandhi – Chief Operating Officer
		Mr. Anish S. Jhaveri – Chief Financial Officer (Up to 15.07.2020)
		Mr. Shardul Doshi – Chief Financial Officer (w.e.f 14.08.2020)
5	Relative of key managerial personnel	Mrs. Mahalaxmi R. Thakkar (Relative of Director)
		Mr. Shivaan B. Thakkar (Relative of Director)
		Manager Business & Strategy
		Mr. Sumer B. Thakkar (Relative of Director) (w.e.f 14.08.2020)
		Manager Business & Strategy

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

₹ Lakhs

Particulars	Financial Year	Direct Subsidiaries	Indirect Subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Dividend Income	2020-21	0.05	-	-	-	0.05
	2019-20	0.04	-	-	-	0.04
Sale of goods	2020-21	43.25	-	-	-	43.25
	2019-20	58.27	19.99	-	-	78.26
Managerial Remuneration	2020-21	-	-	-	-	-
	2019-20	-	-	255.48	-	255.48
Salary	2020-21	-	-	148.32	24.04	172.36
	2019-20	-	-	108.84	13.75	122.59
Independent Director's Sitting fees	2020-21	-	-	26.80	-	26.80
	2019-20	-	-	23.30	-	23.30
Rent	2020-21	-	-	-	0.50	0.50
	2019-20	-	-	-	0.50	0.50
Expenses charged to/ reimbursed by other companies	2020-21	-	11.57	-	-	11.57
	2019-20	-	-	-	-	-
Expenses charged by/ reimbursed to other companies	2020-21	0.04	11.00	-	-	11.04
	2019-20	-	-	-	-	-
Investment in Equity shares of ADF Foods (India) Limited	2020-21	25.00	-	-	-	25.00
	2019-20	-	-	-	-	-
Investment in Preference Shares of ADF Foods UK Limited.	2020-21	358.09	-	-	-	358.09
	2019-20	821.67	-	-	-	821.67
Preference Shares Application of ADF Foods UK Ltd	2020-21	-	-	-	-	-
	2019-20	358.09	-	-	-	358.09

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Balances outstanding at the end of the year:

₹ Lakhs

Particulars	Financial Year	Direct Subsidiaries	Indirect Subsidiaries	Key Managerial Personnel	Relatives of Key Managerial Personnel	Total
Non-current investments	2020-21	6,997.28	-	-	-	6,997.28
	2019-20	6,614.19	-	-	-	6,614.19
Share application money pending allotment	2020-21	-	-	-	-	-
	2019-20	358.09	-	-	-	358.09
Non-Current loans (Security Deposit)	2020-21	-	-	-	9.00	9.00
	2019-20	-	-	-	9.50	9.50
Other receivable	2020-21	-	1.13	-	-	1.13
	2019-20	-	-	-	-	-
Other Payable	2020-21	0.04	-	-	-	0.04
	2019-20	-	-	-	-	-
Trade payable	2020-21	44.10	-	-	-	44.10
	2019-20	44.10	-	-	-	44.10
Trade receivable	2020-21	28.33	-	-	-	28.33
	2019-20	61.20	-	-	-	61.20

Material related party transactions as under:

₹ Lakhs

Particulars	Name of the related parties	As at March 31, 2021	As at March 31, 2020
Sale of goods	ADF Foods (India) Limited	43.25	58.27
	ADF Foods (USA) Limited	-	19.99
Investment in Preference Shares	ADF Foods UK Limited	358.09	821.67
Investment in Equity Shares	ADF Foods (India) Limited	25.00	-
Preference share application money	ADF Foods UK Limited	-	358.09
Expenses charged to/ reimbursed by other companies	ADF Holding (USA) Limited	11.57	-
Expenses charged by/ reimbursed to other companies	ADF Foods (India) Limited	0.04	-
Expenses charged by/ reimbursed to other companies	ADF Foods (USA) Limited	11.00	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

Particulars	Name of the related parties	As at March 31, 2021	As at March 31, 2020
Managerial Remuneration	Mr. Bimal R. Thakkar	-	255.48
Salary	Mr. Shivaan B. Thakkar	15.52	13.75
	Mr. Sumer B. Thakkar	8.52	-
	Mr. Devang Gandhi	78.74	46.19
	Mr. Anish S. Jhaveri	20.00	62.65
	Mr. Shardul Doshi	49.57	-
Non-Executive Directors Sitting Fees	Mr. Jay M. Mehta	4.20	3.50
	Ms. Anjali Seth	-	4.20
	Mr. Naresh L. Kothari	2.60	3.30
	Mr. Ravindra Kumar Jain	6.50	6.50
	Mr. Viren A. Merchant	6.30	5.80
	Mr. Chandir Gidwani	4.00	-
	Ms. Deepa Harris	3.20	-
Rent	Mrs. Mahalaxmi R. Thakkar	0.50	0.50
Non-current investments	ADF Foods UK Limited	6,967.28	6,609.19
	ADF Foods (India) Limited	30.00	5.00
Non-Current loans (Security Deposit)	Mrs. Mahalaxmi R. Thakkar	9.00	9.50
Other receivable	ADF Foods (USA) Limited	1.13	-
Other payable	ADF Foods (India) Limited	0.04	-
Trade receivable	ADF Foods (India) Limited	28.33	61.20
Trade payable	Power Brands (Foods) Pvt. Ltd.	44.10	44.10

Compensation to Key Managerial Personnel is as follows:

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Short term employee benefits	1.43	3.66
Post-retirement benefits	1.31	2.23
Share based payment transactions	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

43. Financial and derivative instruments – Hedge Accounting

i) Impact of hedging activities

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

March 31, 2021

₹ Lakhs

Types of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge foreign exchange risk foreign exchange forward contracts	9,975.48	-	74.90	-	April 2021 to March 2022	1:1	255.77	(255.77)

March 31, 2020

₹ Lakhs

Types of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge foreign exchange risk foreign exchange forward contracts	8,792.95	-	-	199.17	April 2020 to March 2021	1:1	(395.24)	395.24

* The foreign exchange forward contracts are denominated in the same currency as the highly probable future sales therefore the hedge ratio is 1:1

b. Disclosure of effects of hedge accounting on financial performance

March 31, 2021

₹ Lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or (loss)	Amount reclassified from cash flow hedge reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge foreign exchange risk	255.77	-	17.43	Other Income

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

March 31, 2020

₹ Lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or (loss)	Amount reclassified from cash flow hedge reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge foreign exchange risk	(395.24)	(17.48)	277.31	Other Income

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- Differences arise between the credit risk inherent within the hedged item and the hedging instrument.

Refer Note -19 for the details related to movement in cash flow hedge reserve.

44. Employee Benefits

a. Defined contribution plans

Amount of ₹ 66.14 lakhs (2019-20: ₹ 65.38 lakhs) representing contribution to provident fund is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

Amount of ₹ 7.67 lakhs (2019-20: ₹ 5.73 lakhs) representing contribution to Employee State Insurance scheme is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

b. Defined benefit plan

Compensated absence

Provision for compensated absences is made for outstanding leave balance at the year end at basic salary cost which can be utilized in future and are en-cashable. Amount of ₹ 77.74 lakhs (2019-20: ₹ 74.46 lakhs) has been recognised in balance sheet of which ₹ 67.00 lakhs (2019-20: ₹ 66.28 lakhs) shown under long term provision and balance ₹ 10.74 lakhs (2019-20: ₹ 8.18 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2021.

Expenses of ₹ 17.83 lakhs (2019-20: ₹ 52.57 lakhs) are recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Compensated sick leave

Provision for compensated absences is made for outstanding sick leave balance at the year end at gross salary which can be utilized in future and are non en-cashable. Amount of ₹14.07 lakhs (2019-20: ₹ 14.01 lakhs) has been recognised in balance sheet of which ₹ 12.15 lakhs (2019-20: ₹ 12.24 lakhs) shown under long term provision and balance ₹ 1.92 lakhs (2019-20: ₹ 1.77 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2021.

Expenses of ₹ 0.06 lakhs (2019-20: ₹ 2.91 lakhs) are recognised in the Statement of Profit and Loss.

Gratuity

Funded

The Company has offered its employees defined benefit plan in the form of Group Gratuity Scheme. Gratuity Scheme covers all qualifying employees as statutorily required under the Payment of Gratuity Act, 1972. The Company has made irrevocable contribution of funds to LIC of India.

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

₹ Lakhs

Particulars		Gratuity (funded)	
		2020-21	2019-20
I	Present value of obligation		
	Liability at the beginning of the year	216.17	292.64
	Interest cost	14.79	22.80
	Current service cost	21.13	21.06
	(Liability Transferred Out/ Divestments)	(0.04)	-
	Benefit paid	(21.87)	(170.91)
	Benefit payable by the Company	-	-
	Actuarial (gain) / loss on obligations -		
	Due to change in Demographic assumptions	1.54	-
	Actuarial (gain) / loss on obligations -		
	Due to change in financial assumptions	0.71	19.34
	Actuarial (gain) / loss on obligations -		
	Due to experience adjustment	2.02	31.24
	Liability at the end of the year	234.45	216.17
II	Change in Plan Assets		
	Fair value of plan assets at the beginning of the year	152.53	168.05
	Interest Income	10.43	13.09
	Actual return on plan assets	-	-
	Employer's Contributions	22.46	23.47
	Benefit paid	(21.87)	(51.59)
	Re-measurement – return on assets	1.78	(0.49)
	Fair value of plan assets at the end of the year	165.33	152.53

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

Particulars		Gratuity (funded)	
		2020-21	2019-20
III	Amount recognised in the balance sheet		
	Liability at the end of the year	234.45	216.17
	Fair value of plan assets at the end of the year	165.33	152.53
	Net (Liability)/Asset Recognized in the Balance Sheet	69.12	63.64
IV	Expenses recognised in the Statement of Profit and Loss		
	Current service cost	21.13	21.06
	Interest cost	4.35	9.70
	Actual return on plan assets	-	-
	Net actuarial (gain) / loss to be recognized	-	-
	Expense recognised in Statement of Profit and Loss	25.48	30.76
V	Amount recognized in Other Comprehensive Income		
	Actuarial (Gains)/Losses on Obligation For the Period	4.27	50.58
	Return on Plan Assets, Excluding Interest Income	(1.78)	0.49
	Net (Income)/Expense For the Period Recognized in OCI	2.49	51.07
VI	Actuarial assumptions :		
	Discount rate	6.80%	6.84%
	Rate of return on plan assets	6.80%	6.84%
	Salary escalation	6.00%	6.00%
	Mortality	Indian Assured lives Mortality (2006-08) Ultimate	

Maturity Analysis of the Benefit Payments: From the Fund

₹ Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	2020-21	2019-20
1st Following Year	22.61	21.58
2nd Following Year	23.70	4.04
3rd Following Year	9.93	5.85
4th Following Year	13.90	5.66
5th Following Year	16.42	11.87
Sum of Years 6 to 10	114.16	79.37
Sum of Years 11 and above	239.03	368.78

Sensitivity Analysis

₹ Lakhs

Particulars	2020-21	2019-20
Projected Benefit Obligation on Current Assumptions	234.45	216.17
Delta effect on + 1% Change in Rate of Discounting	(16.73)	(20.28)
Delta effect on - 1% Change in Rate of Discounting	19.07	23.67
Delta effect on + 1% Change in Rate of Salary Increase	19.03	23.63
Delta effect on - 1% Change in Rate of Salary Increase	(17.00)	(20.61)
Delta effect on + 1% Change in Rate of Employee Turnover	0.56	1.22
Delta effect on - 1% Change in Rate of Employee Turnover	(0.66)	(1.40)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

45. Computation of earnings per share

₹ Lakhs

Particulars	2020-21	2019-20
Profit after tax	3,668.56	3,147.15
Weighted average number of equity shares for basic EPS	2,00,22,719	2,00,22,719
Weighted average number of equity shares for diluted EPS	2,08,94,661	2,00,22,719
Earnings per share		
Basic	18.32	15.72
Diluted	17.56	15.72
Nominal value of shares	10	10

46. The company has spent ₹81.70 lakhs* during the financial year (Previous year ₹ 59.79 lakhs) as per the provisions of section 135 of the Companies Act, 2013 towards Corporate Social Responsibility (CSR) activities – grouped under 'other expenses'.

- Gross amount required to be spent by the company during the year ₹ 76.91 lakhs (Previous year – ₹ 64.58 lakhs).
- Amount spent during the year on:

Particulars	Amount Spent in cash	Amount yet to be paid in cash *	Total Amount
Year ending March 31, 2021			
(i) Construction/Acquisition of an asset	-	-	-
(ii) On purposes other than (i) above*	81.70	-	81.70
Total CSR Expenses	81.70	-	81.70
Year ending March 31, 2020			
(i) Construction/Acquisition of an asset	-	-	-
(ii) On purposes other than (i) above	59.79	-	59.79
Total CSR Expenses	59.79	-	59.79

* ₹ 81.70 Lakhs spent during the year includes ₹ 4.79 Lakhs pertaining to previous year.

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

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

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

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.

48. Financial instruments – Fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ Lakhs

March 31, 2021	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non-Current								
Loans	68.64	-	105.37	174.01	-	68.64	-	68.64
Other financial assets	-	-	12.91	12.91	-	-	-	-
Current								
Investments	1,662.65	-	-	1,662.65	1,662.65	-	-	1,662.65
Trade Receivables	-	-	5,425.02	5,425.02	-	-	-	-
Cash and cash equivalents	-	-	2,039.24	2,039.24	-	-	-	-
Bank balances other than above	-	-	2,486.28	2,486.28	-	-	-	-
Loans	37.69	-	67.11	104.80	-	37.69	-	37.69
Other financial assets		74.90	895.57	970.47	-	74.90	-	74.90
Total	1,768.98	74.90	11,031.50	12,875.38	1,662.65	181.23	-	1,813.88
Financial Liabilities								
Non-Current								
Other financial liabilities	-	-	5.81	5.81	-	-	-	-
Current								
Borrowings	-	-	-	-	-	-	-	-
Trade payables	-	-	1,817.64	1,817.64	-	-	-	-
Other financial liabilities	-	-	478.32	478.32	-	-	-	-
Total	-	-	2,301.77	2,301.77	-	-	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

March 31, 2020	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non-Current								
Loans	41.13	-	97.87	139.00	-	41.13	-	41.13
Other financial assets	-	-	375.83	375.83	-	-	-	-
Current								
Investments	1,802.93	-	-	1,802.93	1,802.93	-	-	1,802.93
Trade Receivables	-	-	4,393.00	4,393.00	-	-	-	-
Cash and cash equivalents	-	-	1,005.68	1,005.68	-	-	-	-
Bank balances other than above	-	-	1,650.75	1,650.75	-	-	-	-
Loans	-	-	10.54	10.54	-	-	-	-
Other financial assets	-	-	714.19	714.19	-	-	-	-
Total	1,844.06	-	8,247.86	10,091.92	1,802.93	41.13	-	1,844.06
Financial Liabilities								
Non-Current								
Other Financial Liabilities	-	-	61.54	61.54	-	-	-	-
Current								
Borrowings	-	-	2,316.42	2,316.42	-	-	-	-
Trade payables	-	-	1,364.89	1,364.89	-	-	-	-
Other Current Financial Liabilities	-	199.17	627.98	827.15	-	199.17	-	199.17
Total	-	199.17	4,370.83	4,570.00	-	199.17	-	199.17

Fair Value Hierarchy

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with prior years.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
2. The fair values of the derivative financial instruments have been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
3. Loans – Security Deposits have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

49. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments - foreign currency forward contracts to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer

(i) Credit Risk

Credit risk arises from trade receivables, cash and cash equivalents and deposits with banks and financial institutions.

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. Credit risk is managed on a financial asset basis. For banks and financial institutions, only high rated banks/ institutions are accepted.

Company's maximum exposure to credit risk for each class of financial asset is the carrying amount of the financial assets recognised in the statement of financial position.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- Historical trend default in case of applicable financial asset
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations
- Other applicable macroeconomic information such as regulatory changes

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

A default on a financial asset is when the counter party fails to make contractual payments within agreed credit terms from the date when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 5,425.02 lakhs (March 31, 2020 – ₹ 4,393.00 lakhs) shown as current as at reporting date. Trade receivables are typically unsecured. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company expects that estimate of expected credit loss for impairment is immaterial based on historical trend and the nature of business. No provision is considered necessary as at reporting date other than disclosed in Note 12 and Management continuously assesses the requirement for provision on ongoing basis. During the year, the Company has made no write-offs of trade receivables.

(ii) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Management regularly monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows to ensure it has sufficient cash to meet ongoing operational fund requirements.

₹ Lakhs

March 31, 2021	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non-Current						
Other financial liabilities	5.81	5.81	-	0.50	1.50	39.83
Current						
Borrowings						
Borrowings	-	-	-	-	-	-
Trade payables						
a) Total outstanding dues of Micro Enterprises and Small Enterprises	148.90	148.90	148.90	-	-	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,668.75	1,668.75	1,668.75	-	-	-
Other Financial Liabilities	478.32	478.32	478.32	-	-	-
Total	2,301.78	2,301.78	2,295.97	0.50	1.50	39.83

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

₹ Lakhs

March 31, 2020	Carrying Amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non-Current						
Other financial liabilities	61.54	61.54	-	57.65	1.50	40.33
Current						
Borrowings	2,316.42	2,316.42	2,316.42	-	-	-
Trade payables						
c) Total outstanding dues of Micro Enterprises and Small Enterprises	27.30	27.30	27.30	-	-	-
d) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	1,337.59	1,337.59	1,337.59	-	-	-
Other Financial Liabilities	827.15	827.15	827.15	-	-	-
Total	4,570.00	4,570.00	4,508.46	57.65	1.50	40.33

(iii) Currency Risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

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

In accordance with its risk management policies and procedures, the Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. When derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedge exposure and assesses the effectiveness of the hedged item and hedging relationship based on economic relationship.

The carrying amount of the Company's exposure to foreign currency at the end of the reporting period expressed in INR, are as follows:

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

a) Trade and other receivables

₹ Lakhs

Foreign currency	As at March 31, 2021		As at March 31, 2020	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	58.08	4,245.63	47.34	3,571.46
GBP	11.34	1,141.76	8.10	752.94

b) Trade payable

₹ Lakhs

Foreign currency	As at March 31, 2021		As at March 31, 2020	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	0.91	66.35	2.37	179.07
GBP	0.89	89.20	4.43	411.86
CAD	0.16	9.31	0.12	6.38

c) EEFC balance

₹ Lakhs

Foreign currency	As at March 31, 2021		As at March 31, 2020	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	17.01	1,243.77	6.58	496.77
GBP	2.66	268.06	0.85	78.88

The following significant exchange rates have been applied during the year:

Particulars	Year- end spot rate as at	
	March 31, 2021	March 31, 2020
USD / INR	73.1050	75.4500
GBP / INR	100.7100	92.9200
CAD/ INR	58.0200	53.1900

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on Company's profit or loss after taxes as at March 31, 2021 and March 31, 2020:

₹ Lakhs

Particulars	Impact on profit after tax	
	For the year ended March 31, 2021	For the year ended March 31, 2020
USD / INR increase by 5%	156.37	126.93
USD / INR decrease by 5%	(156.37)	(126.93)
GBP / INR increase by 5%	39.38	12.76
GBP / INR decrease by 5%	(39.38)	(12.76)
CAD / INR increase by 5%	(0.35)	(0.24)
CAD / INR decrease by 5%	0.35	0.24

50. As per the requirements of Ind AS 108 on "Operating Segments", segment information has been provided under the Notes to Consolidated Financial Statements.
51. In the previous year, exceptional items represent ₹ 35.37 Lakhs profit on sale of plots of land which the company had purchased with the intention to build storage facility but no longer intends to use it for the purpose of the business. It also includes expense aggregating to USD\$ 95,000 equivalent to ₹ 67.88 Lakhs. The same is towards litigation settlement amount and legal fees in respect of a lawsuit filed in US.
52. The Board has recommended final dividend @30% i.e ₹3/- per equity share of face value ₹10/- each for the financial year ended March 31, 2021. The record date for the final Dividend is fixed as September 17, 2021 to ascertain the number of Shareholders of the Company entitled for the payment of Dividend.
53. Previous year's figures have been regrouped / restated wherever necessary to conform to current year's classification. All figures have been rounded off to the nearest lakhs.

For and on behalf of the Board of Directors

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

Shardul A. Doshi
 Chief Financial Officer
 Place: Mumbai

Shalaka Ovalekar
 Company Secretary
 Membership No: A15274

Place: Mumbai
 Date: May 24, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of ADF Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS Financial Statements of ADF Foods Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies ("the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Our Response
1. Impairment of Indefinite-lived intangible assets	
<p>Indefinite-lived intangible assets (Brands) as at March 31, 2021 amount to ₹ 2,132.84 lakhs.</p> <p>The impairment assessment must be performed at least annually and involves the determination of the recoverable amount, being the higher of the value-in-use and the fair value less costs to dispose.</p> <p>We consider this to be a key audit matter because the recoverability assessment of such assets involves complex and subjective estimates and judgements.</p> <p>These estimates and judgements are entrenched with inherent uncertainty as they include assumptions in relation to forecasting revenue growth rates, direct costs, foreign exchange rates, discount rates and future cash flows.</p>	<p>We have assessed the valuation methodology and challenged management's analysis and assumptions around the key drivers of cash flow forecasts including discount rate, terminal growth rate, royalty rate etc. by comparing them to relevant market data and with the assistance from our independent external experts.</p> <p>In respect of Indefinite-lived intangible assets of a subsidiary, we have relied on the procedures carried out by the component auditor and their audit report on the financial statements of the subsidiary for the year ended March 31, 2021.</p> <p>We assessed the appropriateness and completeness of the related disclosures in the financial statements.</p>
2. Derivative Instruments and Hedge Accounting	
<p>The Holding Company enters into a high volume of derivative financial instrument contracts to manage its exposure to foreign currency risk. These contracts gave rise to Derivative Assets of ₹ 74.90 Lakhs as at March 31, 2021. These contracts are recorded at fair value and for the majority of them hedge accounting is applied, such that gains and losses arising from fair value changes are deferred in equity and recognised in the Statement of Profit or Loss when hedges mature. The high volume of contracts necessitates a sophisticated system to record and track each contract and calculate the related valuations at each financial reporting date. The valuation of hedging instruments and consideration of hedge effectiveness can involve a significant degree of both complexity and management judgement and are subject to an inherent risk of error.</p>	<p>Ensure that the entity's Hedging policy is documented, validated by adequate level of management, and communicated to all stakeholders within the entity.</p> <p>Assess the process and controls to validate hedging requests (all hedging requests were duly validated by adequate level of management, and are in line with the entity's documented hedging policy).</p> <p>Verify that all derivatives documented in hedging relationships are allocated to a specific hedged risk from their inception.</p> <p>Testing Company's management's controls over derivative financial instruments and hedge accounting.</p> <p>Inspecting, on a sample basis, appropriateness of hedging documentation and contracts.</p> <p>Obtaining confirmation in respect of derivative financial instruments from counterparties.</p> <p>Re-performing the year end valuations of derivative financial instruments and calculations of hedge effectiveness; and</p> <p>We assessed the appropriateness and completeness of the related disclosures in the financial statements.</p>

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, namely Management Discussion and Analysis, Director's report, Corporate Governance Report, Business Responsibility Report and Share Holders Information but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to preparation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit financial statements of two subsidiaries incorporated outside India, whose financial statements reflect total assets of ₹7,518.34 lakh as at March 31, 2021, total revenues of ₹ 13,052.79 lakh and net cash inflows amounting to ₹ 934.95 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India (Indian Accounting Standards 'Ind AS'). We have audited these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of the other auditors and the conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Group Companies incorporated in India as on March 31, 2021 taken on record by the Board of Directors of the respective Group Companies incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**".

- g) According to information and explanations given to us and based on our examination of the records of the Group, the Group has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:
 - i. The Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 42 to the Consolidated Financial Statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company incorporated in India during the year ended March 31, 2021.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

UDIN: 21127355AAAAEQ3407

Place: Mumbai

Date: May 24, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 1 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the Consolidated Ind AS Financial Statements for the year ended March 31, 2021.

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

We have audited the Internal Financial Controls with reference to financial statements of ADF Foods Limited (hereinafter referred to as "the Company") and its subsidiary Company, which are companies incorporated in India, as of March 31, 2021 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls System with reference to financial statements and their operating effectiveness.

Our audit of Internal Financial Controls System with reference to financial statements included obtaining an understanding of Internal Financial Controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system with reference to financial statements of the Company and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate Internal Financial Controls System with reference to financial statements and such Internal Financial Controls with reference to financial statements were operating effectively as at March 31, 2021 based on "the Internal Control Over Financial Reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

UDIN: 21127355AAAAEQ3407

Place: Mumbai

Date: May 24, 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

₹ Lakhs

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
Property, plant and equipment	4(a)	5,588.64	5,584.47
Capital work-in-progress	4(b)	34.68	237.70
Intangible assets	4(c)	2,134.57	2,135.31
Financial assets			
Loans	5	174.21	141.00
Other financial assets	6	12.91	17.74
Deferred tax assets (net)	21	336.78	757.08
Income tax assets (net)	7	499.59	457.91
Other non financial assets	8	47.74	110.40
Total non-current assets		8,829.12	9,441.61
Current Assets			
Inventories	9	7,294.19	5,464.99
Financial assets			
Investments	10	1,662.65	1,802.93
Trade receivables	11	6,492.23	5,318.85
Cash and cash equivalents	12	3,983.97	2,020.72
Bank balance other than above	13	2,486.28	1,650.75
Loans	14	107.40	10.54
Other financial assets	15	970.47	714.19
Other non financial assets	16	874.94	764.01
Total current assets		23,872.13	17,746.98
Total assets		32,701.25	27,188.59
Equity and liabilities			
Equity			
Equity share capital	17	2,040.10	2,040.10
Other equity	18	25,311.52	18,402.36
Total equity		27,351.62	20,442.46
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	19	5.81	61.54
Provisions	20	79.30	79.18
Deferred tax liabilities (net)	21	755.29	705.94
Total non-current liabilities		840.40	846.66
Current liabilities			
Financial liabilities			
Borrowings	22	-	2,316.42
Trade payables			
a) Total outstanding dues of Micro Enterprises and Small Enterprises		148.90	27.30
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	23	3,335.87	2,098.71
Other financial liabilities	24	779.56	1,167.55
Other non financial liabilities	25	197.80	251.69
Provisions	26	12.66	9.97
Income tax liabilities (net)	27	34.44	27.83
Total current liabilities		4,509.23	5,899.47
Total liabilities		5,349.63	6,746.13
Total equity and liabilities		32,701.25	27,188.59
Significant accounting policies	2		

The accompanying notes 1 to 53 form an integral part of the consolidated financial statements

As per our report of even date

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

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

For and on behalf of the Board

Bimal R. Thakkar

Chairman, Managing Director & C.E.O.

DIN: 00087404

Place: London

Shardul A. Doshi

Chief Financial Officer

Place: Mumbai

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

Place: Mumbai

Date: May 24, 2021

Shalaka Ovalekar

Company Secretary

Membership No: A15274

Place: Mumbai

Date: May 24, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

₹ Lakhs

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Income			
Revenue from operations	28	36,932.42	28,520.70
Other income	29	600.46	942.04
Total income		37,532.88	29,462.74
Expenses			
Cost of materials consumed	30(a)(b)	10,733.14	8,180.85
Purchase of stock in trade	31	12,488.52	8,644.83
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(1,709.26)	(1,918.82)
Employee benefits expenses	33	1,764.35	1,764.49
Finance cost	34	115.99	133.42
Depreciation and amortisation expenses	35	588.99	552.71
Impairment Losses	36	-	35.53
Other expenses	37	6,879.78	6,538.43
Total expenses		30,861.51	23,931.44
Profit before exceptional items and tax		6,671.37	5,531.30
Exceptional items	51	-	(32.51)
Profit before Tax		6,671.37	5,498.79
Tax expenses	21		
Current tax		1,284.42	1,003.45
Deferred tax		380.04	217.86
Total tax expenses		1,664.46	1,221.31
Profit for the year		5,006.91	4,277.48
Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit liabilities / (asset)		(2.48)	(51.08)
Income tax on above item		0.62	12.85
		(1.86)	(38.23)
B. Items that will be reclassified subsequently to profit or loss			
Net gain / (loss) on cash flow hedge		255.77	(395.24)
Exchange differences on translating the financial statements of foreign operation		(6.29)	27.56
Income tax on above item		(64.38)	92.56
		185.10	(275.12)
Net other comprehensive income for the year (net of tax) (A + B)		183.24	(313.35)
Total comprehensive income for the year		5,190.15	3,964.13
Earning per equity share (Nominal value per share Rs. 10/- each)	44		
Basic (Rs.)		25.01	21.36
Diluted (Rs.)		23.96	21.36

The accompanying notes 1 to 53 form an integral part of the consolidated financial statements.

As per our report of even date

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Date: May 24, 2021

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

For and on behalf of the Board

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

Shalaka Ovalekar
Company Secretary
Membership No: A15274

Place: Mumbai
Date: May 24, 2021

Shardul A. Doshi
Chief Financial Officer
Place: Mumbai

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Cash Flow from Operating Activities		
Profit before Taxation	6,671.37	5,498.79
Adjustment for:		
Depreciation and amortisation expense	588.99	588.24
Loss on sale / write off of Fixed Assets	-	19.14
Profit on sale of fixed assets	(5.86)	(1.48)
Finance cost	115.99	133.42
Liabilities no longer required written back	(24.44)	(5.48)
Provision for doubtful debt and advances	0.62	-
Unrealised exchange (gain)/loss	(12.36)	(236.60)
Net (gain)/loss on sale of investments	(43.17)	(3.13)
Unwinding of security deposit	(3.40)	(3.14)
Notional rent on security deposit	3.68	3.54
Rent Concession	(30.41)	-
Interest income	(123.00)	(96.30)
Dividend Income	-	(24.72)
Fair value of Mutual Funds	(21.99)	(0.15)
Operating Profit before working capital changes	7,116.02	5,872.13
Adjustment for:		
(Increase)/Decrease in Trade receivables	(1,171.70)	(757.43)
(Increase) / Decrease in Inventories	(1,829.20)	(2,009.52)
(Increase)/ Decrease in Non-Current Financial Assets	(29.83)	14.47
(Increase) / Decrease in Non-Current non Financial Assets	1.01	(7.34)
(Increase) / Decrease in Current Financial Assets	(298.31)	32.61
(Increase) / Decrease in Current Non - Financial Assets	(110.93)	105.08
(Increase) / Decrease in Assets held for sale	-	14.63
Increase / (Decrease) in Trade Payable	1,383.48	757.92
Increase / (Decrease) in Non - Current Provisions	0.11	(41.10)
Increase / (Decrease) Current Financial Liabilities	(134.96)	355.09
Increase / (Decrease) in Liabilities held for sale	-	(50.00)
Increase / (Decrease) Current Provisions	2.69	(40.65)
Increase / (Decrease) Current Non - Financial Liabilities	(53.89)	143.34
Cash generated from operating activities	4,874.49	4,389.23
Taxes Paid (Net of refunds)	(1,319.49)	(1,286.97)
Net Cash Flow from / (used in) Operating Activities (A)	3,555.00	3,102.26
B. Cash Flow from Investing Activities		
Purchase of Property, plant and equipments	(392.76)	(1,034.40)
Proceeds from sale of Property, plant and equipments	67.21	4.23
Fixed deposits placed with the bank	(841.26)	(1,251.19)
(Investment made) / Proceeds from Mutual Fund (net)	205.45	(1,799.65)
Dividend received	-	24.72
Interest received	143.07	43.51
Net Cash Flow from/ (used in) Investing Activities (B)	(818.29)	(4,012.78)

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. Cash Flow from Financing Activities		
(Repayment of) / proceeds from borrowings	(2,316.42)	2,316.42
Proceed from Warrants	1,764.75	-
Finance cost	(108.73)	(115.13)
Payment of Lease rent	(78.35)	(108.49)
Dividend Paid	-	(600.68)
Dividend Tax Paid	(1.19)	(122.28)
Net cash flow from / (used in) financing activities (C)	(739.94)	1,369.84
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	1,996.77	459.32
CASH AND CASH EQUIVALENTS:		
AS AT THE BEGINNING OF THE YEAR	2,020.72	1,437.67
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents	(33.52)	123.73
Cash and Cash Equivalents - Closing Balance	3,983.97	2,020.72
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,963.25	583.05

Notes:	For the year ended	
	March 31, 2021	March 31, 2020
1. Cash and Cash Equivalents:		
(a) Cash on Hand	3.37	2.12
(b) Balance with banks	3,980.60	2,018.60
Cash and Cash Equivalents	3,983.97	2,020.72

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

3. Movement of borrowings:

₹ Lakhs

Particulars	March 31, 2020	Cash flow	Non-cash changes (Fair value changes)	March 31, 2021
Long term borrowings	-	-	-	-
Short term borrowings	2,316.42	(2,316.42)	-	-
Total borrowings	2,316.42	(2,316.42)	-	-

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

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

Signatures to the Consolidated Cashflow Statement and
Notes to the financial statements

For KALYANIWALLA & MISTRY LLP

CHARTERED ACCOUNTANTS

Firm Registration Number 104607W/W100166

For and on behalf of the Board

Bimal R. Thakkar

Chairman, Managing Director & C.E.O.

DIN: 00087404

Place: London

Shardul A. Doshi

Chief Financial Officer

Place: Mumbai

FARHAD M. BHESANIA

PARTNER

Membership Number 127355

Place: Mumbai

Date: May 24, 2021

Shalaka Ovalekar

Company Secretary

Membership No: A15274

Place: Mumbai

Date: May 24, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021
(a) Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	₹ in lakhs	No. of Shares	₹ in lakhs
Balance at the beginning of the year	20,022,719	2,002.27	20,022,719	2,002.27
Issued during the year	-	-	-	-
Balance at end of the year	20,022,719	2,002.27	20,022,719	2,002.27

(b) Other Equity

₹ Lakhs

Particulars	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Money received against share warrants (Refer Note 18(f))	Foreign currency translation reserve	Retained earning	Cash flow hedge reserve	Total
Balance as at April 1, 2019	105.00	197.73	2,166.86	763.97	-	89.24	11,612.94	206.59	15,142.33
Addition during the year	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	4,277.48	-	4,277.48
Other Comprehensive Income	-	-	-	-	-	-	(38.22)	(295.76)	(333.98)
Dividend paid	-	-	-	-	-	-	(600.81)	-	(600.81)
Tax on dividend	-	-	-	-	-	-	(122.28)	-	(122.28)
Exchange difference in translating the financial statements of foreign operations.	-	-	-	-	-	39.62	-	-	39.62
Balance as at March 31, 2020	105.00	197.73	2,166.86	763.97	-	128.86	15,129.11	(89.17)	18,402.36
Addition during the year	-	-	-	-	1,764.75	-	-	-	1,764.75
Profit for the year	-	-	-	-	-	-	5,006.91	-	5,006.91
Other Comprehensive Income	-	-	-	-	-	-	(1.86)	191.39	189.53
Dividend paid	-	-	-	-	-	-	-	-	-
Tax on dividend	-	-	-	-	-	-	(1.19)	-	(1.19)
Exchange difference in translating the financial statements of foreign operations.	-	-	-	-	-	(50.84)	-	-	(50.84)
Balance as at March 31, 2021	105.00	197.73	2,166.86	763.97	1,764.75	78.02	20,132.97	102.22	25,311.52

The accompanying notes 1 to 53 form an integral part of the consolidated financial statements.

As per our report of even date

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

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

For and on behalf of the Board
Bimal R. Thakkar
 Chairman, Managing Director & C.E.O.
 DIN: 00087404
 Place: London

Shardul A. Doshi
 Chief Financial Officer
 Place: Mumbai

FARHAD M. BHESANIA
 PARTNER
 Membership Number 127355
 Place: Mumbai
 Date: May 24, 2021

Shalaka Ovalekar
 Company Secretary
 Membership No: A15274
 Place: Mumbai
 Date: May 24, 2021

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1 Group Overview

Description of Business

ADF Foods Limited ("the Holding Company") including its subsidiaries collectively referred as ("the Group") is a public company incorporated under the provisions of the Companies Act, 1956 and domiciled in India having registered office at 83/86 G.I.D.C Industrial Estate, Nadiad, Gujarat. Its shares are listed on Bombay Stock Exchange and National Stock Exchange in India. The group is engaged in the manufacture and selling of food products like pickles, chutneys, ready to eat items, paste and sauces, frozen foods, spices etc. The group caters mainly to international markets and domestic market.

2. Basis of Preparation of Consolidated Financial Statements

The Consolidated Financial Statements of the group have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 to be read with the Companies (Indian Accounting Standards) Rules as amended from time to time. The group's Financial Statements for the year ended March 31, 2021 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

These Consolidated Financial Statements are presented in Indian rupees, which is the functional currency of the parent company.

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

1.1 Basis of Measurement

The Ind AS Consolidated Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

Key Accounting Estimates and Judgements:

The preparation of Consolidated Financial Statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations – Refer Note no. 43
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Refer Note no. 38
- (c) Recognition of deferred tax assets – Refer Note no. 21
- (d) Impairment of Intangible asset – Refer Note no. 36

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

The Group has considered the possible effects that may result from the pandemic relating to COVID 19 in the preparation of these Consolidated financial statements including the recoverability and carrying amount of its assets comprising Property, Plant and Equipment, Intangible assets, receivables and other financial assets. The Group has considered internal and external information upto the date of approval of these financial statements and expects that the carrying amount of these assets will be recovered. Further, the Group is debt free and would have adequate liquidity available to honour its liabilities and obligations, as and when due. The impact of COVID 19 on the Group's Financial Statements may differ from that estimated as at the date of approval of these Consolidated Financial Statements. The management will continue to monitor any material changes to its COVID-19 impact assessment, resulting from the future economic conditions and future uncertainty, if any.

Measurement of fair values

The Group's accounting policies and disclosures require financial instruments to be measured at fair values. The Group has an established control framework with respect to the measurement of fair values. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Principles of consolidation:

Subsidiaries are all entities (including structured entities) over which the group has control.

The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2 Significant Accounting Policies

2.1 Property, Plant and Equipment

2.1.1 Initial Recognition

Property, Plant and Equipment are initially recognised at cost which comprises of purchase price including import duties, non-refundable taxes and any directly attributable cost of bringing the assets to its present condition and location for its intended use, including the cost of replacing parts only when future economic benefit associated to that cost will flow to the group and its cost can be reliably measured, borrowing costs for long term construction projects if the recognition criteria are met and present value of any expected cost for decommissioning, restoration and similar liability of an asset after its use is included in the cost of respective asset. On replacement of a component, its carrying amount is derecognised.

Further, in case the component was not depreciated separately, the cost of incoming component is used as an indication to determine the cost of the replaced part at the time of capitalising.

2.1.2 Subsequent Recognition

Subsequent recognition is at cost less accumulated depreciation and accumulated impairment losses, if any. Impairment testing is undertaken at the balance sheet date if there are indicators.

2.1.3 Disposal or Retirement

The carrying value is eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.1.4 Component Accounting

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

2.1.5 Depreciation

Depreciation is calculated on Straight Line Basis as per the useful lives specified in Schedule II to the Companies Act, 2013 on pro rata basis except for carboys and pallets where lower lives of 5 years is applied based on the technical advice obtained by the group.

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

Machinery and equipment	15 Years
Furniture and fixtures	10 Years
Automobiles	08 Years
Factory Building	30 Years
Office Building	60 Years
Computers	03 Years

Leasehold land under operating lease is depreciated over the leasehold period or its estimated useful life, whichever is shorter.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Freehold land is not depreciated.

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

2.2 Capital Work In Progress

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset on completion of the expansion project or otherwise on commencement of commercial use of the asset.

2.3 Intangible Assets

2.3.1 Initial Recognition

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

2.3.2 Subsequent Recognition

Intangible assets are carried at cost less accumulated amortisation and impairment loss, if any.

2.3.3 Amortisation

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Goodwill - 5 years

Software - 3 Years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

Indefinite life intangibles mainly consist of brands. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not the change in useful life from indefinite to finite is made on a prospective basis.

2.3.4 Derecognition

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

The group has assessed useful life of certain intangible assets (Brands) as indefinite and hence these assets are not amortised but tested for impairment annually.

2.4 Inventories

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Finished goods and work in progress: In the case of manufactured inventories and work in progress, cost includes all costs of purchases, an appropriate share of production overheads based on normal operating capacity and other costs incurred in bringing each product to its present location and condition. Finished goods valuation also includes applicable duty. Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary.

2.5 Cash and Cash Equivalents

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

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

2.6 Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired. Indefinite life intangibles are subject to a review for impairment annually or more frequently if events or circumstances indicate that it is necessary. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets is considered as a cash generating unit. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognising the impairment. The impairment loss is allocated first to reduce the carrying amount of goodwill (if any) allocated to the cash generating unit and then to the other assets of the unit, pro rata based on the carrying amount of each asset in the unit.

2.7 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, futures and currency options.

2.7.1 Financial Assets

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

2.7.1.1 Initial recognition and measurement

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

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2.7.1.2 Subsequent measurement

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

2.7.1.2.1 Financial assets at amortised cost

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

After initial measurement, debt instruments at amortised cost are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method, less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

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

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

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

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

2.7.1.2.3 Financial assets at fair value through profit or loss

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

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

2.7.1.2.4 Financial assets as Equity Investments

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

The Group makes such election on an instrument-by-instrument basis. A fair value change on an equity instrument is recognised as other income in the Statement of Profit and Loss unless the group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends,

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss.

Dividend income on the investments in equity instruments are recognised as 'other income' in the Statement of Profit and Loss.

2.7.1.3 Derecognition

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

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

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

2.7.1.4 Impairment

In accordance with Ind AS 109, the group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The group follows 'Simplified Approach' for recognition of impairment allowance. This approach doesn't require the group to track changes in credit risk. Rather, it recognises impairment allowances based on lifetime ECLs at each reporting date, right from its initial recognition.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original EIR. Lifetime ECL are expected credit losses resulting from all possible defaults over the expected life of a financial instrument. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

2.7.2 Financial Liabilities

(i) Classification

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

(ii) Initial recognition and measurement

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

(iii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Amortised cost is calculated by taking into account any discount or premium on acquisition and transactions costs. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to loans and borrowings.

(iv) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.7.3 Share Capital

Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

2.7.4 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

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

The group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in Statement of profit and loss.

When forward contracts are used to hedge forecast transactions, gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in other comprehensive income in cash flow hedging reserve within other equity.

The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within other comprehensive income in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing. Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

2.8 Government Subsidy/Grants

Grants are recognized when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an asset, the cost of the asset is shown at gross value and grant thereon is treated as a deferred grant which is recognized as income in the Statement of Profit and Loss over the period and in proportion in which depreciation is charged.

2.9 Segment Reporting

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

2.10 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

If the effect of time value of money is material, provisions are discounted using a current pre tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.10.1 Contingent Liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.10.2 Contingent Assets

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

2.11 Revenue from Operation

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the group as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved. Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.

2.12 Other Non-Operating Income

2.12.1 Interest Income

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

2.12.2 Dividend Income

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

2.13 Employee Benefits

Liabilities in respect of employee benefits to employees are provided for as follows:

a) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be incurred when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

b) Long Term Employee Benefit Plan

The group has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

c) Post Separation Employee Benefit Plan

i) Defined Benefit Plan

- Gratuity Liability on the basis of actuarial valuation as per IND AS-19. Liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the end of each reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of defined benefit is determined by discounting the estimated future cash outflows by reference to market yield at the end of each reporting period on government bonds that have terms approximate to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

- Actuarial gain / loss pertaining to above and other components of re-measurement of net defined benefit liability (asset) are accounted for as OCI. All remaining components of costs are accounted for in statement of profit & loss.

ii) Defined Contribution Plans:

Defined contribution plans are Employee Provident Fund scheme and Employee State Insurance scheme for eligible employees. The group's contribution to defined contribution plans is recognised as an expense in the Statement of Profit and Loss as they fall due.

2.14 Taxes

2.14.1 Current Taxes

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the year and any adjustment to the tax payable or recoverable in respect of previous years.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the group and its branch operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Income tax expense is recognized in the statement of profit and loss except to the extent that it relates

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

to items recognized directly in equity/OCI, in which case it is recognized in other comprehensive income. The group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.14.2 Deferred Taxes

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary timing differences and the carry forward of unused tax credits and unused tax losses can be utilised. Such assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and MAT credit entitlements only if it is probable that future taxable amounts will be available to utilise those temporary differences, losses and credit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.15 Foreign Currency Transaction and Translation

The Group's functional currency is Indian Rupee (INR) and it is also the presentation currency for the Group. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at average rate during the year. The exchange differences arising on translation for consolidation are recognized in other comprehensive income.

2.16 Leases

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

The group's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the group has the right to direct the use of the asset.

At the date of commencement of the lease, the group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the group recognises the lease payments as an operating expense on a straight line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

2.17 Borrowings costs

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

2.18 Dividend

The group recognises a liability for any dividend declared but not distributed at the end of the reporting period, when the distribution is authorised and the distribution is no longer at the discretion of the group on or before the end of the reporting period. As per Corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

2.19 Earnings Per Share

Basic earnings per equity share are computed by dividing the net profit attributable to the equity holders of the group by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributed to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3. Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the CONSOLIDATED financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

4(a) Property, Plant and Equipment

Particulars	Period	Land		Building	Leasehold Improvements	Plant & machinery	Furniture & fixture	Vehicles	Office equipment	Office premises	Electrical installation	Laboratory equipment	Computers	Total
		Freehold	Leasehold											
Opening gross carrying amount as at	April 1, 2019	4.18	94.39	-	2,750.92	93.14	2,578.60	88.71	122.32	20.29	97.77	86.99	7.49	31.43
Additions		-	-	253.27	10.85	-	1,073.98	-	78.06	7.73	-	-	1.17	5.82
Deductions		-	-	-	-	-	(39.30)	(0.02)	(2.75)	(0.08)	-	(0.01)	(0.02)	(42.18)
Other adjustments		-	-	-	-	-	1.40	0.31	-	-	-	-	0.73	2.44
Closing gross carrying amount as at	March 31, 2020	4.18	94.39	253.27	2,761.77	93.14	3,614.68	89.00	197.63	27.94	97.77	86.99	8.65	37.96
Opening gross carrying amount as at	April 1, 2020	4.18	94.39	253.27	2,761.77	93.14	3,614.68	89.00	197.63	27.94	97.77	86.99	8.65	37.96
Additions		-	-	-	209.32	-	317.70	-	98.15	10.24	-	12.40	1.12	4.84
Deductions		-	-	-	-	-	(4.44)	-	(75.10)	-	-	-	-	-
Other adjustments		-	-	-	-	-	(16.71)	(0.12)	-	-	-	-	(0.27)	(17.10)
Closing gross carrying amount as at	March 31, 2021	4.18	94.39	253.27	2,971.09	93.14	3,911.23	88.88	220.68	38.18	97.77	99.39	9.77	42.53
Opening accumulated depreciation as at	April 1, 2019	-	3.03	-	304.75	9.14	765.36	36.51	64.17	11.66	5.05	26.85	2.94	19.81
Charge for the year		-	1.01	99.31	113.73	17.75	264.62	10.74	23.42	4.40	1.69	9.19	0.98	4.66
Deductions		-	-	-	-	-	(18.01)	-	(2.24)	(0.02)	-	-	-	-
Other adjustments		-	-	-	-	-	1.40	0.31	-	-	-	-	0.69	2.40
Closing accumulated depreciation as at	March 31, 2020	-	4.04	99.31	418.48	26.89	1,013.37	47.56	85.35	16.04	6.74	36.04	3.92	25.16
Opening accumulated depreciation as at	April 1, 2020	-	4.04	99.31	418.48	26.89	1,013.37	47.56	85.35	16.04	6.74	36.04	3.92	25.16
Charge for the year		-	1.01	99.31	117.69	17.70	302.38	8.21	20.13	4.09	1.68	9.75	0.81	5.49
Deductions		-	-	-	-	-	(3.80)	-	(14.39)	-	-	-	-	-
Other adjustments		-	-	-	-	-	(16.71)	(0.12)	-	-	-	-	(0.27)	(17.10)
Closing accumulated depreciation as at	March 31, 2021	-	5.05	198.62	536.17	44.59	1,295.24	55.65	91.09	20.13	8.42	45.79	4.73	30.38
Net carrying amount as at	March 31, 2020	4.18	90.35	153.96	2,343.29	66.25	2,601.31	41.44	112.28	11.90	91.03	50.95	4.73	12.80
Net carrying amount as at	March 31, 2021	4.18	89.34	54.65	2,434.92	48.55	2,615.99	33.23	129.59	18.05	89.35	53.60	5.04	12.15

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

4(b) Capital Work - in - Progress

₹ Lakhs

Particulars	Total
Opening as at April 1, 2019	147.72
Additions during the year	1,328.30
Capitalised during the year	(1,238.32)
Closing as at March 31, 2020	237.70
Opening as at April 1, 2020	237.70
Additions during the year	391.27
Capitalised during the year	(594.29)
Closing as at March 31, 2021	34.68

4(c) Intangible assets

₹ Lakhs

Particulars	Period	Brands	Software	Total
Opening gross carrying amount as at	April 1, 2019	3,400.49	16.05	3,416.54
Additions		-	0.50	0.50
Deductions		-	-	-
Other adjustments		115.59	-	115.59
Closing gross carrying amount as at	March 31, 2020	3,516.08	16.55	3,532.63
Opening gross carrying amount as at	April 1, 2020	3,516.08	16.55	3,532.63
Additions		-	-	-
Deductions		-	-	-
Other adjustments		-	-	-
Closing gross carrying amount as at	March 31, 2021	3,516.08	16.55	3,532.63
Opening accumulated amortisation and impairment as at	April 1, 2019	1,233.08	12.88	1,245.96
Amortisation during the year		-	1.20	1.20
Impairment Loss		35.53	-	35.53
Deductions		-	-	-
Other adjustments		114.63	-	114.63
Closing accumulated amortisation and impairment as at	March 31, 2020	1,383.24	14.08	1,397.32
Opening accumulated amortisation and impairment as at	April 1, 2020	1,383.24	14.08	1,397.32
Amortisation during the year		-	0.74	0.74
Deduction		-	-	-
Other adjustments		-	-	-
Closing accumulated amortisation as at	March 31, 2021	1,383.24	14.82	1,398.06
Net carrying amount as at	March 31, 2020	2,132.84	2.47	2,135.31
Net carrying amount as at	March 31, 2021	2,132.84	1.73	2,134.57

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

5 Non-current loans

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured Considered good		
Security deposits	147.93	137.18
Loans and advances to Employees	2.16	3.82
Loans and advances to others	24.12	-
Total	174.21	141.00

6 Other non-current financial assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Export incentives receivables	10.04	10.04
Bank deposits held as margin more than 12 months*	2.87	7.70
Total	12.91	17.74

* Above bank deposits are pledged as margin money.

7 Income tax assets (net)

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advance payment of income tax (Net)	499.59	457.91
Total	499.59	457.91

8 Other non-current non-financial assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, Considered good		
Capital Advance	34.86	92.85
Deferred lease expenses	5.09	8.62
Prepaid	6.66	8.93
Other assets	1.13	-
Total	47.74	110.40

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

9 Inventories

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
(Valued at lower of cost and net realizable value)		
Raw materials	322.17	356.18
Packing materials	804.63	650.68
Work-in-progress	948.10	1,303.59
Finished goods	857.72	400.68
Traded goods	4,361.57	2,753.86
Total	7,294.19	5,464.99

10 Current Investments

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Investments in Mutual Funds (Quoted)		
(Measured at FVTPL)		
HDFC overnight - Growth	-	901.46
Kotak overnight fund reg - Growth	-	901.47
IDFC Low Duration Regular Plan - Growth	428.88	-
HDFC Corporate Bond - Growth	303.78	-
IDFC Corporate Bond Regular - Growth	303.57	-
Nippon India Money Market - Growth	323.02	-
Nippon India Banking & PSU Debt - Growth	303.40	-
Total	1,662.65	1,802.93
Aggregate amount of quoted investments at cost	1,640.66	1,802.78
Aggregate amount of quoted investments and market value	1,662.65	1,802.93
Aggregate amount of impairment in value of investment	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

11 Current trade receivables

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Others	6,492.23	5,318.85
Unsecured credit impaired	-	-
	6,492.23	5,318.85
Trade receivable which have significant increase in credit risk	4.51	4.51
Less: Allowance for credit impaired	(4.51)	(4.51)
Total	6,492.23	5,318.85

12 Cash and cash equivalents

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Cash on hand	3.37	2.12
Balances with banks		
in Current account	2,468.77	1,442.95
in EEFC account	1,511.83	575.65
Total	3,983.97	2,020.72

13 Bank balances other than above

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with banks		
In Current account *	69.84	80.40
In Fixed deposit account **	2,072.49	1,150.00
In Margin deposit account***	343.95	420.35
Total	2,486.28	1,650.75

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

** Deposit with maturity of less than 12 months.

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

14 Current loans

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Security Deposit	59.31	-
Loans to employees	7.80	10.54
Others	2.60	-
Loans & Advances to others	37.69	-
Total	107.40	10.54

15 Other current financial assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Derivative foreign exchange forward contracts	74.90	-
Interest accrued on fixed deposits and others	41.61	61.67
Export incentives receivable	853.52	652.47
Other receivables	0.44	0.05
Total	970.47	714.19

16 Other current non-financial assets

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Advance to suppliers for services	26.05	37.77
Advance to suppliers for goods	13.05	52.93
Balance with government authorities	697.28	575.67
Prepayments	129.59	94.11
Deferred lease expenses	3.53	3.53
Others	5.44	-
Total	874.94	764.01

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

17 Equity share capital

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized shares		
2,50,00,000 (March 31, 2020: 2,50,00,000) equity shares of ₹ 10/- each	2,500.00	2,500.00
Issued, subscribed and fully paid share capital		
2,00,22,719 (March 31, 2020: 2,00,22,719) equity shares of ₹ 10/- each	2,002.27	2,002.27
	2,002.27	2,002.27
Shares forfeited		
7,56,600 (March 31, 2020: 7,56,600) equity shares of ₹ 10/- each; amount originally paid up thereon @ ₹ 5 per share	37.83	37.83
Total	2,040.10	2,040.10

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

Particulars	No. of shares	₹ Lakhs
Equity shares		
As at April 1, 2019	20,779,319	2,040.10
Issued during the year	-	-
As at March 31, 2020	20,779,319	2,040.10
Issued during the year	-	-
As at March 31, 2021	20,779,319	2,040.10

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

(b) Terms / rights attached to equity shares

The Holding company has one class of equity shares having a par value of Rs. 10 per share. Each shareholders is eligible for one vote per share held. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Holding company after distribution of all preferential amounts, in proportion to their shareholding.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

Particulars	As at March 31, 2021	As at March 31, 2020
Mr. Bimal R. Thakkar		
No. of Shares	2,278,924	2,278,924
%	11.38	11.38
Mrs. Mahalaxmi R. Thakkar		
No. of Shares	1,953,000	1,958,022
%	9.75	9.78
Authum Investment and Infrastructure Limited		
No. of Shares	3,894,940	4,494,052
%	19.45	22.44
Infinity Holdings		
No. of Shares	2,000,000	-
%	9.99	-
Total - Number of shares	10,126,864	8,730,998
Total - %	50.57	43.60

- (d) Shares reserved for issue under options outstanding as at the end of the year on un-issued share capital:

The Company has 1,950,000 (March 31, 2020: Nil) Equity Shares reserved for issue on subscription of Preferential Share Warrants (Refer Note 18 (f) for terms of Preferential Share Warrants)

- (e) Equity shares movement during the five years preceding March 31, 2021

Financial Year	Aggregate no. of equity shares bought back
2015-16	-
2016-17	798,539
2017-18	-
2018-19	1,178,742
2019-20	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

18) Other equity

₹ Lakhs

Particulars	As At March 31, 2021	As At March 31, 2020
Capital reserve	105.00	105.00
Capital redemption reserve	197.73	197.73
Securities premium	2,166.86	2,166.86
General reserve	763.97	763.97
Money received against share warrants (Refer Note 18(f))		
Received during the year	1,764.75	-
	1,764.75	-
Foreign currency translation reserve		
As per last Balance Sheet	128.86	89.24
Addition during the year (net)	(50.84)	39.62
Closing Balance	78.02	128.86
Retained earning		
Opening balance	15,129.11	11,612.94
Add: profit for the year	5,006.91	4,277.48
Re-measurement of defined benefit plans	(1.86)	(38.22)
Less: Dividend paid	-	(600.81)
Less: Tax on dividend	(1.19)	(122.28)
Movement during the year	5,003.87	3,516.17
Closing balance	20,132.97	15,129.11
Cash flow hedge reserve		
Opening balance	(89.17)	206.59
Add: Change in fair value of hedging instrument	255.77	(395.24)
Less: Deferred tax	(64.38)	99.48
Closing balance	102.22	(89.17)
Total	25,311.52	18,402.36

Nature of Reserves

(a) Capital reserve

The Group recognises profit or loss on purchase, sale, issue or cancellation of the group's own equity instruments to capital reserve.

(b) Capital redemption reserve

As per Companies Act, 2013, capital redemption reserve is created when group purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(c) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(d) Cash flow hedge reserve

The group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale. For hedging foreign currency risk, the group uses foreign currency forward contracts which are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss.

(e) Foreign currency transaction reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

(f) Money received against Preferential Share Warrants

The Holding Company has obtained approval of shareholders by way of a special resolution dated October 5, 2020 for issuance of 19,50,000 warrants at a price of ₹ 362/- each on preferential basis to certain promoters and non-promoters. Further, the Holding Company has obtained in-principle approval from National Stock Exchange and Bombay Stock Exchange on October 9, 2020 and October 23, 2020 respectively for the allotment of the said warrants. As all the allottees have paid the advance Subscription Price of ₹ 90.50 per warrant which is equivalent to 25% of subscription Price aggregating to ₹ 1,764.75 Lakhs, the said warrants have been allotted vide Board resolution dated November 1, 2020. The balance 75% of the subscription money is payable within 18 months from the date of the allotment as stated above. On receipt of the entire subscription money each warrant will get converted into equivalent number of equity shares bearing face value of Rs. 10/- and share premium of ₹ 352/-.

19 Non current financial liabilities

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Lease Liability	5.81	61.54
Total	5.81	61.54

20 Non-current provisions

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note no. 43)		
For compensated absences	67.06	66.39
For compensated sick leaves	12.16	12.24
For gratuity	0.08	0.55
Total	79.30	79.18

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

21. Income Taxes

a) Tax expense recognised in profit and loss

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax expense for the year	1,284.42	1,003.45
Deferred Income tax liability / (asset) (net)		
Origination and reversal of temporary differences	380.04	217.86
Total	1,664.46	1,221.31

b) Tax expense recognised in other comprehensive income

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Items that will not be reclassified subsequently to profit or loss		
Re-measurement of the defined benefit plans	0.62	12.85
Items that will be reclassified subsequently to profit or loss		
Exchange differences on translating the financial statements of foreign operation	-	(6.92)
Net gain / (loss) on cash flow hedges	(64.38)	99.48
Total	(63.76)	105.41

c) Reconciliation of effective tax rate

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Profit before tax	6,671.37	5,498.79
Tax using the Holding Company's domestic tax rate	1,679.05	1,383.94
Tax rate	25.17%	25.17%
Tax effect of:		
Expenses not deductible for tax purposes	24.20	18.32
Other exempt income	(8.89)	(36.21)
Prior year tax adjustment	-	15.76
Differences in tax rate	(27.43)	(175.78)
Others	(2.47)	15.28
Total	1,664.46	1,221.31

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

d) Movement in deferred tax balances

March 31, 2021

₹ Lakhs

Particulars	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Recognised in Other equity	Net Balance March 31, 2021	Deferred tax asset	Deferred tax liability
Deferred tax assets / (liabilities)							
Property, plant and equipment	(856.22)	(77.40)	-	-	(933.62)	(40.34)	(893.28)
Cash flow hedge reserve	92.52	-	(64.38)	-	28.14	-	28.14
Employee benefits	81.19	20.23	0.62	-	102.04	(0.09)	102.13
Provision for doubtful advances	1.13	-	-	-	1.13	-	1.13
Unused tax credit	12.72	-	-	-	12.72	12.72	-
Intangibles	(50.58)	-	-	-	(50.58)	(50.58)	-
Net operating loss	718.62	(321.66)	-	-	396.96	396.96	-
Foreign currency translation reserves	26.06	-	-	(26.06)	-	-	-
Lease Liability	2.29	(9.39)	-	-	(7.10)	-	(7.10)
Others	23.41	8.18	-	0.21	31.80	18.11	13.69
Net Deferred tax assets / (liabilities)	51.14	(380.04)	(63.76)	(25.85)	(418.51)	336.78	(755.29)

March 31, 2020

₹ Lakhs

Particulars	Net balance April 1, 2020	Recognised in profit or loss	Recognised in OCI	Net Balance March 31, 2021	Deferred tax asset	Deferred tax liability
Deferred tax assets / (liabilities)						
Property, plant and equipment	(941.70)	85.48	-	(856.22)	0.65	(856.87)
Cash flow hedge reserve	(6.96)	-	99.48	92.52	-	92.52
Employee benefits	80.56	(12.22)	12.85	81.19	0.09	81.10
Provision for doubtful advances	1.30	(0.17)	-	1.13	-	1.13
Unused tax credit	12.72	-	-	12.72	12.72	-
Intangibles	242.77	(293.35)	-	(50.58)	(50.58)	-
Net operating loss	718.62	-	-	718.62	718.62	-
Foreign currency translation reserves	32.98	-	(6.92)	26.06	65.86	(39.80)
Lease Liability	-	2.29	-	2.29	-	2.29
Others	23.30	0.11	-	23.41	9.72	13.69
Net Deferred tax assets / (liabilities)	163.59	(217.86)	105.41	51.14	757.08	(705.94)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

22 Current borrowings

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured Loan		
Loan repayable on demand		
From Banks *	-	2,316.42
Total	-	2,316.42

* In previous year unsecured loans were repayable on demand and the interest payable on borrowings range from 4.5% to 5% p.a.

23 Current trade payables

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,335.87	2,098.71
Total	3,335.87	2,098.71

24 Other Current Financial Liabilities

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Derivative Foreign exchange forward contracts	-	199.17
Employees related payables	98.99	56.47
Payable for capital goods	46.87	56.97
Lease Liability	55.74	101.51
Unclaimed dividend	69.84	80.40
Gratuity payable	69.12	63.64
Other liabilities	439.00	609.39
Total	779.56	1,167.55

25 Other current non-financial liabilities

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customer	112.49	146.00
Statutory dues and other dues payable	79.32	105.41
Other liabilities	5.99	0.28
Total	197.80	251.69

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

26 Current provisions

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits (Refer Note no. 43)		
For compensated absences	10.74	8.19
For compensated sick leaves	1.92	1.77
For gratuity*	0.00	0.01
Total	12.66	9.97

* Figure indicate less than Rs. 1000/-

27 Income tax liabilities (net)

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for taxation (net)	34.44	27.83
Total	34.44	27.83

28 Revenue from operations

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of products	36,144.14	27,282.24
Export incentives	788.28	1,238.46
Total	36,932.42	28,520.70

The Chief Operating Decision Maker (CODM) evaluates the performance of the group based on revenue and operating income in two segments. Revenue disaggregation by industry vertical has been included in segment information (Refer note 45).

29 Other income

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income from		
Bank deposits	111.90	89.59
Others	11.10	6.70
Dividend income		
From Mutual Fund	-	24.72
Unwinding of discount on security deposit	3.40	3.14
Foreign exchange gain (net)	51.62	672.40
Liabilities no longer required written back	24.44	5.48
Profit on sale of fixed assets	5.86	1.48
Profit on sale of mutual funds	43.17	3.13
Profit on fair value of mutual funds	21.99	0.15
Bad Debts recovered	110.85	-
Miscellaneous income	216.13	135.25
Total	600.46	942.04

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

30. Cost of materials consumed

a) Raw material consumed

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year	356.18	274.47
Add: Purchases (net)	7,808.65	5,968.91
	8,164.83	6,243.38
Less : Inventories at the end of the year	322.17	356.18
Total	7,842.66	5,887.20

b) Packing material consumed

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year	650.68	641.69
Add: Purchases (net)	3,044.43	2,302.64
	3,695.11	2,944.33
Less: Inventories at the end of the year	804.63	650.68
Total	2,890.48	2,293.65
Total cost of materials consumed	10,733.14	8,180.85

31. Purchase of stock-in-trade

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Purchases	12,488.52	8,644.83
Total	12,488.52	8,644.83

32. Change in inventories of finished goods, stock in trade and work-in-progress

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Inventories at the beginning of the year		
Work-in progress	1,303.59	1,495.86
Finished goods	400.68	154.51
Traded goods	2,753.86	888.94
	4,458.13	2,539.31
Less: Inventories at the end of the year		
Work-in progress	948.10	1,303.59
Finished goods	857.72	400.68
Traded goods	4,361.57	2,753.86
	6,167.39	4,458.13
Total	(1,709.26)	(1,918.82)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

33 Employee benefits expenses

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	1,631.90	1,634.07
Contribution to provident fund and other funds	74.08	71.36
Staff welfare expenses	58.37	59.06
Total	1,764.35	1,764.49

34 Finance costs

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense on		
Borrowing from banks	33.27	70.61
Lease	7.25	18.29
Others	75.47	44.52
Total	115.99	133.42

35 Depreciation and amortisation expenses

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Tangible assets	588.25	551.51
Intangible assets	0.74	1.20
Total	588.99	552.71

36 Impairment losses

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Intangible assets	-	35.53
Total	-	35.53

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

37 Other expenses

₹ Lakhs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Freezing and preservation charges	81.76	59.07
Power & fuel	570.94	552.87
Electricity	5.40	12.56
Water charges	18.38	14.42
Rent including lease rent	91.56	61.90
Repairs and maintenance to building	16.33	80.48
Repairs and maintenance to machinery	122.95	112.60
Repairs and maintenance to others	36.06	31.33
Insurance	117.47	92.92
Rates and taxes	23.83	61.90
Communication expenses	30.56	48.62
Travelling and conveyance expenses	213.19	408.43
Motor car expenses	26.52	35.10
Printing and stationery expenses	10.44	20.76
Freight and forwarding expenses	2,295.82	1,458.23
Advertisement	916.35	934.60
Sales and marketing expenses	1,190.42	1,461.05
Warehouse Expenses	0.73	-
Donations	0.13	-
Legal and professional fees	657.13	587.64
Public Welfare	0.54	-
Payment to auditor	31.36	25.56
CSR expenses	81.70	59.79
Registration and filling fees	8.93	8.28
Directors' sitting fees	29.39	23.30
Bad debts written off	-	106.31
Foreign exchange gain/loss	8.72	21.63
Loss on sale of fixed assets / assets scrapped	-	19.14
Subscription	13.32	-
Written back / provision for doubtful trade receivables	0.62	7.36
Miscellaneous expenses	279.24	232.57
Total	6,879.78	6,538.43

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

38. Contingent Liabilities and Commitments

₹ Lakhs

a. Contingent Liabilities

Sr. No	Particulars	As at March 31, 2021	As at March 31, 2020
1.	Claims against the group not acknowledged as debts:		
	a. Income Tax Matters	289.04	289.04
	b. Service Tax Matters	463.54	463.54
	c. Legal Cases	18.24	11.05
2.	Guarantees		
	Guarantees given on behalf of subsidiaries (net of margin money)	125.31	114.35

Notes:

- It is not practicable for the group to estimate the timing of cash outflows, if any, in respect of above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.
- The group does not expect any reimbursements in respect of the above contingent liabilities.

b. Capital commitments

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Capital commitments (net of advances)	87.83	76.25

39. Disclosures made in terms of Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Deposits paid to related parties

Interest free security deposit of ₹ 9.00 lakhs (2019-20: ₹ 9.50 lakhs), paid for guest house taken on lease from a Related party.

40. Disclosures in respect of lease

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

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

The group has not applied the requirements of Ind AS 116 for leases of low value assets.

Movement of right-of-use assets and depreciation is given in Note no. 4(a) and Interest on account of Ind AS 116 is given in Note no. 34

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The group has entered into operating leases on its office building and guest house. These leases have terms of between 3 and 99 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Future minimum contractual rentals payable under non-cancellable operating leases as at March 31, 2021 are, as follows:

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
i) Not later than one year	57.65	111.65
ii) Later than one year and not later than five years	5.89	59.15
iii) Later than five years	39.83	40.33

Total cash outflow is ₹169.91 Lakhs, which includes short term lease payment recognised in the Statement of Profit and Loss of ₹ 91.56 lakhs and ₹ 78.35 Lakhs related to lease premises on which IND AS 116 is applied.

The Company has applied the practical expedient to rent concession for office premises. ₹ 33.30 lakhs recognized in profit and loss for the year ended March 31, 2021 to reflect changes in lease payments that arises from rent concessions to which the Company has applied the practical expedient

The Company has discounted lease payments using the applicable incremental borrowing rate as at April 1, 2019, which is 8.95% for measuring the lease liability.

41. Related party disclosures

List of related parties as required by Ind AS – 24, “Related Party Disclosure” are given below:

Sr. No:	Related party relationship	Name of the Related Parties
1	Key managerial personnel	Mr. Bimal R. Thakkar – Chairman, Managing Director and Chief Executive Officer
		Mr. Devang Gandhi – Chief Operating Officer
		Mr. Anish S. Jhaveri – Chief Financial Officer (Up to 15.07.2020)
		Mr. Shardul Doshi – Chief Financial Officer (w.e.f 14.08.2020)
2	Relative of key managerial personnel	Mrs. Mahalaxmi R. Thakkar (Relative of Director)
		Mr. Shivaan B. Thakkar (Relative of Director) Manager Business & Strategy
		Mr. Sumer B. Thakkar (Relative of Director) (w.e.f 14.08.2020) Manager Business & Strategy
3	Key managerial personnel – Non Executive	Mr. Jay M. Mehta
		Mr. Naresh L. Kothari (Up to 21.12.2020)
		Mr. Ravindra Kumar Jain
		Mr. Viren A. Merchant
		Mr. Chandir Gidwani
		Ms. Deepa Harris

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

₹ Lakhs

Particulars	Financial Year	Key Managerial Personnel	Relatives of Key managerial personnel	Total
Managerial Remuneration	2020-21	281.56	-	281.56
	2019-20	440.76	-	440.76
Salary	2020-21	148.32	24.04	172.36
	2019-20	108.84	13.75	122.59
Independent Director's Sitting fees	2020-21	26.80	-	26.80
	2019-20	23.30	-	23.30
Rent	2020-21	-	0.50	0.50
	2019-20	-	0.50	0.50

Balances outstanding at the end of the year:

₹ Lakhs

Particulars	Financial Year	Key Managerial Personnel	Relatives of Key managerial Personnel	Total
Non-Current loans (Security Deposit)	2020-21	-	9.00	9.00
	2019-20	-	9.50	9.50

Material related party transactions as under:

₹ Lakhs

Particulars	Name of the related parties	As at March 31, 2021	As at March 31, 2020
Managerial Remuneration	Mr. Bimal R. Thakkar	281.56	440.76
Salary	Mr. Shivaan R. Thakkar	15.52	13.75
	Mr. Sumer B. Thakkar	8.52	-
	Mr. Devang Gandhi	78.74	46.19
	Mr. Anish S. Jhaveri	20.00	62.65
	Mr. Shardul Doshi	49.57	-
	Mr. Jay M. Mehta	4.20	3.50
Non-Executive Directors Sitting Fees	Ms. Anjali Seth	-	4.20
	Mr. Naresh L. Kothari	2.60	3.30
	Mr. Ravindra Kumar Jain	6.50	6.50
	Mr. Viren A. Merchant	6.30	5.80
	Mr. Chandir Gidwani	4.00	-
	Ms. Deepa Harris	3.20	-
Rent	Mrs. Mahalaxmi R. Thakkar	0.50	0.50
Non-Current loans (Security Deposit)	Mrs. Mahalaxmi R. Thakkar	9.00	9.50

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Compensation to Key Managerial Personnel is as follows:

₹ Lakhs

Particulars	As at March 31, 2021	As at March 31, 2020
Short term employee benefits	1.43	3.66
Post-retirement benefits	1.31	2.23
Share based payment transactions	-	-

42. Financial and derivative instruments – Hedge Accounting

i) Impact of hedging activities

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

March 31, 2021

₹ Lakhs

Types of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge foreign exchange risk foreign exchange forward contracts	9,975.48	-	74.90	-	April 2021 to March 2022	1:1	255.77	(255.77)

March 31, 2020

₹ Lakhs

Types of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio*	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge foreign exchange risk foreign exchange forward contracts	8,792.95	-	-	199.17	April 2020 to March 2021	1:1	(395.24)	395.24

* The foreign exchange forward contracts are denominated in the same currency as the highly probable sale therefore the hedge ratio is 1:1

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b. Disclosure of effects of hedge accounting on financial performance

March 31, 2021

₹ Lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or (loss)	Amount reclassified from cash flow hedge reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge foreign exchange risk	255.77	-	17.43	Other Income

March 31, 2020

₹ Lakhs

Type of Hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or (loss)	Amount reclassified from cash flow hedge reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
Cash flow hedge foreign exchange risk	(395.24)	(17.48)	277.31	Other Income

The group's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the group uses the hypothetical derivative method to assess effectiveness.

Ineffectiveness is recognised on a cash flow hedge where the cumulative change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of foreign currency forecast sale may arise if:

- The critical terms of the hedging instrument and the hedged item differ (i.e. nominal amounts, timing of the forecast transaction, interest resets changes from what was originally estimated), or
- Differences arise between the credit risk inherent within the hedged item and the hedge instrument.

Refer Note - 18 for the details related to movement in cash flow hedge reserve.

43. Employee Benefits

a) Defined contribution plans

Amount of ₹66.23 lakhs (2019-20: ₹65.44 lakhs) representing contribution to provident fund is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

Amount of ₹7.67 lakhs (2019-20: ₹5.73 lakhs) representing contribution to Employee State Insurance scheme is recognised as an expense and is included in "Employee benefits expenses" in the Statement of Profit and Loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b) Defined benefit plan

Compensated absence

Provision for compensated absences is made for outstanding leave balance at the year end at basic salary cost which can be utilized in future and are en-cashable. Amount of ₹ 77.80 lakhs (2019-20: ₹ 74.58 lakhs) has been recognised in balance sheet of which ₹ 67.06 lakhs (2019-20: Rs. 66.39 lakhs) shown under long term provision and balance ₹ 10.74 lakhs (2019-20: ₹ 8.19 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2021.

Expenses of ₹17.79 lakhs (2019-20: ₹52.61 lakhs) are recognised in the Statement of Profit and Loss.

Compensated sick leave

Provision for compensated absences is made for outstanding sick leave balance at the year end at gross salary which can be utilized in future and are non en-cashable. Amount of ₹ 14.08 lakhs (2019-20: ₹14.01 lakhs) has been recognised in balance sheet of which ₹ 12.16 lakhs (2019-20: ₹12.24 lakhs) shown under long term provision and balance ₹ 1.92 lakhs (2019-20: ₹ 1.44 lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2021.

Expenses of ₹ 0.07 lakhs (2019-20: ₹ 2.91 lakhs) are recognised in the Statement of Profit and Loss.

Gratuity

Funded

The group has offered its employees defined benefit plan in the form of Group Gratuity Scheme. Gratuity Scheme covers all qualifying employees as statutorily required under the Payment of Gratuity Act, 1972. The group has made irrevocable contribution of funds to LIC of India.

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

Unfunded

Amount of ₹0.08 Lakhs (2019-20: ₹0.56 Lakhs) has been recognised in balance sheet of which ₹0.08 Lakhs (2019-20: ₹0.55 Lakhs) shown under long term provision and balance ₹ 0.00 lakhs* (2019-20: ₹0.01 Lakhs) is shown under short term provision as given in the Actuarial report as on March 31, 2021.

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

₹ Lakhs

Sr	Particulars	Gratuity (funded and unfunded)	
		2020-21	2019-20
I	Present value of obligation		
	Liability at the beginning of the year	216.73	293.10
	Interest cost	14.79	22.83
	Current service cost	21.18	21.12
	Liabilities Transferred in/Acquisition	0.04	-
	(Liability Transferred Out/ Divestments)	(0.04)	-
	Benefit paid	(22.45)	(170.91)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

Sr	Particulars	Gratuity (funded and unfunded)	
		2020-21	2019-20
	Benefit payable by the Company	-	-
	Actuarial (gain) / loss on obligations - Due to change in Demographic assumptions	1.54	-
	Actuarial (gain) / loss on obligations - Due to change in financial assumptions	0.71	19.38
	Actuarial (gain) / loss on obligations – Due to experience adjustment	2.03	31.21
	Liability at the end of the year	234.53	216.73
II	Change in Plan Assets		
	Fair value of plan assets at the beginning of the year	152.53	168.05
	Interest Income	10.43	13.09
	Actual return on plan assets	-	-
	Employer's Contributions	22.46	23.47
	Benefit paid	(21.87)	(51.59)
	Re-measurement – return on assets	1.78	(0.49)
	Fair value of plan assets at the end of the year	165.33	152.53
III	Amount recognised in the balance sheet		
	Liability at the end of the year	234.53	216.73
	Fair value of plan assets at the end of the year	165.33	152.53
	Net (Liability)/Asset Recognized in the Balance Sheet	69.20	64.20
IV	Expenses recognised in the Statement of Profit and Loss		
	Current service cost	21.18	21.11
	Interest cost	4.35	9.73
	Actual return on plan assets	-	-
	Net actuarial (gain) / loss to be recognised	-	-
	Expense recognised in Statement of Profit and Loss	25.53	30.84
V	Amount recognized in Other Comprehensive Income		
	Actuarial (Gains)/Losses on Obligation For the Period	4.28	50.59
	Return on Plan Assets, Excluding Interest Income	(1.78)	0.49
	Net (Income)/Expense For the Period Recognized in OCI	2.50	51.08
VI	Actuarial assumptions :		
	Discount rate	6.80%	6.84%
	Rate of return on plan assets	6.80%	6.84%
	Salary escalation	6.00%	6.00%
	Mortality	Indian Assured lives Mortality(2006-08) Ultimate	

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Maturity Analysis of the Benefit Payments: From the Fund

₹ Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	2020-21	2019-20
1 st Following Year	22.61	21.58
2 nd Following Year	23.70	4.04
3 rd Following Year	9.93	5.85
4 th Following Year	13.90	5.66
5 th Following Year	16.42	11.87
Sum of Years 6 to 10	114.17	79.37
Sum of Years 11 and above	239.68	368.78

Sensitivity Analysis

₹ Lakhs

Particulars	2020-21	2019-20
Projected Benefit Obligation on Current Assumptions	234.53	216.73
Delta effect on + 1% Change in Rate of Discounting	(16.75)	(20.31)
Delta effect on - 1% Change in Rate of Discounting	19.09	23.70
Delta effect on + 1% Change in Rate of Salary Increase	19.05	23.66
Delta effect on - 1% Change in Rate of Salary Increase	(17.02)	(20.64)
Delta effect on + 1% Change in Rate of Employee Turnover	0.56	1.22
Delta effect on - 1% Change in Rate of Employee Turnover	(0.66)	(1.40)

44. Computation of earnings per share

₹ Lakhs

Particulars	2020-21	2019-20
Profit after tax	5,006.91	4,277.48
Weighted average number of equity shares for basic EPS	2,00,22,719	2,00,22,719
Weighted average number of equity shares for diluted EPS	2,08,94,661	2,00,22,719
Earnings per share		
Basic	25.01	21.36
Diluted	23.96	21.36
Nominal value of shares	10.00	10.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

45. Segment Reporting

Operating segments:

The Operating Segment is the level at which discrete financial information is available. Business segments are identified considering:

- the nature of products and services
- the differing risks and returns
- the internal organisation and management structure, and
- the internal financial reporting systems.

Revenue and expenses directly attributable to segments are reported under each reportable segment.

Exceptional items and other expenses which are not attributable or allocable to segments are separately disclosed. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable assets and liabilities. The Company has identified following 2 reportable segments, in a manner consistent with internal reporting provided to the Chief Operating Decision Maker:

- Process and Preserved food
- Agency Distribution Business

Primary Segment Disclosure – Business segment for the year ended March 31, 2021

₹ Lakhs

Particulars		Financial Year	Process and Preserved foods	Agency Distribution Business	Total
A	Segment Revenue from operations				
	External Revenue	2020-21	29,315.65	7,616.77	36,932.42
		2019-20	25,299.40	3,221.30	28,520.70
	Less: Intersegment Revenue	2020-21	-	-	-
		2019-20	-	-	-
	Total segment revenue	2020-21	29,315.65	7,616.77	36,932.42
		2019-20	25,299.40	3,221.30	28,520.70
B	Segment results	2020-21	6,404.04	965.10	7,369.14
		2019-20	5,930.15	794.95	6,725.10
	Add/(Less):				
	Finance Cost	2020-21	-	-	(115.99)
		2019-20	-	-	(133.42)
	Other Unallocable income /(expenditure)	2020-21	-	-	(581.78)
		2019-20	-	-	(1,060.38)
	Profit before Exceptional Items and Tax	2020-21	-	-	6,671.37
		2019-20	-	-	5,531.30
	Exceptional Items	2020-21	-	-	-
		2019-20	-	-	(32.51)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

Particulars	Financial Year	Process and Preserved foods	Agency Distribution Business	Total
C Profit before tax for the year	2020-21	-	-	6,671.37
	2019-20	-	-	5,498.79
D Segment Assets	2020-21	20,677.52	5,326.37	26,003.89
	2019-20	18,131.98	3,695.40	21,827.38
Add: Unallocable corporate assets	2020-21	-	-	6,697.36
	2019-20	-	-	5,361.21
Total Assets	2020-21	-	-	32,701.25
	2019-20	-	-	27,188.59
E Segment Liabilities	2020-21	2,393.11	1,539.00	3,932.11
	2019-20	4,508.35	752.65	5,261.00
Add: Unallocable corporate liabilities	2020-21	-	-	1,417.52
	2019-20	-	-	1,485.13
Total Liabilities	2020-21	-	-	5,349.63
	2019-20	-	-	6,746.13
F Capital Employed (Assets – Liabilities)	2020-21	18,284.41	3,787.37	22,071.78
	2019-20	13,623.63	2,942.75	16,566.38
Add: Unallocable Capital Employed	2020-21	-	-	5,279.84
	2019-20	-	-	3,876.08
Total Capital Employed	2020-21	-	-	27,351.62
	2019-20	-	-	20,442.46

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

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

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

During the Financial Year 2012-13, the voluntary liquidator, with the prior approval of the members vide their special resolution dated 10th November 2014, distributed PBFPL's immovable property situated at Sewree, Mumbai and part of cash and bank balance to its Shareholders in proportion to their respective shareholding in PBFPL while retaining certain other current assets to meet with its contingent and other liabilities. The excess value of assets so received over the investment value in Equity Shares of PBFPL was accounted for in the group's Statement of Profit & Loss under the head exceptional item.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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.

47. Financial instruments – Fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

₹ Lakhs

March 31, 2021	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non-Current								
Loans	68.64	-	105.57	174.21	-	68.64	-	68.64
Other financial assets	-	-	12.91	12.91	-	-	-	-
Current								
Investments	1,662.65	-	-	1,662.65	1,662.65	-	-	1,662.65
Trade Receivables	-	-	6,492.23	6,492.23	-	-	-	-
Cash and cash equivalents	-	-	3,983.97	3,983.97	-	-	-	-
Bank balances other than above	-	-	2,486.28	2,486.28	-	-	-	-
Loans	37.69	-	69.71	107.40	-	37.69	-	37.69
Other financial assets	-	74.90	895.57	970.47	-	74.90	-	74.90
Total	1,768.98	74.90	14,046.24	15,890.12	1,662.65	181.23	-	1,843.88
Financial Liabilities								
Non-Current								
Other financial liabilities	-	-	5.81	5.81	-	-	-	-
Current								
Trade Payables	-	-	3,484.76	3,484.76	-	-	-	-
Other Current Financial Liabilities	-	-	779.56	779.56	-	-	-	-
Total	-	-	4,270.13	4,270.13	-	-	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

March 31, 2020	Carrying amount				Fair value			
	Fair value through profit and loss	Fair value through other comprehensive income	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Non-Current								
Loans	41.13	-	99.87	141.00	-	41.13	-	41.13
Other financial assets	-	-	17.74	17.74	-	-	-	-
Current								
Investments	1,802.93	-	-	1,802.93	1,802.93	-	-	1,802.93
Trade Receivables	-	-	5,318.85	5,318.85	-	-	-	-
Cash and cash equivalents	-	-	2,020.72	2,020.72	-	-	-	-
Bank balances other than above	-	-	1,650.75	1,650.75	-	-	-	-
Loans	-	-	10.54	10.54	-	-	-	-
Other financial assets	-	-	714.19	714.19	-	-	-	-
Total	1,844.06	-	9,832.66	11,676.72	1,802.93	41.13	-	1,844.06
Financial Liabilities								
Non-Current								
Other financial liabilities	-	-	61.54	61.54	-	-	-	-
Current								
Borrowings	-	-	2,316.42	2,316.42	-	-	-	-
Trade Payables	-	-	2,126.01	2,126.01	-	-	-	-
Other Current Financial Liabilities	-	199.17	968.38	1,167.55	-	199.17	-	199.17
Total	-	199.17	5,472.35	5,671.52	-	199.17	-	199.17

Fair Value Hierarchy

The fair value of financial instruments as referred to in note above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

- Level 1: Quoted prices for identical instruments in an active market;
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
- Level 3: Inputs which are not based on observable market data.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Calculation of Fair Values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with prior years.

Financial assets and liabilities measured at fair value as at Balance Sheet date:

1. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
2. The fair values of the derivative financial instruments have been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.
3. Loans – Security Deposits have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

48. Financial Risk Management

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the group is foreign exchange risk. The group uses derivative financial instruments – foreign currency forward contracts to mitigate foreign exchange related risk exposures. The group's exposure to credit risk, excluding receivables from related parties, is influenced mainly by the individual characteristic of each customer

(i) Credit Risk

Credit risk arises from trade receivables, cash and cash equivalents and deposits with banks and financial institutions.

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. Credit risk is managed on a financial asset basis. For banks and financial institutions, only high rated banks/ institutions are accepted.

Group's maximum exposure to credit risk for each class of financial asset is the carrying amount of the financial assets recognised in the statement of financial position.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of a default occurring on the asset as at the reporting date with the risk of default at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- a. Historical trend default in case of applicable financial asset
- b. actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

c. Other applicable macroeconomic information such as regulatory changes

A default on a financial asset is when the counter party fails to make contractual payments within agreed credit terms from the date when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 6,492.23 lakhs (March 31, 2020 – ₹5,318.85 lakhs) shown as current as at reporting date. Trade receivables are typically unsecured. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The group expects that estimate of expected credit loss for impairment is immaterial based on historical trend and the nature of business. No provision is considered necessary as at reporting date other than disclosed in Note 11 and Management continuously assesses the requirement for provision on ongoing basis. During the period, the group made no write-offs of trade receivables except for those disclosed in Note 37.

(ii) Liquidity Risk

Liquidity risk is the risk that the group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The Management regularly monitors rolling forecasts of the group's liquidity position on the basis of expected cash flows to ensure it has sufficient cash to meet ongoing operational fund requirements.

₹ Lakhs

March 31, 2021	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non-Current						
Other financial liabilities	5.81	5.81	-	0.50	1.50	39.83
Current						
Borrowings	-	-	-	-	-	-
Trade payables :-						
a) Total outstanding dues of Micro Enterprises and Small Enterprises	148.90	148.90	148.90	-	-	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	3,335.87	3,335.87	3,335.87	-	-	-
Other Financial Liabilities	779.56	779.56	779.56	-	-	-
Total	4,270.14	4,270.14	4,264.33	0.50	1.50	39.83

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

₹ Lakhs

March 31, 2020	Carrying Amount	Contractual cash flows				
		Total	Within 12 months	1-2 years	2-5 years	More than 5 years
Financial Liabilities						
Non-Current						
Other financial liabilities	61.54	61.54	-	57.65	1.50	40.33
Current						
Borrowings	2,316.42	2,316.42	2,316.42	-	-	-
Trade payables:-						
a) Total outstanding dues of Micro Enterprises and Small Enterprises	27.30	27.30	27.30	-	-	-
b) Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	2,098.71	2,098.71	2,098.71	-	-	-
Other Financial Liabilities	1,167.55	1,167.55	1,167.55	-	-	-
Total	5,671.52	5,671.52	5,609.98	57.65	1.50	40.33

(iii) Currency Risk

The group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD & GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the group's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows of highly probable forecast transactions.

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

In accordance with its risk management policies and procedures, the group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecasted transactions. When derivative is entered into for the purpose of being a hedge, the group negotiates the terms of those derivatives to match the terms of the hedge exposure and assesses the effectiveness of the hedged item and hedging relationship based on economic relationship.

The carrying amount of the group's exposure to foreign currency at the end of the reporting period expressed in INR, are as follows:

a) Trade and other receivables

₹ Lakhs

Foreign currency	As at March 31, 2021		As at March 31, 2020	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	72.10	5,270.59	59.45	4,485.54
GBP	11.90	1,198.08	8.62	800.93

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

b) Trade payable

₹ Lakhs

Foreign currency	As at March 31, 2021		As at March 31, 2020	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	23.67	1,730.31	12.21	920.99
GBP	0.89	89.26	4.63	430.34
CAD	0.16	9.31	0.12	6.38

c) EEFC balance

₹ Lakhs

Foreign currency	As at March 31, 2021		As at March 31, 2020	
	Amount (in original currency)	Amount	Amount (in original currency)	Amount
USD	17.01	1243.77	6.58	496.77
GBP	2.66	268.06	0.85	78.88

The following significant exchange rates have been applied during the year:

Particulars	Year- end spot rate as at	
	March 31, 2021	March 31, 2020
USD / INR	73.1050	75.4500
GBP / INR	100.7100	92.9200
CAD/ INR	58.0200	53.1900

Sensitivity for above exposures

A fluctuation in the exchange rates of 5% with other conditions remaining unchanged would have the following effect on group's profit or loss after taxes as at March 31, 2021 and March 31, 2020:

₹ Lakhs

Particulars	Impact on profit after tax	
	Year ended March 31, 2021	Year ended March 31, 2020
USD / INR increase by 5%	132.46	133.37
USD / INR decrease by 5%	(132.46)	(133.37)
GBP / INR increase by 5%	41.49	13.87
GBP / INR decrease by 5%	(41.49)	(13.87)
CAD / INR increase by 5%	(0.35)	(0.24)
CAD / INR decrease by 5%	0.35	0.24

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

49. Disclosures of additional information pertaining to the parent company and subsidiaries, as required under schedule III to the Companies Act, 2013

March 31, 2021

₹ Lakhs

Name of the Company	Net Assets (Total assets minus Total liabilities)		Share in Profit / (Loss) account		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profits	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
ADF Foods Limited	105.13	28,755.05	73.27	3,668.56	103.43	189.53	74.33	3,858.09
Indian Subsidiary								
ADF Foods (India) Limited	0.02	4.12	(0.08)	(4.23)	0.01	0.01	(0.08)	(4.24)
Foreign Subsidiaries								
Direct Subsidiary								
ADF Foods UK Limited	26.13	7,146.95	1.07	53.78	1.76	3.23	1.10	57.01
Step down Subsidiary								
ADF Holdings (USA) Limited	20.10	5,496.83	25.73	1,288.40	(5.20)	(9.53)	24.64	1,278.89
Elimination	(51.38)	(14,051.33)	0.01	0.40	-	-	0.01	0.40
Total	100.00	27,351.62	100.00	5,006.91	100.00	183.24	100.00	5,190.15

March 31, 2020

₹ Lakhs

Name of the Company	Net Assets (Total assets minus Total liabilities)		Share in Profit / (Loss) account		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated net assets	Net Assets	As % of Consolidated profits	Profit/ (Loss)	As % of Consolidated OCI	OCI	As % of Consolidated TCI	TCI
Parent Company								
ADF Foods Limited	113.16	23,133.40	73.57	3,147.15	106.58	(333.98)	70.97	2,813.17
Indian Subsidiary								
ADF Foods (India) Limited	(0.08)	(16.64)	(0.24)	(10.07)	0.00	(0.01)	(0.25)	(10.08)
Foreign Subsidiaries								
Direct Subsidiary								
ADF Foods UK Limited	34.49	7,051.21	0.40	17.08	(0.07)	0.23	0.44	17.31
Step down Subsidiary								
ADF Holdings (USA) Limited	21.05	4,302.76	25.15	1,075.63	(6.51)	20.41	27.65	1,096.04
Elimination	(68.62)	(14,028.27)	1.12	47.69	-	-	1.19	47.69
Total	100.00	20,442.46	100.00	4,277.48	100.00	(313.35)	100.00	3,964.13

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

50. Details of subsidiaries

The companies considered in the consolidated financial statements are:

Name of the Company	Country of incorporation	% of holding held by the group As at		% of holding Non-controlling Interest (NCI) As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
ADF Foods (India) Limited	India	100%	100%	0%	0%
ADF Foods UK Limited	UK	100%	100%	0%	0%
ADF Holdings (USA) Limited	USA	100%	100%	0%	0%
Power Brands (Foods) Private Limited *	India	99.99%	99.99%	0.01%	0.01%

* Under member's voluntary liquidation vide special resolution passed by the members on November 5, 2012.

51. In the previous year, exceptional items represent ₹ 35.37 Lakhs profit on sale of plots of land which the company had purchased with the intention to build storage facility but no longer intends to use it for the purpose of the business. It also includes expense aggregating to USD\$ 95,000 equivalent to ₹67.88 Lakhs. The same is towards litigation settlement amount and legal fees in respect of a lawsuit filed in US.
52. The Board has recommended final dividend @30% i.e ₹3/- per equity share of face value ₹ 10/- each for the financial year ended March 31, 2021. The record date for the final Dividend is fixed as September 17, 2021 to ascertain the number of Shareholders of the Company entitled for the payment of Dividend.
53. Previous year's figures have been regrouped / restated wherever necessary to conform to current year's classification. All figures have been rounded off to the nearest lakhs.

For and on behalf of the Board of Directors

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

Shardul A. Doshi
Chief Financial Officer

Place: Mumbai

Shalaka Ovalekar
Company Secretary
Membership No: A15274

Place: Mumbai
Date: May 24, 2021

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries

₹ Lakhs

Sr. No.	Name of subsidiary	ADF Foods (India) Limited - Wholly owned subsidiary	ADF Foods UK Limited - Wholly owned subsidiary		ADF Holdings (USA) Limited and its' subsidiary - step down subsidiary	
1	The date since when subsidiary was acquired	7th December 2009	6th September 2002		22nd September 2010	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2020 to 31st March 2021	1st April 2020 to 31st March 2021		1st April 2020 to 31st March 2021	
3	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiary	Rupees	£ = INR	100.71	\$ = INR	73.105
		₹ / lakhs	£	₹ / lakhs	\$	₹ / lakhs
4	Share Capital	30.00	7,587,441	6,967.13	11,165,133	7,068.16
5	Reserves & Surplus	(25.88)	(35,185)	179.82	(3,419,465)	(1,571.30)
6	Total assets	40.32	7,580,384	7,175.26	10,510,854	7,518.34
7	Total liabilities	36.20	28,128	28.31	2,765,186	2,021.49
8	Investments	-	-	-	-	-
9	Turnover	68.77	323,037	314.34	17,448,400	12,928.46
10	Profit before taxation	(3.99)	61,402	60.39	2,430,800	1,695.10
11	Provision for tax	0.24	6,563	6.61	556,317	406.70
12	Profit after tax	(4.23)	54,839	53.78	1,874,483	1,288.40
13	Proposed dividend	-	(54)	(0.05)	-	-
14	% of share holding	100%	100%	100%	100%	100%

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

As per our report of even date

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

FARHAD M. BHESANIA
PARTNER
Membership Number 127355

Place: Mumbai
Date: May 24, 2021

For and on behalf of the Board

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

Shalaka Ovalekar
Company Secretary
Membership No: A15274

Place: Mumbai
Date: May 24, 2021

Shardul A. Doshi
Chief Financial Officer
Place: Mumbai