



NEW MARKETS TRADITIONAL WISDOM



NEW PRODUCTS ETHNIC RECIPES



NEW BEGINNINGS AGE OLD VALUES

## BOARD OF DIRECTORS

<b>BOARD OF DIRECTORS</b>	Mr. Ramesh H. Thakkar Mr. Ashok H. Thakkar Mr. Bimal R. Thakkar Mr. D. E. Udawadia Mr. Nipun C. Shah Mr. Yasir J. Varawala Mr. Vikram S. Munshi Mr. Jay M. Mehta Mr. Viren A. Merchant Mr. Ravinder Kumar Jain Mr. Bhavesh R. Thakkar	Chairman Vice-Chairman Managing Director Director Director Director Director Director Director Director Executive Director
<b>SENIOR MANAGEMENT</b>	Mr. Nagin C. Patel Mr. Dhiren Shah Mr. Dilip S. Golwala Mr. Dinesh Jaiswal	Vice President (Works) Chief Financial Officer Senior Manager- Finance & Accounts Factory Manager (Nashik)

**COMPANY SECRETARY** Ms. Aparna Bhat

**COUNTRY MANAGERS**  
Mr. Steve Pezzack UK- Food Service  
Mr. Upinder Thakur- Ethnic Division- UK & Europe  
Mr. Vimal Bhalla- North America  
Mr. Deepankar Gautam- Middle East & Asia Pacific

**STATUTORY AUDITORS** M/s. D.P. Ghevaria & Co.  
Chartered Accountants  
M/s. V.P. Thacker & Co.  
Chartered Accountants

**INTERNAL AUDITORS** M/s. Suresh Gandhi & Associates, Surat  
M/s. Govilkar & Associates, Nashik

**SOLICITORS** M/s. Udawadia & Udeshi  
M/s. DSK Legal

**BANKERS** State Bank of Hyderabad  
Bank of Baroda  
State Bank of India

**REGISTERED OFFICE** 83/86 GIDC Industrial Estate,  
Nadiad- 387 001, Gujarat, India  
Tel.: 0268-2551381 / 2  
Fax. : 0268-2565068  
E-mail: nadiadfactory@adf-foods.com

**CORPORATE OFFICE** 3<sup>rd</sup> Floor, Acme Industrial Estate,  
Sewree Bunder Road, Sewree (East)  
Mumbai- 400 015, India  
Tel.:022-6141 5555  
Fax.:022-6662 7373, 022-24137373  
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-13, Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (W), Mumbai- 400 078, India  
Tel.: 022-25963838,  
Fax.: 022-25946969

203, Davar House, 197/199 D.N.Road,  
Mumbai- 400 001,  
Tel.: 022-2269 4127  
E-mail.: helpline@linkintime.co.in  
website : www.linkintime.co.in

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### 19th Annual General Meeting

Wednesday, 17<sup>th</sup> June 2009 at 2.00 p.m.

At Sheth Khushaldas Gokaldas Patel Municipal Town Hall, Nadiad- 387 001,Gujarat

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

## NOTICE OF THE 19<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **Nineteenth Annual General Meeting** of **ADF FOODS LIMITED** will be held at Sheth Khushaldas Gokaldas Patel Municipal Town Hall, Nadiad 387 001, Gujarat on Wednesday **17<sup>th</sup> June 2009 at 2.00 P.M.** to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2009 and the Profit and Loss Account for the year ended on that date alongwith the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31<sup>st</sup> March 2009.
3. To appoint a Director in place of Mr. Nipun Shah who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jay Mehta who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

**6. To consider and approve the appointment of Mr. Mishal Thakkar as Manager (Operations)**

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 provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactments thereof and subject to the approval of the Central Government and subject to such changes/modifications as the Central Government may stipulate and as acceptable to the appointee, the approval of the Company be and is hereby accorded to the appointment of Mr. Mishal A Thakkar as Manager (Operations), for a period of 3 years with effect from 17<sup>th</sup> June 2009 on terms and conditions including remunerations as set out in the explanatory statement annexed to the Notice convening this meeting and to his holding and continuing to hold an office or place of profit as such in the Company.

**RESOLVED FURTHER THAT** Mr. Ramesh H. Thakkar and Mr. Bimal R. Thakkar, Directors of the Company and Ms. Aparna Bhat, Company Secretary be and are hereby severally authorised to make application(s) to the Central Government, file necessary e-forms, documents and take all such steps as may be necessary or expedient to give effect to this resolution.”

**7. To consider issuance and allotment of Warrants on Preferential Basis**

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 provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and in accordance with the relevant provisions of the Memorandum and Articles of Association of the Company, SEBI Guidelines in respect of preferential allotment, Listing Agreement entered into by the Company with the Stock Exchange where the shares of the Company are listed and subject to such other approvals, consents, permissions and sanctions from all other appropriate authorities institutions or bodies, if and to the extent necessary and subject to such conditions and modifications as may be prescribed under applicable laws or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors, the Consent of the Members be and is hereby accorded to the Board of Directors (herein after referred to as ‘ the Board’ which term shall include any Committee of the Board constituted / to be constituted to exercise its powers, including the powers conferred by this resolution) to create, offer, issue and allot warrants entitling the warrant holder(s) from time to time to apply for equity shares of the Company in one or more tranches, to existing Promoters / Directors and/ or their relatives and friends as per list set out in the explanatory statement annexed to the Notice convening this meeting on preferential issue basis in such manner and on such terms and conditions as may be determine by the Board in its absolute discretion provided that the aggregate number of resultant equity shares to be issued against such warrants shall not exceed 23,26,110 fully paid equity shares of the face value of Rs. 10/- per share at a price of Rs. 32/- per share (including a premium of Rs. 22/- per equity share), being the price not less than the higher of the following : -

- a) The average of the weekly high and low of the closing prices of the Company’s shares quoted on the Stock Exchange (The Bombay Stock Exchange Limited) during the six months preceding the “Relevant Date” or
- b) The average of the weekly high and low of the closing prices of the Company’s shares quoted on the Stock Exchange (The Bombay Stock Exchange Limited) during the two weeks preceding the “Relevant Date”

in accordance with the provisions of Chapter XIII on Preferential Issues of SEBI (Disclosure and Investor Protection) Guidelines, 2000 in this behalf.



The "Relevant Date" for this purpose being 18<sup>th</sup> May 2009 which is 30 days prior to the date of this Annual General Meeting.

**RESOLVED FURTHER THAT** upon conversion of warrants into equity shares of the Company, the new shares to be issued shall rank pari-passu in all respects with the then existing equity shares of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they 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 authorised to delegate all or any of the powers herein conferred, to any committee of Directors or Managing Director, Whole-time Director or any other Director(s) or Office(s) of the Company to give effect to this aforesaid resolution".

## NOTES

- A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/ herself and such proxies need not be members. In order to be valid, proxy forms duly complete in all respects, should be lodged with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.**
- An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business to be transacted at the meeting is annexed hereto.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday 6<sup>th</sup> June 2009 to Wednesday 17<sup>th</sup> June 2009 (both days inclusive)
- The dividend, if any, which may be declared, shall be payable on or before 15<sup>th</sup> July 2009 to those Members of the Company whose names appear:-
  - as Beneficial Owners as at the close of the business hours on Friday 5<sup>th</sup> June 2009 as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. in respect of the shares held in electronic form; and
  - as Members in the Register of Members of the Company as on Friday 5<sup>th</sup> June 2009 in respect of shares held in physical form.
- The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatory 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 mandate enclosed in the annual report for crediting the future dividend payment directly to the respective bank accounts. The Company shall be able to co-ordinate with the bankers only on receipt of necessary information. Please note that the ECS mandate should be signed by all the Members, as per the specimen signature recorded with the Company. The Members holding shares in electronic form may instruct their DP accordingly.
- Members are hereby informed that dividends for the Financial Year 2003-04, 2004-05, 2005-06, interim and final dividend for 2006-07 and 2007-08 remaining unpaid or unclaimed over a period of seven years from the date of transfer of such dividends to the respective Unpaid Dividend Account of the Company have to be transferred by the Company to the Investor Education and Protection Fund pursuant to Section 205A and 205C of the Companies Act, 1956. Members are requested to encash their Dividend Warrants for these years, if not already done after getting them revalidated from the Company.
- Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company's Registrar & Transfer Agents.
- Members holding shares in physical form are requested to send the change in address/status, if any, immediately to the Company's Registrar & Transfer Agents.
- Members who would like to ask any questions on the accounts are requested to send their questions to the Registered Office of the Company atleast 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.

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

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

**Aparna Bhat**  
**Company Secretary**

**Regd. Office :**

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

Mumbai, 15<sup>th</sup> May 2009

**ANNEXURE TO NOTICE DATED 15<sup>TH</sup> MAY 2009**

Pursuant to revised Clause 49 of the Listing Agreement with the Stock Exchange, following information is furnished about the Directors proposed to be re-appointed.

**1) Mr. Jay Mehta**

Mr. Jay Mehta (age 48 years) was first appointed on the Board effective 30.5.2003. Mr. Jay Mehta is an Engineering Graduate from Columbia University with an MBA from IMD, Lausanne, Switzerland. Mr. Mehta is the Executive Vice Chairman of Gujarat Sidhee Cement Limited and Saurashtra Cement Limited and on the Board of various other private and public limited Companies. Mr. Jay Mehta does not hold any shares of the Company as on date.

**Other Directorships**

- Saurashtra Cement Limited
- Gujarat Sidhee Cement Limited
- Pranay Holdings Limited
- Prachit Holdings Limited
- Ria Holdings Limited
- Reeti Investment Limited
- Agrima Consultants International Limited
- Mehta Private Limited
- Sujata Motors (India) Private Limited
- Villa Trading Company Private Limited
- Galaxy Technologies Private Limited
- Omna Exports Private Limited
- Arclightz & Films Private Limited
- Concorde Cement (Private) Limited

**Committee Memberships**

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

**2) Mr. Nipun C. Shah**

Mr. Nipun Shah (age 47 years) was first appointed on the Board effective 13.09.2000. Mr. Nipun Shah is a fellow member of Institute of Chartered Accountants of India. He has been in practice as a Chartered Accountant since 1988. His area of practice cover Management Consultancy, Portfolio Management, Taxation and Auditing. He is a Senior Partner in Shah & Nair Associates, Chartered Accountants. Mr. Nipun Shah holds 4,450 shares of the Company in his name and 2,750 shares jointly.

**Other Directorships**

- Jush Investment Private Limited
- Nagarwalla Estates Private Limited
- Noshill Estates Private Limited
- Horwath Consultants (India) Private Limited

**Committee Memberships**

- ADF Foods Limited- Audit Committee
- ADF Foods Limited- Remuneration Committee
- Power Brands (Foods) Private Limited- Audit Committee



## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

### ITEM NO. 6

The Board of Directors at their meeting held on 15<sup>th</sup> May 2009 have, subject to the approval of the Members in the general meeting and the Central Government, approved the proposal of appointment of Mr. Mishal A Thakkar as Manager (Operations) for a period of 3 (three) years from the date of this Annual General Meeting or as recommended by the Central Government.

Mr. Mishal A. Thakkar holds a Business Management Degree from the University of Central Lancashire, UK and is currently working as Trainee Officer in the Company since February 2007. He is currently handling the processing and managing of orders & their dispatch, sourcing and importing material and dealing with Vendors.

The present proposal is to seek the members' approval for appointment of Mr. Mishal A. Thakkar as Manager (Operations) of the Company and approve his remuneration and to his holding and continuing to hold an office or place of profit as such in the Company..

Mr. Mishal A. Thakkar is related to Mr. Ashok H. Thakkar, Director of the Company. Thus, approval of shareholders is required by way of Special Resolution under Section 314 of the Companies Act, 1956. After obtaining approval of the shareholders, the consent of the Central Government would be obtained.

The remuneration payable to and the terms of appointment of Mr. Mishal A Thakkar during the tenure of his appointment will comprise of the following:

- i. Monthly Salary:Rs.31,185/- in the grade of Rs. 31,185-3000-34,185-3000-37,185
- ii. House Rent Allowance: 40 % of Basic Salary
- iii. Leave Travel Allowance for himself and his family in accordance with the rules of the Company subject to a ceiling of half a months basic salary in a year.
- iv. Reimbursement of Medical expenses incurred by him and his family subject to a ceiling of half a month basic salary in a year.
- v. Contribution to the Company's Provident Fund in accordance with the rules of the Funds.
- vi. Reimbursement of expenses actually and properly incurred by him for the business of the Company.

The aggregate monetary value of such salary, allowance and perquisites being limited to Rs. 6,00,000 per annum with an annual increase of Rs. 3,000 in his basic salary.

Mr. Ashok H. Thakkar, Director of the Company is the father of Mr. Mishal. A. Thakkar and hence is deemed to be concerned or interested in the said resolution.

Your Directors recommend the resolution set out in Item No. 6 in the notice for approval by the Members.

### ITEM NO. 7

#### Issue and Allotment of Warrants on Preferential Basis

The Company had issued warrants on Preferential Basis in December 2007 at an issued price of Rs. 70/- per share. The subscribers to the warrants have till the date of this notice, not exercised their right of conversion of the warrants. If the right of conversion of warrants is not exercised, the validity period of warrants would expire on 23 June 2009 and the advance paid by the subscribers would be forfeited.

The Company requires additional funding to meet the requirements for capital expenditure, expansion and potential overseas and domestic acquisitions. The Promoters / Directors of the Company, their relatives and friends are willing to fund, part of the additional requirement, and therefore, it is proposed to issue 23,26,110 Warrants on a preferential basis on payment of 25% of the total consideration of warrants with an option to apply for and be allotted equity shares, upon conversion of warrants, by paying up balance amount towards the consideration. The above matter requires the approval of the members of the Company by Special Resolution in the general meeting. The necessary information regarding the proposed preferential issue is as under:

- (i) Quantum of Warrants proposed to be issued :

The Company proposes to issue 23,26,110 convertible warrants on a Preferential basis to some of the Promoters / Directors, their relatives and friends.



(ii) The price at which the allotment is proposed:

The issue price of warrants shall be @ Rs. 32/- per warrant convertible at the option of the warrant holder into equity shares of Rs. 10/- each at a premium of Rs. 22/- per equity share, being a price not less than the higher of the following :

- The average of the weekly high and low of the closing prices of the Company's shares quoted on the Stock Exchange (The Bombay Stock Exchange Limited) during the six months preceding the "Relevant Date" or
- The average of the weekly high and low of the closing prices of the Company's shares quoted on the Stock Exchange (The Bombay Stock Exchange Limited) during the two weeks preceding the "Relevant Date"

in accordance with the provisions of Chapter XIII on Preferential Issues of SEBI (Disclosure and Investor Protection) Guidelines, 2000 in this behalf.

(iii) The Relevant Date on the basis of which price has been arrived at:

The Relevant Date on the basis of which the issue price is arrived at is 18<sup>th</sup> May 2009, being 30 days prior to the date of this Annual General Meeting at which the proposed issue is to be considered.

(iv) Conversion of Warrants:

The warrants so issued shall at the option of the warrant holder be converted into fully paid equity shares of the Company of Rs. 10/- each within a maximum period of 18 months from the date of allotment of warrants.

An amount equivalent to at least 25% of the issue price shall be payable on subscription to the warrants. The warrant holders shall be entitled to apply for and be allotted; in one or more tranches, one equity share of the face value of Rs. 10 each of the Company per warrant, at any time after the date of allotment of the warrants but on or before the expiry of 18 months from the date of allotment of such warrants. Upon exercise of the right to apply for the equity shares, the warrant holders will be liable to make the payment of the entire balance amount towards the issue price. The amount paid will be adjusted/ set off against the issue price of the resultant equity shares. The Board or Committee thereof only upon receipt of the entire payment towards issue price, shall allot one fully paid equity share per warrant. If the entitlement against the warrants to apply for equity shares is not exercised within the specified period of 18 months, such entitlement shall lapse and the amount paid on such warrants shall stand forfeited.

The warrants under this preferential offer and resultant equity shares upon exercise of entitlement against such warrants to Promoters shall be subject to lock in for a period of three years from their respective date of allotment in accordance with the provisions of the Guidelines.

The warrants under this preferential offer and resultant equity shares upon exercise of entitlement against such warrants to persons other than Promoters shall be subject to lock in for a period of one year from their respective date of allotment in accordance with the provisions of the Guidelines.

The whole process from the issue of warrants till the conversion of warrants into equity shares of the Company shall be carried out in compliance with the provisions of Chapter XIII on preferential issues of SEBI (Disclosure and Investor Protection) Guidelines, 2000 in this behalf.

The specific disclosure which are required in terms of Clause 13.1A of the Preferential Issue guidelines are as under :

(a) The object of the issue through preferential offer:

The Company requires additional funds for capital expenditure, expansion and potential domestic and overseas acquisitions.

(b) Intention of Promoters / Directors to subscribe to the offer:

Letters of intent from the Promoters/Directors, their friends and relatives, who are proposed to be allotted warrants, agreeing to subscribe to the offer have been received. In the event, any of the warrants remaining unsubscribed by any one of the Promoters/ Directors/their friends / their relatives for any reason whatsoever, the same will be offered and allotted by the Board at its absolute discretion to any other entities owned and controlled by the Promoter group

(c) Shareholding Pattern (as on date of this notice) before and after the issue of Warrants on preferential basis is as follows:

Shareholder	Shareholding before allotment of Warrants		Shareholding after conversion of Warrants	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter Group Holding	87,27,266	49.38	1,04,53,376	52.27
Public Shareholding	89,46,624	50.62	95,46,624	47.73
<b>Total</b>	<b>1,76,73,890</b>	<b>100.00</b>	<b>2,00,00,000</b>	<b>1,00.00</b>



- (d) Proposed time within which the allotment shall be completed:

The preferential allotment of warrants shall be completed within 15 days from the date of passing this resolution/ the date of approval by any regulatory authority.

- (e) The identity of the proposed allottees and the percentage of post preferential issue capital that may be held by them:

The Warrants shall be issued to the following persons and the pre & post preferential issued capital (upon conversion of all Warrants) that may be held by them is as under:

Name of Proposed Allottees	No of shares held before allotment of warrants*	% holding before allotment of warrants	No. of Warrants proposed to be allotted	No. of shares held after conversion of all Warrants	% of the post conversion capital of the Company
Mahalaxmi R Thakkar	1,24,895	0.71%	3,45,222	4,70,117	2.35%
Bimal R Thakkar (HUF)	2,50,024	1.41%	3,45,222	5,95,246	2.98%
Bhavesh R Thakkar (HUF)	2,50,024	1.41%	3,45,222	5,95,246	2.98%
Ashok Hariram Thakkar	16,55,487	9.37%	6,90,444	23,45,931	11.73%
Ravinder Kumar Jain	-	-	50,000	50,000	0.25%
Yasir Varawala	-	-	50,000	50,000	0.25%
Nipun Shah	4,450	0.03%	50,000	54,450	0.27%
Viren Merchant	-	-	50,000	50,000	0.25%
Vikram Munshi	-	-	1,00,000	1,00,000	0.50%
Nikhil Vora	-	-	2,50,000	2,50,000	1.25%
Jay Mehta	-	-	50,000	50,000	0.25%
<b>Total no. of shares</b>	<b>22,84,880</b>		<b>23,26,110</b>	<b>46,10,990</b>	

\*as on date of this notice

The Auditor Certificate certifying that the issue of warrants is being made in accordance with SEBI (Disclosure and Investor Protection) Guidelines, 2000 will be available for inspection at the Registered Office of the Company during 11.00 a.m. and 1.00 p.m. on any working day upto the date of the Annual General Meeting.

In terms of Section 81(1A) of the Companies Act, 1956, consent of the shareholders is proposed to be sought to authorise the Board of Directors for issuance of warrants as stated in the resolution which may result in issuance of further shares of the Company

The Board of Directors recommend passing of the Special Resolution set out in Item No 7 of the notice

Mr. Bimal R. Thakkar, Mr. Bhavesh R. Thakkar, Mr. Ramesh H. Thakkar, Mr. Ashok H. Thakkar, Mr. Nipun Shah, Mr. Yasir Varawala, Mr. Ravinder Kumar Jain, Mr. Jay Mehta, Mr. Viren Merchant and Mr. Vikram Munshi being Directors of the Company are deemed to be interested in the above Resolution.

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

**Aparna Bhat**  
**Company Secretary**

**Registered Office :**  
83/86 GIDC Industrial Estate,  
Nadiad 387 001, Gujarat  
Mumbai, 15<sup>TH</sup> May 2009

## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors have pleasure in presenting the Nineteenth Annual Report together with the Audited Financial Statement for the year ended 31<sup>st</sup> March 2009.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended 31<sup>st</sup> March 2009 is summarized below:

Rs. in Lakhs

Particulars	2008-09	2007-08
Net sales/Income from operation	9,584.23	8,920.02
Other Income	382.77	257.32
<b>Total Income</b>	<b>9,967.00</b>	<b>9,177.34</b>
Add: Increase in Stock in trade	218.05	31.46
	<b>10,185.05</b>	<b>9,208.80</b>
<b>Less: Total expenditure</b>		
Manufacturing & Other Expenses	8,249.74	7,493.62
Depreciation	393.69	360.90
Financial Expenses	219.90	242.87
<b>Profit (+)/Loss (-) before tax</b>	<b>1,321.72</b>	<b>1,111.41</b>
Provision for taxation	269.76	268.11
Deferred tax Assets / (Liabilities)	32.41	35.33
<b>Net Profit (+) / Loss (-)</b>	<b>1,019.55</b>	<b>807.97</b>
Prior Period Expenses/ Tax (Net off)	39.70	22.56
<b>Net Profit(+) / Loss(-)</b>	<b>979.85</b>	<b>785.41</b>
Balance brought forward	1,655.91	1,331.59
<b>Dividend declared/ paid</b>	<b>265.11</b>	<b>326.98</b>
Tax on dividend	45.06	55.57
Transfer to General Reserve	49.00	78.54
Balance Carried to the Balance Sheet	2,276.59	1,655.91
<b>EPS (Basic)</b>	<b>5.54</b>	<b>5.81</b>
<b>EPS (Diluted)</b>	<b>5.11</b>	<b>5.55</b>

### FINANCIAL PERFORMANCE

During the year under review, your Company has recorded a turnover of Rs. 95.84 Crores as against Rs. 89.20 Crores in the previous year. The Net profit for the financial year ended 31<sup>st</sup> March 2009 increased to Rs. 9.80 Crores from Rs. 7.85 Crores in the previous year representing an increase of 24.76 % profit after tax.

### WARRANTS

The Company had allotted 15,00,000 Convertible Warrants of Rs. 70/- each (Rs. 7.00 per warrant paid on allotment) on preferential basis to Promoters / Directors, their friends and relatives on 24<sup>th</sup> December 2007. None of the subscribers of the warrants have exercised their option till the date of this report. The warrants if not exercised would expire on 23<sup>rd</sup> June 2009.

### DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 1.50/- per share (i.e. @ 15%) for the year ended 31<sup>st</sup> March 2009. The dividend payout, if approved, will result in outflow of Rs. 310.17 Lakhs inclusive of Rs. 45.06 Lakhs on account of Dividend Distribution Tax.





## BUSINESS DEVELOPMENT

We are pleased to inform you that your Company has received 2 Awards at the DHL - CNBC INTERNATIONAL AWARDS FOR 2008-09:

1. Best FMCG (Fast Moving Consumer Goods) Company in the Agri Business Sector Award (SME Sector) and 2. Best Overall Exporter of the Year Award (SME Sector)

During the year under review, your Company has expanded its Chutney and Pickle line at the Nadiad factory by importing machinery from UK, upgraded the effluent treatment plant and renovated ready-to-eat plant. Capital expenditure of Rs.3.40 Crores was approved by the Board of Directors during the year. The Company is considering the prospects of entering the domestic market and looking at acquisitions in India and Overseas.

Your Company participated in the Gulf Food Festival 2009 in Dubai and the SIAL Food Expo 2008 in Paris and the Company's products received a very encouraging response.

Your Company's mission is to become a premier organization serving traditional spice rich Indian Cuisine in the world. Your Company has always been an innovator in the Ethnic Indian Food Category keeping in tune with the trends and with changing consumer habits and has been doing so over the year by launching new brands like KHANSAAMA, TRULY INDIAN etc. in USA, Europe and Australia.

Considering the global financial crisis and recessionary trend, the Company has taken a decision to be cautious with regards capital spending and had deferred the green field project. Instead it has carried out expansions to its existing factories by increasing capacities.

## 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. The Company has already obtained various quality certifications such as the Internationally recognized BRC (British Retail Consortium) Global Standard – Foods, ISO 22000/ HACCP & ISO 9001:2000 certifications for its plants located at Nadiad, Gujarat and Nashik, Maharashtra.

## INSURANCE CLAIM

During the financial year 2006-07, there was a fire in the Company's Nadiad factory in Gujarat. The claim for the same was lodged with the Insurance Company. The Company has received an amount of Rs. 1,31,45,309/- during the financial year. However, the Company feels that the amount received is lower than the damages suffered and the Company is considering to file an appeal for claiming the difference.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March 2009 on a 'going concern' basis.

## CORPORATE GOVERNANCE

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

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

## DIRECTORS

The Company has 11 Directors out of which 7 are Non-Executive Independent Directors and 4 are Executive Promoter Directors.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Jay Mehta and Mr. Nipun Shah, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

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

## AUDITORS AND THEIR REPORT

The Statutory Auditors, M/s D. P. Ghevaria & Co., Chartered Accountants and M/s. V. P. Thacker & Co., Chartered Accountants retire at the ensuing Annual General Meeting and are eligible for re-appointment as Joint Auditors of the Company.

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

## ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

## PARTICULARS OF EMPLOYEES

There are no employees drawing remuneration within the monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956, as amended upto date.

## SUBSIDIARY COMPANY

At the beginning of the year the Company had two subsidiaries namely: 'ADF Foods UK Ltd' (ADF UK) and 'Power Brands (Foods) Pvt. Ltd.' (PBFPL).

On 31<sup>st</sup> March 2009 your Company has set up a Wholly Owned Subsidiary in Mauritius viz. 'ADF Foods (Mauritius) Limited' (ADF-M).

The Statement of Accounts of ADF UK, ADF-M and PBFPL together with the Report of the Director and the Auditors as required under Section 212 of the Companies Act, 1956 are attached to this Annual Report.

## CONSOLIDATED ACCOUNTS

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

## DEPOSIT

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 during the financial year 2008-09.

## EMPLOYEE RELATIONS

There was a labour unrest in the Company's factory at Nashik in June 2008 due to which the production was temporarily suspended for a month. Thereafter an agreement was reached with the union and thereafter the operations at the factory have been cordial and uninterrupted.

Otherwise 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 impressive growth.

## ACKNOWLEDGEMENTS

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

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

**Ramesh H Thakkar**  
Chairman

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

Mumbai, 15<sup>th</sup> May 2009



## Annexure to Directors' report

### Annexure I

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009

#### 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 :-

		2008-09	2007-08
<b>1</b>	<b>Electricity</b>		
a.	Purchased Units (KWH)	30,81,637	32,13,270
	Total Amount (Rs.)	1,59,45,943	1,52,83,883
	Average Rate/Unit (Rs.)	5.17	4.76
b.	Own Generation		
i.	Through Diesel Generator	N.A.	N.A.
	Units (KWH)		
	Units/Lt.of Diesel		
	Cost/Unit (Rs.)		
ii.	Through Steam Turbine/Generator	N.A.	N.A.
<b>2</b>	<b>Agro waste</b>		
	Quantity (kgs)	14,58,641	12,08,551
	Total Amount (Rs.)	49,42,172	32,88,934
	Average Rate/KL (Rs.)	3.39	2.72
<b>3</b>	<b>Fuel Furnace Oil + Light Diesel</b>		
	Quantity (K.L.)	2,96,658	299,114
	Total Amount (Rs.)	90,22,893	75,15,999
	Average Rate/KL (Rs.)	30.42	25.13
<b>4</b>	<b>Others/Internal Generation</b>	N.A.	N.A.

##### (B) Consumption per unit of production:

Product (with details) Unit : Since the Company manufactures several items viz. pickles, chutneys, pastes and other food stuffs, having regard to other books maintained by the Company, it is impracticable to apportion the utilities.

Electricity

Furnace Oil

Agro Waste

Coal (specify quantity)

## B. TECHNOLOGY ABSORPTION

### FORM B

Form for disclosure of particulars with respect to absorption

#### RESEARCH AND DEVELOPMENT (R&D):

- Specific areas in which R&D carried out by the Company
  - Development of new recipes.
  - Development of new products.
  - Improvement in quality.
  - Better packaging.
  - Standardisation in packaging.
- 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.
- The Company will continue its efforts to develop new products, new recipes, reduce costs, improve technology and produce quality products.
- Expenditure on R&D

	2008-09 Rs.	2007-08 Rs.
(a) Capital	46,600	21,053
(b) Recurring	5,67,764	9,76,922
(c) Total	6,14,364	9,97,975
(d) Total R&D expenditure as a percentage of total turnover	0.0634%	0.1119%

#### Technology Absorption, Adaptation and Innovation

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

- The Company has maintained its focus on development of exports both in the ethnic and mainstream markets. 93% of the Company's revenue is generated from export sales and the Company is earning net foreign exchange on year to year basis. The Company sales are in multiple currencies like \$, €, £ etc.
- Total Foreign Exchange used and earned: **Rs. (in lacs)**

	2008-09	2007-08
Total Foreign Exchange Earned	8,368.91	7,641.44
Total Foreign Exchange Used	1,085.96	1,335.26

For and on behalf of the Board of Directors

**Ramesh H Thakkar**  
Chairman

Mumbai, 15th May 2009



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 1. Industry Structure and Developments

India is making an important mark in the global food arena both as a large producer and exporter of agricultural products and as a very large and growing market for processed foods. The favorable policy environment and increasing interest of Corporates in agriculture and agri-food business augurs well for India.

India is the world's second largest producer of food next to China, but accounts for only 1.6 percent of international food trade. The Government aims at increasing this share to 3 percent in the next 8 years. This indicates vast potential for both investors and exporters.

India's agricultural sector, especially food processing and allied activities is going through a major transformation driven by improving policy environment, increasing public private participation and an increasing thrust on the improvement of rural infrastructure.

Today, Multinational Companies are betting on India as a source to feed the world. Large investors and Corporations, both Indian and International, are considering India as an emerging market with twin opportunities, to cater to the growing Indian middle-class and to export premium processed food. India could position itself as an agribusiness powerhouse and become a major exporter of fruits & vegetables, ready-to-eat food, dairy products, spices, wine, ice cream, meat, poultry, shrimp, fish and many other products.

### 2. Opportunities and Threats and General Business Outlook

The Company is a significant emerging player in the processed food industry. It is engaged in the manufacturing and export of various Indian Processed foods. The range of Company's products includes Pickles, Pastes, Chutney, Ready-to-eat Vegetables, Canned Vegetable in Brine, Frozen Foods, Spices in whole and ground form, IQF Indian Vegetables, Parathas, etc.

The global food landscape is rapidly evolving as consumer needs shift with changing lifestyles. Food habits and tastes are amalgamating in the global melting pot. Food lovers from around the globe now want to try ethnic foods from different parts of the world and make it an integral part of their daily diet. The Company recognizes this evolution and is striving to cater authentic, ethnic cuisine from India to satisfy the taste buds of Indian food lovers across the globe.

The Company is tapping new markets and constantly innovating and renovating the products in its portfolio to meet the changing tastes and preferences of the Global Consumer. The Company has established brands and strong distribution networks in Europe, US, Middle East Countries, Australia, Canada and Asia, which would ensure immediate distribution of the new variants.

The Global Trend in Food Processing Industry shows a paradigm shift in focus from developed markets to Low Cost Countries. Worlds' major food processors are looking for low cost sourcing partners with proven quality standards, strong backward and forward linkages with the agro-food system. However, in the Indian market, the biggest bottleneck in expanding the food processing sector is lack of adequate infrastructure. The Government and Export promotion organizations in India are emphasizing on improvement in infrastructure through public and private investment. This would put the growth of this industry on an upswing. The Company is gearing itself by constantly upgrading its facilities to International Standards and increasing capacities to take advantage of these opportunities.

The Company Management feels that the Indian Market presents a good opportunity considering the changing attitudes and lifestyles of the new middle class Indian consumer. The entry of large corporates in organized retail and distribution will accelerate the growth /acceptance of Packaged Food. Keeping this in mind, the Company is evaluating its entry strategy for the Indian market.

Ever increasing competition from established brands of organised sector and numerous players in unorganised sector may pose as a challenge to the business.

## 3. Segment-wise Performance

The Company's overall sales have increased to Rs. 9,584.23 Lakhs from Rs. 8,920.02 lakhs as compared to the previous year.

Amt in Rs. Lakhs

	FY 2008-09	FY 2007-08
<b>Segment Revenue</b>		
a) Processed and Preserved foods	9,201.37	8,668.67
b) Traded goods	382.86	251.35
<b>Total</b>	<b>9,584.23</b>	<b>8,920.02</b>
Less: Inter Segment revenue	-	-
<b>Net Sales /Income from operations</b>	<b>9,584.23</b>	<b>8,920.02</b>
<b>Segment results Profit /loss before tax and interest from each segment:</b>		
a) Processed and Preserved foods	1,953.45	1,769.94
b) Traded goods	100.99	52.12
<b>Total</b>	<b>2,054.44</b>	<b>1,822.06</b>
<b>Less:</b>		
1) Interest	219.90	257.42
2) Other un allocated expenditure net off	895.59	695.84
<b>Add:- Unallocable income</b>	<b>382.77</b>	<b>242.61</b>
<b>Total Profit before tax</b>	<b>1,321.72</b>	<b>1,111.41</b>
<b>Capital employed</b>		
a) Processed and Preserved foods	4,785.11	4,443.12
b) Traded goods	65.11	75.64
c) Other un-allocated	4,605.27	3,924.47
<b>Total Capital Employed</b>	<b>9,455.49</b>	<b>8,443.23</b>

## 4. Risks and Concerns

### Recessionary Trend affecting consumption pattern globally

The global financial crisis is leading to a change in the consumer spending pattern which could impact the sales volumes. The Company is tapping new markets and adding new products which the Management expects would partially take care of any reductions in volumes.

### Cost of raw materials & packing material prices

Agricultural produce is always at the mercy of Mother Nature. Getting the raw materials in time and dispatching of the Finished Goods i.e. getting from Farm to Fork is always wary of any crop failure or shortages thus, putting pressure on the margins of the Company's products.

### Exchange Rate Fluctuation

The Company being engaged in exports, derives approximately 93% of its revenue from export sales. An appreciation of the Indian Rupee can adversely impact the Company's exports. The Company manages this financial risk through forward contracts from time to time.

## 5. Internal control systems and their adequacy

The Company has in place a comprehensive system of internal controls, overseen by the Management, aimed at achieving efficiency in operations, optimum utilization of resources and effective monitoring thereof and compliance with all applicable laws and regulations. External agencies conduct the internal audit of the Company to ensure effectiveness of internal controls and suggest areas of improvement and strengthening. The Audit Committee of the Board reviews the adequacy of internal controls.





NEW MARKETS TRADITIONAL WISDOM



NEW PRODUCTS ETHNIC RECIPES



NEW BEGINNINGS AGE OLD VALUES

## 6. Financial performance with respect to operational performance

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

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

The Company believes in the overall development and continuous growth of its employees. The Company continues to provide its employees the ideal workplace where they can give optimum results. This has resulted into team spirit and team work. The Company continues to equip its employees with the skill which would enable them to meet the growing organizational challenges.

There was a labour unrest in the Company's factory at Sinnar, Nashik in June 2008 due to which the production was temporarily suspended for a month. Thereafter an agreement was reached with the union and thereafter the operations at the factory have been cordial and uninterrupted. Measures for safety of employees, welfare and development continue to receive top priorities.

## 8. CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, competitive actions, changes in Government regulations, tax regimes, economic developments in India and in countries in which the Company conducts business and other incidental factors.

## REPORT ON CORPORATE GOVERNANCE

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

### II. BOARD OF DIRECTORS

#### A. COMPOSITION & MEETINGS

The Board of Directors of your Company represents an optimum mix of professionalism, knowledge and experience. As on 31<sup>st</sup> March 2009, the total strength of the Board of Directors of the Company was eleven Directors comprising four Executive Directors and Seven Non-Executive Independent Directors. Your Company immensely benefits from the professional expertise of the Independent Directors in their individual capacity as Independent Professionals and through their invaluable experience in achieving corporate excellence. The Non-executive Directors are eminent professionals with wide range of knowledge and experience in business, industry, finance and law.

The composition of the Board, their attendance at the meeting, their Directorship and Memberships of Committees in other Companies as on 31<sup>st</sup> March 2009 are given below:

Name of the Director	Designation Executive / Non Executive Independent / Promoter	Board Meetings held and attended by the Directors		Attendance at the last ANNUAL GENERAL MEETING	* Directorships in other Companies	* Memberships of Committees of other Companies
		Held	Attended			
Mr. Ramesh H Thakkar	Chairman Executive Director Promoter	6	6	YES	-	-
Mr. Ashok H Thakkar	Vice Chairman Executive Director Promoter	6	4	YES	-	-
Mr. D E Udwadia	Director Non Executive Independent	6	4	NO	13	10
Mr. Nipun C Shah	Director Non Executive Independent	6	6	YES	-	-
Mr. Yasir J Varawala	Director Non Executive Independent	6	5	YES	-	-
Mr. Vikram Munshi	Director Non Executive Independent	6	3	NO	4	-
Mr. Jay M Mehta	Director Non Executive Independent	6	2	NO	7	2
Mr. Viren Merchant	Director Non Executive Independent	6	5	NO	-	-



Mr. Bimal R Thakkar	Managing Director Executive Promoter	6	6	YES	1	-
Mr. Ravinder Kumar Jain	Director Non Executive Independent	6	6	NO	-	-
Mr. Bhavesh R Thakkar	Director Executive Promoter	5	5	YES	-	-

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

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

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

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

Disclosure of the number of equity shares of the Company held by Non Executive Directors as on 31<sup>st</sup> March 2009:

Sr. No.	Name of the Non Executive Director	No. of shares held in the Company (as the first holder)
1	Mr. D. E. Udawadia	Nil
2	Mr. Yasir J Varawala*	Nil
3	Mr. Nipun C Shah*	4,450
4	Mr. Vikram Munshi	Nil
5	Mr. Jay Mehta	Nil
6	Mr. Viren Merchant	Nil
7	Mr. Ravinder Kumar Jain	Nil

\* Mr. Yasir Varawala does not have any holding in the Company as the first holder but he holds 11,000 shares as a joint holder. In addition to the above, Mr. Nipun C Shah holds 2,750 shares as a joint holder.

## B. DETAILS OF SITTING FEES, REMUNERATION, ETC. PAID TO DIRECTORS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009.

Non-Executive Directors are eligible for only sitting fee not exceeding the limits prescribed under the Companies Act, 1956. The Independent Directors were paid sitting fees @ Rs. 5,000/- till May 2008 and thereafter Rs. 10,000/- for attending every meeting of the Board and Rs. 5000/- for attending meetings of other Board Committees.

During the financial year, there was no pecuniary relationship or transaction between the Company and any of its Non-Executive Directors.

The details of remuneration paid to the Executive Directors during the financial year ended 31<sup>st</sup> March 2009 are as under:

Sr. No.	Director	Salary (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Total (Rs.)
1	Mr. Ramesh H Thakkar	15,75,000	1,83,581	-	17,58,581
2	Mr. Ashok H Thakkar	15,75,000	1,85,235	3,00,000	20,60,235
3	Mr. Bimal R Thakkar	15,96,000	2,63,805	3,00,000	21,59,805
4	Mr. Bhavesh R Thakkar	14,76,000	1,46,621	2,00,000	18,22,621

### NOTES:

- (i) All appointments of Directors are non-contractual except those of Mr. Ramesh H. Thakkar, Chairman, Mr. Ashok H. Thakkar, Vice-Chairman, Mr. Bimal R. Thakkar, Managing Director and Mr. Bhavesh R Thakkar, Executive Director. Appointment of Mr. Ramesh H. Thakkar, Mr. Ashok H. Thakkar, Mr. Bimal R Thakkar and Mr. Bhavesh R Thakkar is for three years with effect from 1<sup>st</sup> October 2008. The re-appointment of the Managing Director and Executive Directors is conditional and subject to termination by six calendar months' notice in writing on either side but no severance fees of any other kind is payable.

- (ii) The remuneration drawn by Mr. Bhavesh R Thakkar as Director of the Company has only been included above. Prior to his appointment as Director on 27<sup>th</sup> May 2008, he was drawing remuneration as President which has not been included above.
- (iii) The remuneration paid to the Managing Director and the Executive Directors is excluding contribution to provident fund, gratuity and leave encashment as the same are provided in the books based on actuarial valuation report.
- (iv) Presently, the Company does not have any scheme for grant of Stock Options to its Directors, Managing Director or other employees.
- (v) None of the employees except Mr. Mishal A Thakkar (Trainee) is related to any of the Directors of the Company.

## C. NUMBER OF BOARD MEETINGS HELD

The meetings of the Board of Directors are scheduled well in advance. The Board Members are presented in advance with the detailed agenda in respect of all Board meetings. During the year under review, 6 meetings of the Board of Directors were held on the following dates:

27<sup>th</sup> May 2008, 31<sup>st</sup> July 2008, 22<sup>nd</sup> September 2008, 8<sup>th</sup> October 2008, 31<sup>st</sup> October 2008 and 31<sup>st</sup> January 2009.

## III. AUDIT COMMITTEE

### A. CONSTITUTION & MEETINGS

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

During the year under review, four Audit Committee meetings were held on 22<sup>nd</sup> May 2008, 26<sup>th</sup> July 2008, 24<sup>th</sup> October 2008 and on 28<sup>th</sup> January 2009. The attendance of each Audit Committee member is given hereunder:

Sr. No.	Name of the Audit Committee Member	No. of meetings attended
1	Mr. Nipun C. Shah - Chairman	4
2	Mr. Yasir J. Varawala	4
3	Mr. Vikram S. Munshi	0

The Executive Directors, the Chief Financial Officer, the Senior Manager -Finance & Accounts and the Statutory Auditors are invited to the Audit Committee meetings.

### B. THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE

- It shall have the authority to investigate into any matter relating to accounts as referred to it by the Board and for this purpose, shall have full access to information contained in accounting records of the Company.
- Overview of the Company's financial reporting process and manner of disclosure of financial information to ensure that the financial statements are true and correct.
- Recommending the appointment and removal of Statutory Auditors, fixation of audit fees and also approval for payment for any other Services relating thereto.
- Reviewing the Company's financial and risk management policies.
- Looking into the reasons for substantial defaults, if any, in the payment to the shareholders (non- payment of declared dividends, etc.) and creditors, etc.
- And such other matters incidental or as may be delegated by the Board of Directors to the Committee from time to time.

## IV. SHAREHOLDERS' GRIEVANCE COMMITTEE

### A. CONSTITUTION & MEETINGS

The Shareholders' Grievance Committee was constituted on 2<sup>nd</sup> May 2001. The Committee comprises of Mr. Yasir J. Varawala, Chairman, Non- Executive Independent Director and Mr. Ramesh H. Thakkar, Chairman of the Company. The Company Secretary acts as the Compliance Officer for the Committee.

During the year, four meetings of the said Committee were held on 22<sup>nd</sup> May 2008, 26<sup>th</sup> July 2008, 24<sup>th</sup> October 2008 and 28<sup>th</sup> January 2009. The attendance of each member is given hereunder:

Sr. No.	Name of the Shareholders' Grievance Committee Member	No. of meetings attended
1	Mr. Yasir J. Varawala – Chairman	4
2	Mr. Ramesh H. Thakkar	4



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

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

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

## C. SHAREHOLDERS' COMPLAINTS

57 complaints were received from the shareholders during the financial year ended 31<sup>st</sup> March 2009, which were attended to by the Registrar and Transfer Agents promptly. Most of the complaints were relating to transfer of shares and non-receipt of demat credit / dividend warrant / share certificate/s.

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

## V. REMUNERATION COMMITTEE

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

The Remuneration Committee comprises of three Non-Executive Independent Directors namely Mr. Yasir J. Varawala, Chairman of the Committee, Mr. Vikram S. Munshi and Mr. Nipun C. Shah.

During the year under review, there was one meeting of the Remuneration Committee held on 22nd May 2008 to recommend the Board the increase in the remuneration of the Executive Directors.

## VI. SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of Mr. Ramesh H. Thakkar, Chairman, Mr. Ashok H. Thakkar, Vice- Chairman and Mr. Bhavesh R. Thakkar, Executive Director.

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

## VII. GENERAL BODY MEETINGS

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

Financial Year	Day & Date	Time	Location of the Meeting
2005-06	Wednesday, 16/08/2006	12.00 p.m.	Sheth Khushaldas Gokaldas Municipal Town Hall, Station Road, Nadiad:387001, Gujarat
2006-07	Saturday, 29/09/2007	2.00 p.m.	Sheth Khushaldas Gokaldas Municipal Town Hall, Station Road, Nadiad:387001, Gujarat
2007-08	Wednesday, 09/07/2008	2.00 p.m.	Sheth Khushaldas Gokaldas Municipal Town Hall, Station Road, Nadiad:387001, Gujarat

### B. SPECIAL RESOLUTIONS WHETHER PASSED BY POSTAL BALLOT / AT THE ANNUAL GENERAL MEETINGS

Special resolutions passed in the previous 3 Annual General Meetings:

Sr. No.	Annual General Meeting held on	Subject matter of the Special Resolution in brief
1	Wednesday, 16/08/2006	Revision of remuneration payable to Mr. Bhavesh R. Thakkar, President who is a relative of some of the Directors of the Company
2	Saturday, 29/09/2007	Nil
3	Wednesday, 09/07/2008	Nil

It is proposed to appoint Mr. Mishal A. Thakkar as Manager – Operations who is a relative of a Director of the Company by special resolution in the ensuing Annual General Meeting.

## VIII. MEANS OF COMMUNICATION

The quarterly, half yearly and annual results are generally published in the “The Indian Express” (Ahmedabad edition in English) and “Janasatta” (Ahmedabad edition in Gujarati) circulating in Nadiad. The annual financial results for the financial year ended 31<sup>st</sup> March 2009 and Notice of this Annual General Meeting has been published in “The Economic Times” (Ahmedabad edition in English) and “The Economic Times” (Ahmedabad & Mumbai edition in Gujarati).

The financial results and other information is displayed on the Company’s website viz. [www.adf-foods.com](http://www.adf-foods.com)

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

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

## IX. GENERAL SHAREHOLDERS’ INFORMATION

### A. ANNUAL GENERAL MEETING

Date & Time : Wednesday 17<sup>th</sup> June 2009

Venue : Sheth Khushaldas Gokaldas Municipal Town Hall, Station Road, Nadiad 387001, Gujarat

### B. FINANCIAL CALENDAR 2009-10

Schedule of Board Meetings (tentative)

First Quarter ending 30<sup>th</sup> June 2009 : Before end of July 2009

Half Year ending 30<sup>th</sup> September 2009 : Before end of October 2009

Third Quarter ending 31<sup>st</sup> December 2009 : Before end of January 2010

Year ending 31<sup>st</sup> March 2010 : Before end of June 2010

### C. DATES OF BOOK CLOSURE

The Share Transfer Register will remain closed from 6<sup>th</sup> June 2009 to 17<sup>th</sup> June 2009 [both days inclusive].

### D. DIVIDEND PAYMENT DATE

on or before 15<sup>th</sup> July 2009.

### E. LISTING ON STOCK EXCHANGES

The Equity Shares of the Company are presently listed at the Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.

The Company has made application to the National Stock Exchange for listing which is pending.

Listing fee has been paid to the aforesaid Stock Exchange upto date including fees for the year 2009-10.

### F. STOCK CODE/SYMBOL

Bombay Stock Exchange Ltd. : 519183

ISIN No. : INE982B01019

### G. MARKET PRICE DATA

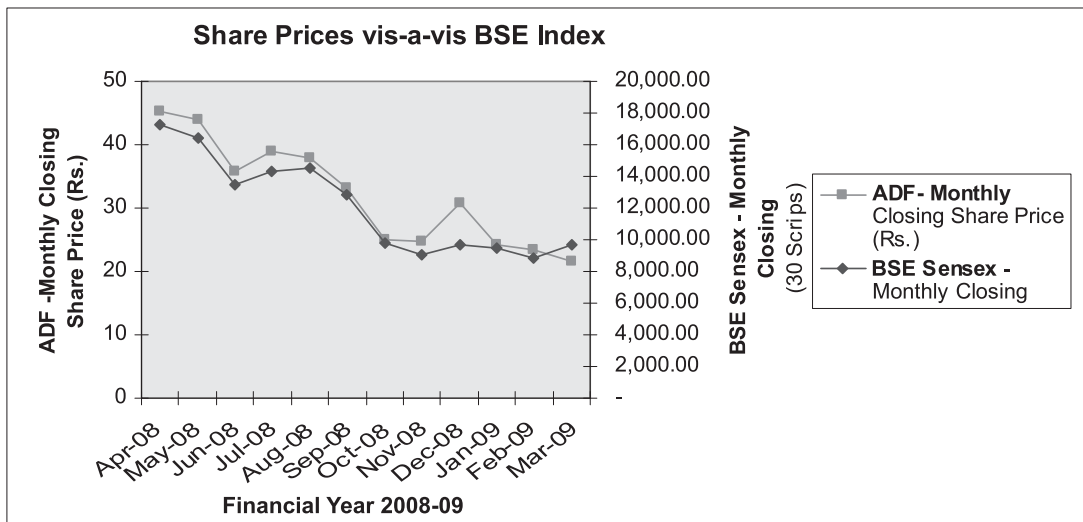
The monthly high, low and closing price and volumes of the Company’s shares traded on the Bombay Stock Exchange Limited during financial year 2008-2009 are as under:

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Volume of shares (Nos.)
April 2008	51.90	37.00	45.20	1,03,197
May 2008	53.90	41.50	44.00	1,07,008
June 2008	47.00	35.25	35.80	5,95,059
July 2008	45.90	31.00	39.05	1,40,392
August 2008	42.65	32.05	37.85	48,307
September 2008	40.60	31.00	33.10	96,863
October 2008	34.90	19.50	24.95	67,779
November 2008	31.45	21.25	24.80	56,466
December 2008	35.95	22.15	30.85	61,518
January 2009	36.00	20.65	24.20	48,515
February 2009	27.00	22.05	23.50	37,143
March 2009	26.40	20.00	21.55	2,88,958





## H. PERFORMANCE IN COMPARISON TO BROAD BASED INDICES



## I. REGISTRAR & SHARE TRANSFER AGENTS

Kindly note that the our Registrar & Share Transfer Agents' name has been changed to LINK INTIME (INDIA) PRIVATE LIMITED. Their address and contact numbers remains the same as reproduced below:

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

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

203, Davar House, 197/199 D N Road Fort, Mumbai 400 001

Tel.: 022-2269 4127 E-mail: [helpline@linkintime.co.in](mailto:helpline@linkintime.co.in) Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## J. SHARE TRANSFER SYSTEM

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

## K. DISTRIBUTION PATTERN OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH 2009

Shareholding of Nominal Value of Rs.	No. of shareholders	% of Total	Share Amount (Rs.)	% of Total
1 to 5000	15,677	94.94	2,10,72,320	11.92
5001 to 10000	432	2.62	35,83,640	2.03
10001 to 20000	159	0.96	25,40,080	1.44
20001 to 30000	73	0.44	18,96,140	1.07
30001 to 40000	34	0.21	12,35,440	0.70
40001 to 50000	29	0.18	13,73,490	0.78
50001 to 100000	37	0.22	26,70,760	1.51
100001 & above	71	0.43	14,23,67,030	80.55
<b>Total</b>	<b>16,512</b>	<b>100.00</b>	<b>17,67,38,900</b>	<b>100.00</b>

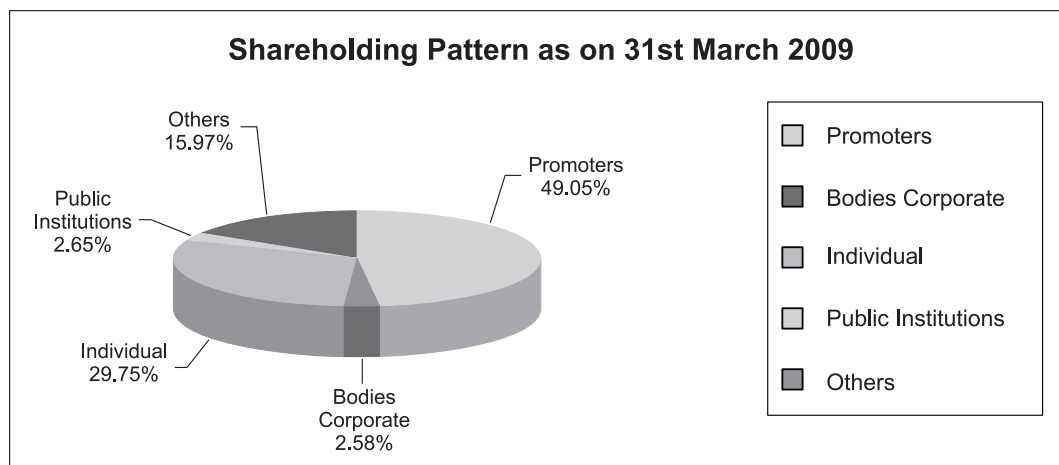
## L. DEMATERIALISATION OF EQUITY SHARES

The shares of the Company are compulsorily traded in dematerialised form and are available for trading under both the Depository Systems, viz. NSDL (National Securities Depository Limited) and CDSL (Central Depository Services (India) Limited). Nearly 90.92% of total equity shares of the Company are held in dematerialised form with NSDL & CDSL.

## M. SHAREHOLDING PATTERN AS ON 31<sup>ST</sup> MARCH 2009

Category	No. of Shares	% Holding
<b>A. Holding of the Promoter Group</b>		
(a) Individual / HUF	86,52,354	48.95
(b) Bodies Corporate	17,356	0.10
<b>Total (A)</b>	<b>86,69,710</b>	<b>49.05</b>
<b>B. Non-Promoters Holding</b>		
<b>1. Institutional Investors</b>		
(a) Mutual Funds / UTI	4,62,126	2.61
(b) Financial Institutions / Banks	800	0.00
(c) Any Others	5,300	0.04
<b>Sub Total (B 1)</b>	<b>4,68,226</b>	<b>2.65</b>
<b>2. Others</b>		
(a) Bodies Corporate	4,55,287	2.58
(b) Individual	52,58,692	29.76
(c) Clearing Member	1,20,759	0.68
(d) Non Resident Indian (Repat/Non Repat)	50,716	0.29
(e) Overseas Body Corporate/s	26,50,000	14.99
(f) Trust	500	0.00
<b>Sub Total ( B 2)</b>	<b>85,35,954</b>	<b>48.30</b>
<b>Total B1+B2 (B)</b>	<b>9,00,41,810</b>	<b>50.95</b>
<b>Grand Total (A)+(B)</b>	<b>1,76,73,890</b>	<b>100</b>

## SHAREHOLDING PATTERN



## N. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS CONVERSION DATE AND LIKELY IMPACT ON EQUITY

The Company has not issued any GDRs/ADRs.

## O. PLANT LOCATIONS

- \* 77/84, GIDC Industrial Estate, Nadiad 387 001, Gujarat
- \* 83/86, 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



## P. ADDRESS FOR INVESTOR CORRESPONDENCE

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

**For general correspondence, please write to:**

### **ADF Foods Limited**

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

Corporate office: C-23/24, Acme Industrial Estate, 3rd Floor, Sewree Bunder Road, Sewree (East), Mumbai: 400 015

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

## Q. DISCLOSURES

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

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

Transactions with related parties viz. Promoters, Directors or the Management, their subsidiaries or relatives are covered by contracts which govern the terms and conditions clearly. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval. Transactions with related parties are disclosed in point no. 10 of Notes to Accounts under Schedule 17 in the Annual Report.

- (ii) 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.

- (iii) The details of utilization of proceeds raised from the Preferential Issue of Warrants in December 2007 has been disclosed in the Financial Statements. The Company has not utilized the funds for purposes other than those stated in the notice convening the relevant General Meeting.

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

- \* A Remuneration Committee comprising of 3 Non-Executive Independent Directors has been constituted by the Board.
- \* The Company publishes its quarterly financial statements in the newspapers. However, it has not adopted the non-mandatory requirement to send half-yearly declaration of financial performance to each household of shareholders.
- \* The Board members are having adequate experience and expertise to deal with the business matters.
- \* The Company has not established the Whistle Blower Policy.

## R. CODE OF CONDUCT

The Company has adopted the Code of Conduct and Ethics for Directors and Senior Management. As provided under Clause 49 of the Listing Agreement, relating to Corporate Governance, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code and a declaration signed by the Managing Director is given below:

*"It is hereby declared that the Company has obtained from all members of the Board and Senior Management, an affirmation that they have complied with the Code of Conduct"*

Sd/-

*Bimal R Thakkar*  
Managing Director

## S. CEO/CFO CERTIFICATION

A certificate duly signed by the Managing Director, Executive Director and Chief Financial Officer that the Financial Statements reflect true and fair view of the affairs of the Company was placed before the Board.

**For ADF Foods Limited**

**Ramesh H. Thakkar**  
Chairman

Mumbai, 15<sup>th</sup> May 2009

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

### To the members of ADF Foods Limited

We have examined the compliance of the conditions of Corporate Governance by ADF Foods Limited for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreements of the said Company with the Bombay Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

We state that in respect of investor grievances received during the year ended 31st March 2009, no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company and as per the certificate of the Registrar & Transfer Agents of the Company.

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

**For D. P. GHEVARIA & CO.**

Chartered Accountants

**D. P. GHEVARIA**

Partner

Membership No. 32431

**For V. P. THACKER & CO.**

Chartered Accountants

**VIJAY THACKER**

Proprietor

Membership No. 35713

Place: Mumbai

Date: 15<sup>th</sup> May 2009



## ANNEXURE TO COPORATE GOVERNANCE REPORT :-

DETAILS OF OTHER DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS OF ALL THE DIRECTORS AS ON 31<sup>ST</sup> MARCH 2009:

### [1] MR. RAMESH H. THAKKAR

#### Other Directorships

- Power Brands (Foods) Private Limited

#### Committee Memberships

- ADF Foods Limited- Share Transfer Committee
- ADF Foods Limited- Administrative Committee
- ADF Foods Limited- Shareholders' Grievance Committee

### [2] MR. ASHOK H. THAKKAR

#### Other Directorships

- Mishal International (India) Private Limited
- Power Brands (Foods) Private Limited
- ADF Foods (Mauritius) Limited

#### Committee Memberships

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

### [3] MR. BIMAL R. THAKKAR

#### Other Directorships

- ADF Foods U.K. Limited
- ADF Foods (Mauritius) Limited
- Power Brands (Foods) Private Limited
- Gujarat Sidhee Cement Limited

#### Committee Memberships

- ADF Foods Limited – Administrative Committee

### [4] Mr. D.E.UDWADIA

#### Other Directorships

- ABB Limited
- AstraZeneca Pharma India Limited
- The Bombay Burmah Trading Corporation Limited
- Coromandel Fertilisers Limited
- Development Credit Bank Limited
- Eureka Forbes Limited
- Habasit Lakoka Private Limited
- ITD Cementation India Limited
- JM Financial & Investment Consultancy Services Private Limited
- JM Financial Trustee Company Private Limited

- JM Financial Limited
- Macmillan India Limited
- Mechanalysis (India) Limited
- Nitesh Estates Private Limited
- Quantum Advisors Private Limited
- Rossi Gearmotors (India) Private Limited
- Sundaram-Clayton Limited
- Wyeth Limited
- WABCO-TVS (India) Limited
- Conservation Corporation of India Private Limited

#### Committee Memberships

- ABB Limited – Audit Committee & Shareholders' Grievance Committee
- AstraZeneca Pharma India Limited - Audit Committee
- Bombay Burmah Trading Corp. Limited - Audit Committee
- Development Credit Bank Limited - Audit Committee
- ITD Cementation India Limited - Audit Committee
- Macmillan India Limited - Audit Committee
- Sundaram-Clayton Limited - Audit Committee
- Wyeth Limited - Audit Committee
- WABCO- TVS (India) Limited - Audit Committee

### [5] MR. NIPUN C. SHAH

#### Other Directorships

- Jush Investment Private Limited
- Nagarwalla Estates Private Limited
- Noshill Estates Private Limited
- Horwath Consultants (India) Private Limited

#### Committee Memberships

- ADF Foods Limited- Audit Committee
- ADF Foods Limited- Remuneration Committee
- Power Brands (Foods) Private Limited - Audit Committee

## [6] MR. YASIR J. VARAWALA

### Other Directorships

- Abacus Investment Advisors Private Limited
- M.Y. Realtors Private Limited
- High Plains Professional Advisory Services Private Limited
- Power Brands (Foods) Private Limited

### Committee Memberships

- ADF Foods Limited- Audit Committee
- ADF Foods Limited- Remuneration Committee
- ADF Foods Limited- Shareholders' Grievance Committee
- Power Brands (Foods) Private Limited - Audit Committee

## [7] MR. VIKRAM S. MUNSHI

### Other Directorships

- New Millenium Hospitality Limited
- Shamvik Engineering Company Private Limited
- Ainamid Engineering and Metal Works Private Limited
- Shamvik Containers Private Limited
- K P Electricals Private Limited
- Colrige Limited
- General Can Private Limited
- Alco Tubes Private Limited
- India Containers Limited
- Colrige International Private Limited
- Jyoti Records Manufacturing Company Private Limited

### Committee Memberships

- ADF Foods Limited – Audit Committee
- ADF Foods Limited – Remuneration Committee

## [8] MR. VIREN A. MERCHANT

### Other Directorships

- Encore Natural Polymers Private Limited
- ZYG Pharma Private Limited
- Saidarshan Business Centres Private Limited
- Encore Healthcare Private Limited
- Encore Business Centre Private Limited
- Yuga Finvest Private Limited

### Committee Memberships

Nil

## [9] MR. JAY M. MEHTA

### Other Directorships

- Saurashtra Cement Limited
- Gujarat Sidhee Cement Limited
- Pranay Holdings Limited
- Prachit Holdings Limited
- Ria Holdings Limited
- Reeti Investment Limited
- Agrima Consultants International Limited
- Mehta Private Limited
- Sujata Motors (India) Private Limited
- Villa Trading Company Private Limited
- Galaxy Technologies Private Limited
- Omna Exports Private Limited
- Arclightz & Films Private Limited
- Concorde Cement (Private) Limited

### Committee Memberships

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

## [10] MR. RAVINDER KUMAR JAIN

### Other Directorships

- Ramco Trading Private Limited
- Brovel Trading Private Limited
- Noble Newera Milestone Trading and Investments Private Limited
- Accra Investments Private Limited
- Orange City Properties Private Limited
- Aramaes Management Consultants Private Limited
- Feedback Computers Private Limited
- Kernel Foods Private Limited
- Vallee de Vin Private Limited

### Committee Memberships

Nil

## [11] MR. BHAVESH R. THAKKAR

### Other Directorships

- Power Brands (Foods) Private Limited

### Committee Memberships

- ADF Foods Limited – Share Transfer Committee

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





## AUDITORS' REPORT TO THE SHARE HOLDERS OF ADF FOODS LIMITED

1. We have audited the attached Balance Sheet of ADF Foods Limited, as at 31st March 2009 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
4. Further to our comments in the Annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - v. On the basis of written representations received from the Directors, as on 31 March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India:
    - a. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
    - b. in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
    - c. in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

**For D.P.GHEVARIA & CO.**

Chartered Accountants

**D.P.Ghevaria**

Proprietor

Membership Number 32431

**For V. P. THACKER & CO,**

Chartered Accountants

**V. P. Thacker**

Partner

Membership Number 35713

**Place: Mumbai**

**Date: 15<sup>th</sup> May 2009**

## **Annexure to the Auditors Report**

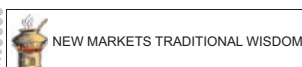
Referred to in paragraph 3 of our report of even date

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year under a programme for phased verification of assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. We are informed that no material discrepancies were noticed on such verification.
- (c) During the year, the Company has not disposed off any substantial part of Fixed Assets.
- (ii) (a) The inventory has been physically verified by the management during the year. Having regard to the size of the Company and the nature of its business, in our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms and other parties covered in the register maintained under Section 301 of the Companies Act, 1956.

Accordingly, the provisions of clause (iii)(b) regarding terms and conditions of such loans, clause (iii)(c) regarding payment of principal amount and interest and clause (iii)(d) regarding steps for recovery of overdue amount of Para 4 of the Order are not applicable to the Company for the year.

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods.
- (v) (a) Based on the audit procedures applied by us and according to information and explanation provided by the management, we are of the opinion that the transactions which need to be entered into the register maintained u/s. 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained u/s 301 of the Companies Act, 1956 and exceeding Rs. 5,00,000 in value in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) During the year under review, the Company has not accepted any deposits from public.
- (vii) The Company has instituted an internal audit system being carried out by professional firms of Chartered Accountants, the scope and coverage of which is being strengthened so as to be commensurate with the increasing size and nature of business of the Company.
- (viii) As informed to us, the Central Government has not prescribed maintenance of cost records u/s 209(1) (d) the Companies Act 1956 in respect of any product.
- (ix) (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection fund, Employees' State insurance, Income-tax, Sales-tax, Wealth-tax, Custom duty, Excise-duty, Cess and other statutory dues. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31st March, 2009 for a period of more than six months from the date they became payable.



(b) Details in respect of amounts not deposited on account of disputes pending at various forums are given below:

Name of the Statute	Nature of dues	Amount (Rs. In lacs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax/Penalties	10.27	1996-1997	High Court, Gujarat
Income Tax Act, 1961	Income Tax/Penalties	4.29	1999-2000	Assessing officer
Service Tax	Tax liability under import of service	94.96	2003-2004 to 2007-2008	Commissioner of Service tax
Excise department	Excise duty	10.71	2000-2001	High Court, Gujarat

- (x) The Company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or banks.
- (xii) According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- (xiii) The provisions of special statute applicable to Chit Fund, Nidhi or Mutual benefit Fund/ Society are not applicable to the Company.
- (xiv) The Nature of Company's business/activities during the year does not include dealing in shares, securities, debentures or other investments. Hence the requirement of offering comments on this clause is not applicable.
- (xv) According to the information and explanations given to us and records made available to us, the Company has not given any guarantees for loans taken by others from Banks or financial institutions.
- (xvi) The Company has not raised any term loans during the year nor were any unapplied balances of previously raised term loans available; as such,, the comment on application of term loans does not arise.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment by the Company.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act 1956.
- (xix) During the period covered by our audit report, the Company has not issued any debentures requiring report under this clause.
- (xx) The Company has not raised any money by way of public issue during the year. Hence the question of disclosure and verification of end use of such monies does not arise.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For D.P.GHEVARIA & CO.**  
Chartered Accountants

**D.P.Ghevaria**  
Proprietor  
Membership Number 32431

**For V. P. THACKER & CO,**  
Chartered Accountants

**V. P. Thacker**  
Partner  
Membership Number 35713

**Place: Mumbai**

**Date: 15<sup>th</sup> May 2009**

## BALANCE SHEET AS AT 31ST MARCH 2009

	Sch.	Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SOURCES OF FUNDS</b>				
<b>(1) Shareholders' Funds</b>				
Share Capital	1	1,805.22		1,805.22
Warrants		105.00		105.00
Reserves & Surplus	2	6,839.02		6,169.34
			<b>8,749.24</b>	<b>8,079.56</b>
<b>(2) Loan Funds</b>				
Secured Loans	3	158.33		382.91
			<b>158.33</b>	<b>382.91</b>
<b>(3) Deferred tax</b>				
Deferred tax liability (Net)	4		<b>396.08</b>	<b>363.67</b>
<b>TOTAL</b>			<b>9,303.65</b>	<b>8,826.14</b>
<b>APPLICATION OF FUNDS</b>				
<b>(1) Fixed Assets</b>				
Gross Block	5	6,176.61		5,981.85
Less : Depreciation		2,176.79		1,794.04
Net Block		<b>3,999.82</b>		<b>4,187.81</b>
Capital work-in-progress		355.46		<b>116.04</b>
			<b>4,355.28</b>	<b>4,303.85</b>
<b>(2) Investments</b>	6		<b>1,893.96</b>	<b>1,888.80</b>
<b>(3) (i) Current Assets, Loans &amp; Advances</b>				
Inventories	7	1,292.20		1,075.06
Sundry Debtors	8	782.90		726.96
Cash & Bank Balances	9	1,755.35		1,127.05
Loans & Advances	10	675.75		668.37
			<b>4,506.20</b>	<b>3,597.44</b>
Less :				
<b>(ii) Current Liabilities &amp; Provisions</b>				
Current Liabilities	11	1,017.90		665.64
Provisions		433.89		298.31
			<b>1,451.79</b>	<b>963.95</b>
<b>Net Current Assets (i) - (ii)</b>			<b>3,054.41</b>	<b>2,633.49</b>
<b>TOTAL</b>			<b>9,303.65</b>	<b>8,826.14</b>
Notes to Accounts	17			
Schedules referred to above form an integral part of the Balance Sheet				

As per our report of even date

For and on behalf of the Board of Directors

**For D.P. GHEVARIA & CO.**  
Chartered Accountants

**For V.P. THACKER & CO.**  
Chartered Accountants

**ASHOK H. THAKKAR**  
Vice Chairman

**BIMAL R. THAKKAR**  
Managing Director

**D.P.GHEVARIA**  
Proprietor

**V.P.THACKER**  
Partner

**Aparna Bhat**  
Company Secretary

Mumbai,  
Date, 15th May 2009



NEW MARKETS TRADITIONAL WISDOM



NEW PRODUCTS ETHNIC RECIPES



NEW BEGINNINGS AGE OLD VALUES

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule		31-Mar-09 Rs. in lacs	31-Mar-08 Rs. in lacs
<b>INCOME</b>				
Sales	12		9,584.23	8,920.02
Other Income	13		382.77	257.32
Increase/(Decrease) in stocks	14		218.05	31.46
<b>TOTAL</b>			<b>10,185.05</b>	<b>9,208.80</b>
<b>EXPENDITURE</b>				
Manufacturing & Other Expenses	15		8,249.74	7,493.62
Financial Expenses	16		219.90	242.87
Depreciation/Amortisation			393.69	360.90
<b>TOTAL</b>			<b>8,863.33</b>	<b>8,097.39</b>
Profit before tax			1,321.72	1,111.41
Less: Provision for taxation				
- Current tax		246.17		252.12
- Fringe benefit tax		22.81		15.30
- Deferred tax (Net)		32.41		35.33
- Wealth tax		0.78		0.69
			302.17	303.44
Profit after tax			1,019.55	807.97
Less: Prior Year's Adjustment (Net)			8.44	22.02
Less: Taxation for earlier years			31.26	0.54
Balance brought forward			1,655.91	1,331.59
Balance available for appropriation			<b>2,635.76</b>	<b>2,117.00</b>
<b>LESS: APPROPRIATIONS</b>				
Interim dividend			-	150.24
Proposed Dividend			265.11	176.74
Tax on Dividend			45.06	55.57
General Reserve			49.00	78.54
Balance carried to Balance Sheet			2,276.59	1,655.91
			<b>2,635.76</b>	<b>2,117.00</b>
EPS- Basic			5.54	5.81
EPS- Diluted			5.11	5.55
Notes to Accounts	17			
Schedules referred to above form an integral part of the Profit & Loss Account				

As per our report of even date

For and on behalf of the Board of Directors

**For D.P. GHEVARIA & CO.**  
Chartered Accountants

**For V.P. THACKER & CO.**  
Chartered Accountants

**ASHOK H. THAKKAR**  
Vice Chairman

**BIMAL R. THAKKAR**  
Managing Director

**D.P.GHEVARIA**  
Proprietor

**V.P.THACKER**  
Partner

**Aparna Bhat**  
Company Secretary

Mumbai,  
Date, 15th May 2009

**SCHEDULES TO THE BALANCE SHEET**

	Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 1</b>			
<b>SHARE CAPITAL</b>			
<b>Authorised</b>			
2,50,00,000 ( Previous year 2,50,00,000) Equity Shares of Rs. 10/- each		<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed and Paid Up</b>			
1,76,73,890 (Previous year 1,76,73,890) Equity Shares of Rs. 10/- each fully paid up		1,767.39	1,767.39
<b>Of the above:</b>			
i) 50,00,490 (Previous year 50,00,490) Shares were allotted to the Shareholders of the erstwhile Lustre Investments Pvt. Ltd., for consideration other than cash pursuant to a Scheme of Amalgamation			
ii) 26,50,000 (previous year 26,50,000) Equity Shares were issued on preferential basis to investors.			
Add: Shares Forfeited			
7,56,600 (Previous year 7,56,600) Equity Shares of Rs. 10/- each ; amount originally paid up there on @ Rs.5 per share.		37.83	37.83
		<u>1,805.22</u>	<u>1,805.22</u>
<b>SCHEDULE 2</b>			
<b>RESERVES &amp; SURPLUS</b>			
<b>General Reserve:</b>			
Balance brought forward		190.84	112.30
Add: Transfer from Profit & Loss Account		49.00	78.54
		<u>239.84</u>	<u>190.84</u>
<b>Securities Premium Reserve:</b>			
Balance brought forward		4,322.59	2,817.50
Add: Received during the year		-	1,590.00
		<u>4,322.59</u>	<u>4,407.50</u>
Less: Expenses on issue of preferential shares		-	84.91
		<u>4,322.59</u>	<u>4,322.59</u>
<b>Profit &amp; Loss Account</b>		<u>2,276.59</u>	<u>1,655.91</u>
		<u>6,839.02</u>	<u>6,169.34</u>





	Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 3</b>			
<b>SECURED LOANS</b>			
<b>From Banks:</b>			
Cash Credit and Packing Credit [Secured by equitable mortgage of the Factory, Land & Building situated at Nadiad DTA and Nashik DTA, Plant & Machinery and all other Fixed Assets, present & future, of the Company situated at Nadiad DTA and other Current Assets, present & future, of the Company, situated at Nashik DTA ranking pari pasu in favour of the Company's bankers and personal guarantees of the Chairman & Vice Chairman of the Company]	2.60		216.37
Add: Interest Accrued and due	-		2.30
		2.60	218.67
Foreign Currency Packing Credit [Secured by equitable mortgage of the Factory, Land & Building situated at Nadiad DTA and Nashik DTA, Plant & Machinery and all other Fixed Assets, present & future, of the Company situated at Nadiad DTA and other Current Assets, present & future, of the Company, situated at Nashik DTA ranking pari passu in favour of the Company's bankers and personal guarantees of the Chairman & Vice Chairman of the Company]		127.45	119.93
Due to banks under hire purchase agreement (secured by hypothecation of assets purchased under hire purchase agreement) [Repayable with in one year Rs. 21.85 Lacs, (Previous year Rs.22.72 Lacs)]		28.28	44.31
		<b>158.33</b>	<b>382.91</b>
<b>SCHEDULE 4</b>			
<b>DEFERRED TAX</b>			
As per last Balance Sheet (Net)		363.67	333.37
Add: Adjusted for the year (Net)		32.41	30.30
		<b>396.08</b>	<b>363.67</b>

## SCHEDULE 5

### FIXED ASSETS

Rs. in lacs

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1st April 08	Additions during the year	Deduction/ Adj during the year	As on 31st March 09	As on 1st April 08	For the year ended 31st March 09	Deduction/ Adj during the year	As on 31st March 09	As on 31st March 09	As on 31st March 08
<b>Tangible Assets:</b>										
Leasehold Land	35.49	-	-	35.49	4.16	0.35	-	4.51	30.98	31.33
Freehold Land	3.08	-	-	3.08	-	-	-	-	3.08	3.08
Factory Building	1,457.55	59.60	17.25	1,499.90	382.97	49.56	-	432.53	1,067.37	1,074.58
Plant & Machinery	2,367.77	184.45	39.51	2,512.71	719.23	118.34	1.26	836.31	1,676.40	1,648.54
Laboratory Equipment	18.77	0.47	-	19.24	7.33	0.87	-	8.20	11.04	11.44
Office Equipment	66.40	3.69	0.15	69.94	29.90	3.45	0.15	33.20	36.74	36.50
Computers	88.36	1.94	-	90.30	66.36	6.78	-	73.14	17.16	22.00
Furniture & Fixtures	59.55	1.46	-	61.01	37.80	3.31	-	41.11	19.90	21.75
Vehicles	192.33	18.30	18.24	192.39	64.31	16.48	9.53	71.26	121.13	128.02
<b>Intangible Assets:</b>										
Trade Marks/ Brands	1,293.52	-	-	1,293.52	375.57	114.74	-	490.31	803.21	917.95
Goodwill	399.03	-	-	399.03	106.41	79.81	-	186.22	212.81	292.62
<b>TOTAL</b>	<b>5,981.85</b>	<b>269.91</b>	<b>75.15</b>	<b>6,176.61</b>	<b>1,794.04</b>	<b>393.69</b>	<b>10.94</b>	<b>2,176.79</b>	<b>3,999.82</b>	<b>4,187.81</b>
Previous year	4,951.09	1,079.06	48.30	5,981.85	1,463.50	360.90	30.36	1,794.04	4,187.81	3,487.59
Capital Work-in-Progress & Capital Advances	116.04	348.06	108.64	355.46	-	-	-	-	355.46	116.04
<b>TOTAL</b>									<b>4,355.28</b>	<b>4,303.85</b>

		Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 6</b>				
<b>INVESTMENTS</b>				
<b>LONG TERM: UNQUOTED (At Cost)</b>				
<b>In Subsidiary Companies:</b>				
10,000 Equity Shares (Previous year 10,000) of £1/- each fully paid up in ADF Foods UK Limited.			7.80	7.80
1,88,10,000 Equity Shares (Previous year 1,88,10,000) of Rs. 10 each fully paid up in Power Brands (Foods) Pvt. Ltd.			1,881.00	1,881.00
10,000 Equity Shares (Previous year Nil) of \$1/- each fully paid up in ADF Foods Mauritius Limited.			5.16	-
<b>Others:</b>				
280 Shares (Previous year 280) of Janta Co-operative Bank Ltd. Of Rs. 50 each fully paid		0.14	-	0.14
Less: Provision for diminution in value of Investment		0.14	-	0.14
			-	-
			<b>1,893.96</b>	<b>1,888.80</b>



		Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 7</b>				
<b>INVENTORIES</b>				
(As valued & certified by the Management)				
Raw Materials			113.64	147.46
Stores, Spares, Packing Materials, etc.			426.33	411.41
Finished Goods			33.17	81.63
Semi-finished goods			601.62	425.92
Traded goods			26.63	8.64
Licenses on hand			90.81	-
			<b>1,292.20</b>	<b>1,075.06</b>
<b>SCHEDULE 8</b>				
<b>SUNDRY DEBTORS ( Unsecured)</b>				
Debts due for more than six months:				
Considered Good			15.51	60.67
Considered Doubtful			5.27	7.97
			<b>20.78</b>	<b>68.64</b>
Others debts, Considered Good [Includes Rs. 82.24 lacs due from Wholly Owned Subsidiary Company, (Previous year Rs. 55.34 Lacs)]			2,137.88	1,942.28
			<b>2,158.66</b>	<b>2,010.92</b>
Less Provision for Doubtful Debts			5.27	7.97
			<b>2,153.39</b>	<b>2,002.95</b>
Less: Bills discounted with banks			1,370.49	1,275.99
			<b>782.90</b>	<b>726.96</b>
<b>SCHEDULE 9</b>				
<b>CASH AND BANK BALANCES</b>				
Cash on Hand			2.50	30.88
Balances with Scheduled Banks				
in Current Accounts [Includes Rs. 42.41 lacs (Previous year Rs. 37.23 lacs) on account of unclaimed dividend]			288.62	99.86
in Fixed Deposits			1,464.23	996.31
			<b>1,755.35</b>	<b>1,127.05</b>

		Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 10</b>				
<b>LOANS &amp; ADVANCES ( Unsecured; Considered Good unless otherwise stated):</b>				
Interest receivable			19.65	4.01
Advances recoverable in cash or in kind or for value to be received				
Considered Good	275.23			301.67
[Includes Advances to Subsidiary; Power Brands (Foods) Pvt. Ltd, Rs. 0.65, (Previous year 0.79 lacs), Maximum balance during the year Rs. 0.79 Lacs (Previous year Rs. 0.79 lacs)]				
Considered Doubtful	44.56			25.05
		319.79		326.72
Staff Loan				
Considered Good	21.53			23.15
Considered Doubtful	1.28			-
		22.81		23.15
		342.60		349.87
Less: provided for doubtful advances		45.84		25.05
			296.76	324.82
Advance payment of Tax (net of provisions)			-	31.87
Other Deposits			359.34	307.67
			<b>675.75</b>	<b>668.37</b>
<b>SCHEDULE 11</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>Current Liabilities</b>				
Sundry Creditors			188.16	245.07
Other Liabilities			787.23	382.74
(Includes due to Subsidiaries ; ADF Foods UK Limited, Rs. Nil (Previous year Rs. 34.07 lacs); Power Brands (Foods) Pvt. Ltd., Rs. Nil (Previous year Rs. 1.05 lacs)				
Deposits received			0.10	0.60
Unclaimed dividend			42.41	37.23
			<b>1,017.90</b>	<b>665.64</b>
<b>Provisions</b>				
For leave encashment			14.10	17.32
For gratuity			99.03	73.22
For taxation			10.59	0.99
Proposed dividend			265.11	176.74
Tax on proposed dividend			45.06	30.04
			<b>433.89</b>	<b>298.31</b>
			<b>1,451.79</b>	<b>963.95</b>



## SCHEDULE TO THE PROFIT & LOSS ACCOUNT

	Rs. in lacs	For the year 31-Mar-09 Rs. in lacs	For the year 31-Mar-08 Rs. in lacs
<b>SCHEDULE 12</b>			
<b>SALES</b>			
Sales Export	8,896.66		8,177.03
Local	429.52		362.63
Import licences	258.05		380.36
		<b>9,584.23</b>	<b>8,920.02</b>
<b>SCHEDULE 13</b>			
<b>OTHER INCOME</b>			
<b>Interest received :</b>			
On Fixed Deposits with Banks (Tax deducted at source Rs. 21.60 lacs, Previous year Rs. 4.66 lacs)		101.03	21.06
From Others (Tax deducted at source Rs. 0.32 lacs, Previous year Rs. 0.16 lacs)		5.79	3.14
		<b>106.82</b>	<b>24.20</b>
Miscellaneous Income (Tax deducted at source Rs.0.38 lacs, Previous year Rs. 1.40 lacs)		275.95	218.38
Exchange Rate Differences (Net)		-	14.74
		<b>382.77</b>	<b>257.32</b>
<b>SCHEDULE 14</b>			
<b>INCREASE/(DECREASE) IN STOCKS</b>			
Closing Stock:			
Semi-finished goods	601.62		425.92
Finished Goods	33.17		81.63
Licences on hand	<b>90.81</b>		-
		725.60	507.55
Opening stock:			
Semi-finished goods	425.92		443.28
Finished Goods	81.63		32.81
		507.55	476.09
		<b>218.05</b>	<b>31.46</b>
<b>SCHEDULE 15</b>			
<b>MANUFACTURING &amp; OTHER EXPENSES</b>			
<b>Raw Materials Consumed :</b>			
Opening Stock	147.46		103.77
Add : Purchases	2,657.05		2,669.13
Carriage Inward	36.29		47.37
	<b>2,840.80</b>		<b>2,820.27</b>
Less : Closing Stock	<b>113.64</b>		<b>147.46</b>
		2,727.16	2,672.81
Cost of sale of traded goods		255.41	171.02

	Rs. in lacs	For the year 31-Mar-09 Rs. in lacs	For the year 31-Mar-08 Rs. in lacs
<b>Consumption of Stores &amp; Packing Materials:</b>			
Opening Stock	411.41		291.60
Add : Purchases	1,434.46		1,583.06
	1,845.87		1,874.66
Less : Closing Stock	426.33		411.41
		1,419.54	1,463.25
Excise Duty		9.78	35.09
Power & Fuel		299.11	260.89
Other Manufacturing Expenses		244.40	273.84
Freezing & preservation Charges		46.17	40.33
Payments to & Provisions for Employees :			
Salaries, Wages & other allowances	370.78		319.36
Contribution to Provident & Other Funds	62.33		41.83
Staff Welfare Expenses	48.51		38.62
		481.62	399.81
Repairs :			
Building	46.18		94.54
Plant & Machinery	57.02		33.76
Others	32.54		42.97
		135.74	171.27
Rent		31.08	30.70
Rates & Taxes		19.16	51.75
Insurance		28.95	28.78
Water Charges		10.41	11.74
Electricity		12.92	13.22
Communication Expenses		46.10	49.33
Printing and Stationery		11.40	14.49
Traveling & Conveyance Expenses		269.67	247.48
Motor Car Expenses		22.06	21.61
Professional Fees		141.07	113.80
Clearing & Forwarding		108.74	157.79
Carriage Outward & Octroi		177.39	146.08
Steamer Freight		527.65	535.59
Discount, Commission & Claims		233.45	137.46
Advertisement		285.40	178.19
Sales Expenses		58.30	176.32
Exchange Rate Differences (Net)		502.66	-
Donation		12.19	4.62
Registration & Filing Fees		0.80	0.76
Directors Sitting Fees		3.50	1.90
Loss on Sale of Assets		12.30	2.94
Provision for Diminution in value of Investments		-	0.14
Bad debts		3.85	-
Provision for Doubtful debts & Advances		18.09	-
Miscellaneous Expenses (net)		93.67	80.62
		<b>8,249.74</b>	<b>7,493.62</b>



	Rs. in lacs	For the year 31-Mar-09 Rs. in lacs	For the year 31-Mar-08 Rs. in lacs
<b>SCHEDULE 16</b>			
<b>FINANCIAL EXPENSES</b>			
Interest to :			
Banks		162.19	184.13
Others		4.32	6.77
		166.51	190.90
Bank Charges		53.39	51.97
		<b>219.90</b>	<b>242.87</b>

## SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2009

### SCHEDULE 17

#### SIGNIFICANT ACCOUNTING POLICIES:

##### a. Basis of Preparation:

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with accounting principles generally accepted in India

##### b. Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Example of such estimates includes provision for doubtful debts, employee retirement benefit plans, provision for income taxes etc. Changes in estimates are recognised in the year these arise.

##### c. Fixed Assets:

###### Tangible assets:

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

###### Intangible assets:

Intangible fixed assets are carried at cost less accumulated depreciation. Cost comprises the purchase price for brands and the purchase consideration paid for goodwill.

###### 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 capitalised along with the asset on completion of the expansion project or otherwise on commencement of commercial use of the asset.

##### d. Depreciation:

###### Tangible Assets:

Depreciation has been provided under the straight-line method on all Fixed Assets, at the rates specified as per Schedule XIV of the Companies Act, 1956. Depreciation on additions to assets or where any asset has been sold, discarded etc. is calculated on a prorata basis from the date of such addition or up to the date of such sale etc. as the case may be. Additional depreciation is provided, if required, to cover any impairment in the value of fixed assets.

###### Intangible Assets:

Intangible assets are amortized over a period of 5 years in case of Goodwill and over a period of 10 years, in case of Brands. Additional depreciation is provided, if required, to cover any impairment in the value of intangible assets.

###### Leasehold land:

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



**e. Valuation of Stock:**

Stock of raw materials, packing materials, stores and spares and semi-finished goods are valued at weighted average cost. Cost comprises purchase cost including all taxes and duties and factory over heads in case of semi finished and finished goods.

Traded goods and finished goods are valued at cost or net realizable value whichever is lower.

**f. Staff Retirement Benefits:**

**a) Defined benefit plan:**

The Company accounts for the defined benefit plans such as gratuity leave encashment, medical reimbursement and leave travel assistance reimbursement on accrual basis. Gratuity and leave encashment liability has been determined by an actuarial valuation report obtained as at 31<sup>st</sup> March, 2009 and the same is based on Accounting Standard 15 (Revised) issued by the Institute of Chartered Accountants of India.

**b) Defined contribution plan:**

The Company contributes to provident fund scheme for all its employees who are eligible for the benefit.

**g. Foreign Currency transactions:**

Export sales are recorded by applying the exchange rate as on the date of dispatch.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed asset, in which case they are adjusted to the carrying cost of such assets.

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The difference between the year end rate and rate on the date of the contract is recognized as exchange difference in profit and loss account and the premium paid / received on forward contracts is recognized over the life of the contract as expense or income as the case may be, in profit and loss account.

**h. Revenue Recognition:**

Sale is recognized on dispatch of goods to customers and is net of sales returns and taxes. Scrap sale is accounted upon sale. Interest and other income are recognized on accrual basis.

**i. Research and Development:**

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

**j. Provisions and Contingencies:**

A provision is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management best estimates of the expenditure required to settle the obligation as at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate for each such obligation.

A contingent liability is disclosed when there is a possible or present obligation that may, but probably will not, require an outflow of resources unless the possibility of such outflow is remote.

**k. Investments:**

Long-term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary. Current investments are stated at lower of cost and fair value computed separately in respect of each category of investment

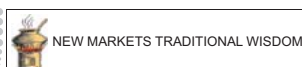
**l. Operating lease:**

Value of minimum lease payments at the inception of the lease. These assets are depreciated in accordance with rates stipulated in Schedule XIV to the Companies Act, 1956.

Operating lease payments are for premises taken on lease by the Company; these are recognized as expense in the profit and loss account on accrual basis

**m. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying fixed asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the profit and loss account on accrual basis.



**n. Government Grants:**

Government grants are recognized when there is reasonable assurance that the same will be received. Revenue grants are recognized in the Profit & Loss account. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other Capital grants are credited to capital reserve.

**o. Taxation:**

Provision for taxation is determined with reference to the results of the financial year at the rates stipulated under Income Tax Act, 1961.

Deferred tax accounting is effected to the extent any deferred tax liability arises on account of reversible timing differences and for deferred tax assets (other than accumulated tax losses and depreciation) if there is reasonable certainty of asset realization. Deferred tax asset relating to unabsorbed tax depreciation and losses are recognized if there is virtual certainty of realization.

The deferred tax amounts are determined by, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date.

These are subsequently reviewed at each year end and restated to reflect possible changes of realizable value.

**NOTES TO ACCOUNTS:**

1. In the previous year, 15,00,000 Convertible Warrants of Rs. 70 each with part payment of Rs. 7 per warrant were issued to the Promoters, their friends and relatives and independent Directors of the Company. These warrants are, at the option of the warrant holder, convertible into fully paid Equity Shares of Rs. 10 each at a premium of Rs. 60 per Share, no later than 23 June 2009, upon the warrant holder paying the balance consideration.

Subject to specified lock in provisions relating to the warrants and shares acquired on conversion, the Equity Shares acquired on conversion are to be listed and freely tradable on the exchanges and are to rank pari passu with the existing Equity Shares of the Company.

2. In the previous year, the Company issued 26,50,000 fully paid up equity shares, at Rs. 70 per share, on private placement basis. The aggregate consideration of Rs. 1855 lakhs has been utilized in the manner summarized below:

Rs. in lacs

For expansion / acquisition of fixed assets	630.72
Unutilised balance held as Fixed deposits with banks	1,224.28
Total	1,855.00

**3. Contingent Liabilities:**

	2008-09	2007-08
Letter of credit issued by the banks ( net of margin money)	12.81	24.81
Guarantees issued by the banks (net of margin money)	11.48	11.72
Claims against the Company not acknowledged as debts (net of deposits)	126.36	21.99
Capital commitment (net of advances)	22.79	38.43
Income tax of earlier year	12.42	102.62
Foreign bills purchase	1378.75	1265.21

4. In the opinion of the Board, all Current Assets, Loans and Advances are approximately of the values stated, if realized in the ordinary course of business. The provisions for all known liabilities are adequate and are not in excess of the amounts considered reasonably necessary. Sundry Debtors, Creditors and Loans and Advances are subject to confirmation.
5. The Company has reviewed the valuation of its intangible assets and investments, based on management estimates. Such valuation does not reflect any impairment of value requiring provision of additional asset amortization amounts. Brands owned by a subsidiary company are depreciated by that Company, in accordance with the policy adopted by the Company, resulting in negative net worth in the Balance Sheet of the subsidiary company; however, management estimates of valuation of brands of that subsidiary company do not reflect any permanent diminution in the value of Company's investments in that company as a result of which no further provision is considered necessary in relation to the diminished net worth of that company. The brand depreciation provided by the subsidiary company is recognized as a cost in the consolidated accounts.

6. The Company has not received any intimation from suppliers regarding their status under the Micro Small & Medium Enterprises Development Act, 2006 hence disclosure, if any, relating to amount unpaid as at the year end and together with the interest paid/payable as required under the said Act, have not been given.

7. Deposits include:

- Interest free lease deposit of Rs. 125.00 lacs, (Previous year Rs.75.00 lacs), Maximum balance outstanding during the year Rs. 125.00 Lacs, (Previous year Rs. 75.00 Lacs) paid for office premises taken on lease from a Company in which some of the Directors are interested as Directors.
- Interest free deposit of Rs.175.00 lacs (Previous year Rs. 175 lacs), Maximum balance outstanding during the year Rs. 175.00 Lacs, (Previous year Rs. 175 lacs) paid for Brand utilization to a Company in which some of the Directors are interested as Directors.

Consequent upon the merger of Lustre Investment Pvt. Ltd. with the Company, the Company has become a Shareholder in the Company [Power Brands (Foods) Pvt. Ltd.] to which the above said two deposits have been paid.

- Interest free security deposit of Rs.15.00 lacs (Previous year Rs. 15 lacs), Maximum balance outstanding during the year Rs. 15.00 Lacs, (Previous year Rs. 15 lacs) paid for guest house taken on lease from Chairman of the Company.

8. Company has taken office premises on lease.

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

	2008-09 Rs. /Lacs	2007-08 Rs./Lacs
i) Not later than one year	17.80	17.80
ii) Later than one year and not later than five years	20.50	37.81
iii) Later than five years	45.33	45.83

Lease payment recognized in the Profit & Loss Account for the year ended Rs. 19.87 lacs including service tax, (Previous year Rs. 19.05 lacs including service tax).

9. Deferred Tax

The deferred tax liability / (Asset) at the year end comprise timing differences on account of:

particulars	2008-09 Rs. /Lacs	2007-08 Rs./Lacs
Liability		
Depreciation	481.08	440.58
<b>Total</b>	<b>481.08</b>	<b>440.58</b>
Assets:		
Un funded provision for gratuity and leave encashment	(38.45)	(31.39)
Doubtful advances and debts	(16.93)	(6.13)
Expenditure/provisions allowable	(29.62)	(39.39)
<b>Total</b>	<b>(85.00)</b>	<b>(76.91)</b>
<b>Total</b>	<b>396.08</b>	<b>363.67</b>

10. **Related party transactions:**

Sr. No.	Name of the Related Party	Relationship
1.	Power Brands (Foods) Pvt. Ltd.	Indian Subsidiary Company (Previously a Partnership firm in which some of the Directors of the Company were also partners).
2.	ADF Foods UK Limited	100 % foreign Subsidiary Company.
3.	ADF Foods Mauritius Limited	100 % foreign Subsidiary Company.
4.	M.H. Foods Pvt. Ltd.	Some of the Directors of the Company are related to the Directors of the said Pvt. Ltd. Company.
5.	Mr. Ramesh H. Thakkar	Key Managerial Personnel
	Mr. Ashok H. Thakkar	Key Managerial Personnel
	Mr. Bimal R. Thakkar	Key Managerial Personnel
	Mr. Bhavesh R. Thakkar	Key Managerial Personnel
6.	Mr. Mishal A. Thakkar	Relative
7.	Yogiji's NZ Ltd.	Some of the Directors of the Company are related to the Directors of the said Pvt. Ltd. Company.


**Transactions during the year with Related Parties:**

Related party	Relationship Refer note	Description of transaction	Opening balance (Rs.)	Sales/ income during the Year (Rs.)	Receipts / adjustment during the year (Rs.)	Purchases/ expenses (Net) during the year (Rs.)	Payments during the year (Rs.)	Closing balance 31-03-2008 (Rs.)
Power Brands (Foods) Pvt. Ltd. (Erstwhile Power Brands (Foods))	1	Share of Profit from firm	1,05,526 (-)	- (15,920)	13,936 (73,016)	- (1,94,462)	1,84,462 (-)	65,000 (1,05,526)
Power Brands (Foods) Pvt. Ltd.	1	Rent	- (-)	- (-)	- (-)	18,76,861 (16,70,400)	18,76,861 (16,70,400)	- (-)
Power Brands (Foods) Pvt. Ltd.	1	Security deposit for office	75,00,000 (75,00,000)	- (-)	- (-)	- (-)	50,00,000 (-)	1,25,00,000 (75,00,000)
Power Brand (Foods) Pvt. Ltd.	1	Security Deposit for Brands utilization	1,75,00,000 (1,75,00,000)	- (-)	- (-)	- (-)	- (-)	1,75,00,000 (1,75,00,000)
Power Brands (Foods) Pvt. Ltd.	1	Investment	18,81,00,000 (-)	- (-)	- (-)	- (-)	- (18,81,00,000)	18,81,00,000 (18,81,00,000)
ADF Foods UK Limited	2	Equity Investment	7,79,791 (7,79,791)	- (-)	- (-)	- (-)	- (-)	7,79,791 (7,79,791)
ADF Foods UK Limited	2	Sales	55,33,964 (64,48,227)	1,22,28,139 (73,17,116)	95,38,394 (82,31,379)	- (-)	- (-)	82,23,709 (55,33,964)
ADF Foods UK Limited	2	Expenses/ Advances	34,06,618 (3,54,960)	- (-)	- (30,51,658)	Dr. 3,88,252 (-)	30,18,366 (-)	- (34,06,618)
ADF Foods Mauritius Limited	3	Equity Investment	- (-)	- (-)	- (-)	- (-)	5,15,500 (-)	5,15,500 (-)
M.H. Foods Pvt. Ltd.	4	Purchase	- (-)	- (-)	- (-)	4,42,466 (1,44,414)	4,42,466 (1,44,414)	- (-)
Ramesh H. Thakkar	5	Deposit	15,00,000 (15,00,000)	- (-)	- (-)	- (-)	- (-)	15,00,000 (15,00,000)
Ramesh H. Thakkar	5	Rent	- (-)	- (-)	- (-)	1,00,000 (-)	1,00,000 (-)	- (-)
Key Managerial Personnel	5	Directors'/ President Remuneration/ Salary	- (-)	- (-)	- (-)	(88,28,096)	(88,26,096)	- (-)
Mishal A. Thakkar	6	Salary	- (-)	- (-)	- (-)	(1,20,000)	(1,20,000)	- (-)
Yogiji's NZ Ltd.	7	Sales	8,83,095 (13,11,850)	25,25,782 (40,78,936)	24,46,013 (45,07,691)	- (-)	- (-)	9,62,864 (8,83,095)

Note: Previous year's figures are shown in brackets

**11. a. Financial and derivative instruments**

- Contracts entered into by the Company for hedging in US \$ and outstanding as on 31<sup>st</sup> March 2009 amounts to US \$ 53.55 lacs (previous year US \$ 48.50 lacs), equivalent to Rs. 2611. 77 lacs
- All contracts entered by the Company are for hedging of exposures against receivable.  
In respect of outstanding hedging contracts as given in 'i' above, there is a net unrealized loss of Rs. 152.83 lacs as on 31<sup>st</sup> March 2009 (Previous year Rs. 18.28 Lacs) which has been recognized in books of accounts.

**b. Foreign Exchange differences (Net)**

Foreign exchange difference charged to profit and loss account includes loss of Rs. 152.83 lacs (Previous year Rs. 18.28 lacs) on restatement of outstanding hedging contracts at the year end exchange rate.

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

### Defined Contribution Plan:

a) Net Asset/Liability recognised in the Balance Sheet as at 31<sup>st</sup> March 2009.

Particulars	2008-09 Rs. /Lacs	2007-08 Rs./Lacs
	<b>(Unfunded)</b>	<b>(Unfunded)</b>
Present value of the obligation on 31 <sup>st</sup> March 09	99.03	14.10
Fair value of the plan assets	Nil	Nil
Unfunded liability as on 31 <sup>st</sup> March 09	99.03	14.10
Unrecognised actual gains/losses	Nil	Nil
Unfunded liability recognised in Balance Sheet	99.03	14.10

b) Expenses recognised during the year under the head personnel cost

Particulars	Gratuity Rs. /Lacs	Leave Encashment Rs./Lacs
	<b>(Unfunded)</b>	<b>(Unfunded)</b>
Interest cost from 1 <sup>st</sup> April 08 to 31 <sup>st</sup> march 09	6.93	1.66
Service cost from 1 <sup>st</sup> April 08 to 31 <sup>st</sup> March 09	9.24	7.13
Actual return on plan assets	Nil	Nil
Gain / Loss recognised up to 31 <sup>st</sup> march 09	36.60	5.98
Net gain to be provided as income in Profit & Loss Account	20.43	2.81

c) Actuarial Assumptions

Particulars	Gratuity	Leave Encashment
	<b>(Unfunded)</b>	<b>(Unfunded)</b>
Discount rate (per annum)	7 %	7 %
Rate of increase in compensation level	5 %	5 %
Expected average remaining working lives of employees (years)	16	16

## 13. Computation of earning per share:

Basic earning per share:	2008-09	2007-08
Number of Shares	1,76,73,890	1,35,06,779
Profit for the year (Rs. in lacs)	Rs. 979.85	Rs. 785.41
Basic Earning per Share (Weighted average)	5.54	5.81
Number of Shares	1,91,73,890	1,41,60,204
Diluted Earning per Share (Weighted average)	5.11	5.55

## 14. Sales:

Turnover	2008-09		2007-08	
	Qty. In M.T.	Rs./Lacs	Qty. in M.T.	Rs./Lacs
Processed & Preserved Food Products	12,633.98	8,635.88	14,332.71	8127.66
Chilli Powder, Ground and Blended Spices	238.92	314.68	188.62	175.93
Traded Goods *		375.62		236.07
Sale of Import Licenses		258.05		380.36
<b>Total</b>		<b>9,584.23</b>		<b>8920.02</b>

\* Quantities of traded goods are not indicated, as there are large numbers of items which cannot be quantified into metric tonnes.



# 15. Details of Raw Materials and Packing Materials Consumed:

	2008-09		2007-08	
	Qty. in M.T.	Rs./Lacs	Qty. in M.T.	Rs./Lacs
Mango, Lemon, Chilli, Vegetables, Whole Chilli, Tamarind, Salt, Sugar, & Other ingredients	17,344	2727.16	17,509	2672.81
Packing Materials *		1417.08		1457.32
<b>Total</b>		<b>4144.24</b>		<b>4130.13</b>

\*Note: Quantities of packing materials are not indicated as there are too many items having Different-measuring units, which cannot be expressed into metric tones.

# 16. Value of Imported and indigenous Raw Materials, Packing Materials and Stores and Spare parts consumed:

	2008-09		2007-08	
	Rs./Lacs	% of Consumption	Rs./Lacs	% of Consumption
Raw Materials consumed:				
Imported	16.39	0.60	52.71	1.97
Indigenous	2710.77	99.40	2620.10	98.03
<b>Total</b>	<b>2,727.16</b>	<b>100.00</b>	<b>2672.81</b>	<b>100.00</b>

	2008-09		2007-08	
	Rs./Lacs	% of Consumption	Rs./Lacs	% of Consumption
Stores & Packing Materials consumed:				
Imported	174.24	12.30	164.94	11.27
Indigenous	1245.30	87.70	1298.31	88.73
<b>Total</b>	<b>1419.54</b>	<b>100.00</b>	<b>1463.25</b>	<b>100.00</b>

# 17. Information of each class of goods manufactured:

Licensed Capacity, Installed Capacity and Actual Production:

## a) I) Licensed Capacity (See note no. 1)

	2008-09	2007-08
	Quantity in M.T.	Quantity in M.T.
II) Installed Capacity	42,900	42,900
III) Actual Production:		
Processed & Preserved Food Products	12554.26	14405.19
Chilly Powder, Ground Spices	237.64	192.24

## Notes:

- (1) As the Company is in the Agro based industry category no license is required to be obtained for its capacity.
- (2) As certified by the management.
- (3) Production is not actual but it a derived.

## b) Opening & Closing Stock of Finished Goods :

	2008-09				2007-08			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Qty/M.T.	Rs./Lacs	Qty/M.T.	Rs./Lacs	Qty/M.T.	Rs./Lacs	Qty/M.T.	Rs./Lacs
Processed & Preserved food Products	154.76	77.48	75.04	30.36	82.28	32.70	154.76	77.48
Chilly Powder, Ground Spices	3.76	4.15	2.48	2.81	0.14	0.11	3.76	4.15
Traded Goods *		8.64		26.63		29.01		8.64
<b>Total</b>	<b>158.52</b>	<b>90.27</b>	<b>77.52</b>	<b>59.80</b>	<b>82.42</b>	<b>61.82</b>	<b>158.52</b>	<b>90.27</b>

\* Quantities of Opening & Closing stock of traded goods are not indicated as there are too many items having different measuring units, which cannot be translated into metric tonnes.

## c) Purchase of Traded Goods:

	2008-09 Rs./Lacs	2007-08 Rs./Lacs
Traded Goods *	273.40	150.64
<b>Total</b>	<b>273.40</b>	<b>150.64</b>

\* Quantities of Purchase of traded goods are not indicated as there are too many items having different measuring units, which cannot be translated into metric tones.

## 18. Managerial Remuneration:

### A. Remuneration to Chairman, Vice Chairman, Managing Director, Executive Director#

	2008-09 Rs./Lacs	2007-08 Rs./Lacs
Salaries, Allowances & Commission	70.22	45.24
Contribution to P.F. & F.P.F.	5.32	2.95
Perquisites	13.23	2.76
<b>Total</b>	<b>88.77</b>	<b>50.95</b>

Note:

# includes in respect of an executive director appointed with effect from 1 June 2008. The above remuneration does not include provisions for gratuity and leave encashment, as these are lump sum amounts based on actuarial valuation.

## 19. Miscellaneous expenditure includes Auditors' Remuneration:

	2008-09 Rs./Lacs	2007-08 Rs./Lacs
For Audit Fees	4.50	3.00
For Tax Audit Fees	0.50	0.30
For Other Matters	10.82	1.55
For Service Tax	0.64	0.43
<b>Total</b>	<b>16.46</b>	<b>5.28</b>

## 20. Value of Imports Calculated on C.I.F. Basis:

	2008-09 Rs./Lacs	2007-08 Rs./Lacs
Raw Materials / Packing Materials / Traded Goods	207.27	265.27
Capital Goods/ Consumables/ imported parts for machinery repairs	21.05	334.98
<b>Total</b>	<b>228.32</b>	<b>600.25</b>

## 21. Expenditure in Foreign Currency:

	2008-09 Rs./Lacs	2007-08 Rs./Lacs
Traveling Expenses	111.10	88.57
Advertisement	152.90	107.85
Legal & Professional Fees	68.81	43.08
Bank Interest	9.21	10.97
Sales expenses	20.51	107.73
Claims	112.20	120.03
Commission	112.19	-
Steamer Freight	181.96	251.56
Capital Advances	38.11	12.88
Others	26.62	2.04
<b>Total</b>	<b>833.61</b>	<b>744.71</b>





## 22. Remittance in foreign Currency on account of dividend:

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

Particulars	Final dividend 2007-2008
No. of Share holders	53
No. of shares held by them	26,92,754
Amount of dividend (10 % i.e. Rs. 1/- Per Share)	26,92,754

## 23. Earnings in Foreign Currency:

	2008-09 (Rs. in lacs)	2007-08 (Rs. in lacs)
F.O.B. Value of Exports	8368.91	7641.44

## 24. Segment wise information for the year ended 31<sup>st</sup> March 2009:

Segments have been identified in line with the "Accounting standard on Segment reporting "(AS-17), taking into account, the nature of products and services, the organization and internal reporting structure as well as differential risk of these segments.

(A) Information about Primary Business Segments is given in Annexure 1:

Notes:

(i) The Company is organized into two main segments. Namely:

- Processed & Preserved Foods.
- Trading Goods.

(ii) Segment revenue includes sales and Export incentives (Duty Draw back, Sales of Licence).

(B) Information about Secondary Business Segments is given in Annexure 2:

Notes:

(i) The Company is organized into two main segments. Namely:

- India.
- Out of India.

(ii) Segment revenue in geographical segments considered for disclosure is as follows:

- Revenue with in India includes sales to customers located with in India and earning in India.
- Revenue outside India includes located outside India and earning outside India.

(C) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

25. Previous year's figures have been regrouped and recast wherever considered necessary.

26. Figures have been rounded off to the nearest lakhs.

**Schedules referred to above form an integral part of the Balance Sheet and Profit & Loss Account.**

**For and on behalf of the Board**

**Ashok H. Thakkar**  
Vice Chairman

**Bimal R. Thakkar**  
Managing Director

**Mumbai**

**Date: 15<sup>th</sup> May 2009**

## AUDITED SEGMENT REPORTING FOR THE YEAR ENDED

Annexure - 1

Particulars	31-March-09 Rs. in lacs	31-March-08 Rs. in lacs
<b>Segment Revenue</b>		
a) Processed and preserved foods	9,201.37	8,668.67
b) Traded goods	382.86	251.35
<b>Total</b>	<b>9,584.23</b>	<b>8,920.02</b>
Less: Inter Segment revenue	-	-
<b>Net Sales/Income from Operations</b>	<b>9,584.23</b>	<b>8,920.02</b>
<b>Segment Results</b>		
<b>Profit(+)/Loss(-) before tax and interest from each Segment wise:</b>		
Processed and preserved foods	1,953.45	1,769.94
Traded goods	100.99	52.12
<b>Total</b>	<b>2,054.44</b>	<b>1,822.06</b>
Less: Interest	219.90	242.87
Other un-allocated expenditure net off	895.59	695.84
Un-allocable income	382.77	228.06
<b>Total Profit before Tax</b>	<b>1,321.72</b>	<b>1,111.41</b>
<b>Capital employed:</b>		
Processed and preserved foods	4,785.11	4,443.12
Traded goods	65.11	75.64
Others un allocated	4,295.10	3,924.47
<b>Total</b>	<b>9145.32</b>	<b>8,443.23</b>

### Note on segment information:

- Regarding Segment-wise results, business segment, as given below, have been identified as reportable Primary Segments in accordance with AS-17, issued by the ICAI, taking in to account the organisational and the internal reporting structure as well as evaluation of risks and returns from these segments.
  - Processed and preserved foods
  - Traded goods
- Segment Revenue and Results include the respective amounts identifiable to each of the business segments. Other unallocable expenditure (Net of unallocable income) represents expenses incurred on common/regional/corporate services not directly identifiable to individual segments.
- Segment assets and liabilities include all operating assets directly identified to the business segments. "Others un allocated" represent common assets and liabilities which cannot be allocated to any of the segments.



Annexure - 2		
Particulars	31-March-09 Rs. in lacs	31-March-08 Rs. in lacs
<b>Segment Revenue</b>		
a) Domestic	687.57	742.99
b) Exports	8,896.66	8,177.03
<b>Total</b>	<b>9,584.23</b>	<b>8,920.02</b>
Less: Inter Segment revenue	-	-
<b>Net Sales/Income from Operations</b>	<b>9,584.23</b>	<b>8,920.02</b>
<b>Segment Results</b>		
<b>Profit(+)/Loss(-) before tax and interest from each Segment wise:</b>		
a) Domestic	181.78	33.36
b) Exports	1,872.66	1,788.70
<b>Total</b>	<b>2,054.44</b>	<b>1,822.06</b>
Less: 1) Interest	219.90	242.87
Other un-allocated expenditure net off	895.59	695.84
Un-allocable income	382.77	228.06
<b>Profit(+)/Loss(-) before tax</b>	<b>1,321.72</b>	<b>1,111.41</b>
<b>Capital employed:</b>		
a) India	9,145.32	8,443.23
b) Out side India		
<b>Total</b>	<b>9,145.32</b>	<b>8,443.23</b>

**Note on segment information:**

- 1) Segment has been identified in line with the "Accounting Standard on Segment Reporting (AS-17)", taking in to account, the organisation and internal reporting structure as well as differential risk of this segment.
- 2) The Company's tangible fixed Assets are located entirely in India

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009**

		31-Mar-09 Rs.(in Lacs)		31-Mar-08 Rs.(in Lacs)	
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit/(Loss) before tax and extraordinary items.		1,321.72		1,111.41
	Adjustment for :				
	Depreciation	393.69		360.90	
	Sale of assets	64.21		17.94	
			457.90		378.84
	Operating Profit before working capital charges		1,779.62		1,490.25
	Adjustment for :				
	Trade and other receivables	(63.32)		(239.92)	
	Inventories	(217.14)		(174.58)	
	Trade Payables	487.84		220.39	
			207.38		(194.11)
	Cash generated from operations		1,987.00		1,296.14
	Direct taxes paid	(246.17)		(252.12)	
	Fringe benefit tax	(22.81)		(15.30)	
	Previous years's adjustments	(39.70)		(27.59)	
	Wealth tax	(0.78)		(0.69)	
			(309.46)		(295.70)
	Cash Flow before extraordinary items		1,677.54		1,000.44
	Pre-operative expenses	-		(1.07)	
			-		(1.07)
	Net cash from operating activities ( A )		1,677.54		1,001.51
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of fixed Assets (including capital work in progress)	(509.33)		(908.20)	
	Increase of Share Capital			265.00	
	Issue of warrants	-		105.00	
	Increase of Reserves	-		1,505.09	
	Investment in Subsidiary Company	(5.16)		0.14	
	Net Cash used in investing activities ( B )		(514.49)		967.03
<b>C.</b>	<b>CASH FLOW FINANCING ACTIVITIES</b>				
	Proceeds from borrowings from banks & financial institution (Net of payment)	(224.58)		(533.77)	
	Unsecured loans from Directors	-		(17.95)	
	Dividend & Corporate Dividend Tax Paid	(310.17)		(382.55)	
	Net cash used in financing activities ( C )		(534.75)		(934.27)
	Net decrease in cash and cash equivalents (A+B+C)		628.30		1,034.27
	Cash and cash equivalents at beginning of the year		01-04-2008		01-04-2007
	(Opening Balance)		1,127.05		92.78
	Cash and cash equivalents as at		31-03-2009		31-03-2008
	Cash and cash equivalents at end of the year		1,755.35		1,127.05

**For and on behalf of the Board of Directors**
**ASHOK H THAKKAR**  
Vice Chairman

**BIMAL R. THAKKAR**  
Managing Director

Mumbai,

Date, 15th May 2009

We have verified the above cash flow statement of ADF FOODS LIMITED derived from the audited financial statements for the year ended 31st March 2009 and for the year ended 31st March 2008 and found the same to be drawn in accordance there with and also with the requirements of Clause 32 of the listing agreement with StockExchange

**For D.P. GHEVARIA & CO.**  
Chartered Accountants  
**D.P. GHEVARIA**  
Proprietor

**For V.P. THACKER & CO.**  
Chartered Accountants  
**V.P. THACKER**  
Partner

Mumbai,

Date, 15th May 2009



NEW MARKETS TRADITIONAL WISDOM



NEW PRODUCTS ETHNIC RECIPES



NEW BEGINNINGS AGE OLD VALUES

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

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

#### I. REGISTRATION DETAILS

Registration No.	1 4 2 6 5	State Code	0 4
Balance Sheet Date	3 1 - 03 - 09		

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

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement	Nil
Conversion of Bonds	Nil	Warrants	Nil

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

Total Liabilities	1,075,544	Total Assets	1,075,544
-------------------	-----------	--------------	-----------

##### SOURCES OF FUNDS

Paid-up Capital	180,522
Issue of warrants	10,500
Reserves & Surplus	683,902
Secured Loans	15,833
Unsecured Loans	-
Deferred Tax Liability	39,608
Current Liabilities	145,179

##### APPLICATION OF FUNDS

Net Fixed Assets	435,528
Investments	189,396
Net Current Assets	450,620
Misc. Expenditure	-
Accumulated Losses	-

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

Turnover	958,423	Total Expenditure	886,333
Profit Before Tax	132,172	Profit After Tax	101,955
Earning per share in Rs.	5.54	Dividend %	15%

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

##### ITEM CODE NO. (ITC CODE)

2005

##### PRODUCT DESCRIPTION

other vegetables, preserved or otherwise than by vinegar.

2006

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

0904

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



## ADF FOODS UK LIMITED

### COMPANY INFORMATION

<b>Directors</b>	<b>:</b>	<b>Stephen Pezzack Bimal Thakkar</b>
<b>Secretary</b>	<b>:</b>	<b>Stephen Pezzack</b>
<b>Company Number</b>	<b>:</b>	<b>4528177</b>
<b>Registered Office</b>	<b>:</b>	<b>51-53 Station Road Harrow Middlesex HA1 2TY</b>
<b>Auditor</b>	<b>:</b>	<b>Nagle James Associates Limited 51-53, Station Road, Harrow, Middlesex HA1 2TY</b>
<b>Business address</b>	<b>:</b>	<b>162 Park Close Ashley Park Walton on Thames KT12 1EW</b>



## DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 2009.

The directors present their Report and the Financial Statements for the year ended 31st March, 2009.

### Principal activity :

The principal activity of the company is that of wholesalling and distribution of food stuffs from India and other countries.

### Directors :

The directors who served during the year are as stated below :

Stephen Pezzack

Bimal Thakkar

### Directors' responsibilities :

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware :

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors :

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Nagle James Associates Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act, 1985 relating to small companies.

This report was approved by the Board on 6th May 2009 and signed on its behalf by

**Bimal Thakkar**

Director





## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ADF FOODS UK LTD.

We have audited the financial statements of ADF FOODS UK LIMITED for the year ended 31st March 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with section 235 of the Companies Act, 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and the auditors :

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act, 1985. We also report to you if, in our opinion the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion :

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion :

In our opinion :

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31st March 2009 and of its profit for the year then ended;

- the financial statements have been properly prepared in accordance with the Companies Act, 1985; and
- the information given in the Director's Report is consistent with the financial statements.

### Nagle James Associates Limited

Chartered Accountants and Registered Auditors

51-53 Station Road,

Harrow,

Middlesex.

HAI 2TY

Date : 12th May 2009



## BALANCE SHEET AS ON 31ST MARCH 2009.

	Notes	As on 31/03/09 £	As on 31/03/08 £
<b>CURRENT ASSETS :</b>			
Stocks	5	120,890	35340
Debtors	6	17,482	18953
Cash at bank and in hand		25,858	3889
		<b>164,230</b>	58182
<b>CREDITORS :</b>			
amounts falling due within one year.	7	(135,877)	(31545)
<b>NET CURRENT ASSETS</b>		<b>28,353</b>	26637
<b>NET ASSETS</b>		<b>28,353</b>	<b>26637</b>
<b>CAPITAL AND RESERVES :</b>			
Called up Share Capital	8	10,000	10000
Profit and Loss Account	9	18,353	16637
<b>SHARE HOLDERS' FUNDS</b>	10	<b>28,353</b>	<b>26637</b>

The financial statements were approved by the Board on 6th May 2009 and signed on its behalf by

**Bimal Thakkar**

Director

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009.

		Continuing operations	
		As at 31/03/09	As at 31/03/08
	Notes	£	£
<b>TURNOVER</b>	2	157,189	161,991
Cost of Sales		(136,993)	(129,847)
<b>GROSS PROFIT</b>		20,196	32,144
Distribution Costs		(11,202)	(8,635)
Administrative Expenses		(6,822)	(15,095)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		2,172	8,414
Tax on Profit on ordinary activities	4	(456)	(1,556)
<b>PROFIT FOR THE YEAR</b>	9	1,716	6,858
Retained profit brought forward		16,637	9,779
<b>Retained profit carried forward</b>		<b>18,353</b>	<b>16,637</b>

There are no recognised gains or losses other than the Profit or Loss for the above two financial years.



**DETAILED TRADING PROFIT & LOSS ACCOUNT AND EXPENSES SCHEDULES  
FOR YEAR ENDED 31ST MARCH 2009.**

	As at 31/03/09		As at 31/03/08	
	£	£	£	£
<b>SALES</b>				
Sales		157,189		159,847
Other income		-		2,144
		157,189		161,991
<b>COST OF SALES :</b>				
Opening Stock	35,340		59,407	
Purchases	192,036		89,147	
Commissions Payable	-		961	
Custom Duty	30,507		15,672	
	257,883		165,187	
Closing Stock	(120,890)		(35,340)	
		(136,993)		(129,847)
<b>Gross Profit</b>		20,196		32,144
<b>DISTRIBUTION COSTS :</b>				
Cold Storage Chgs	5,882		5,627	
Carraige Outwards	1,238		745	
Transport Chgs	4,082		2,263	
		11,202		8,635
<b>ADMINISTRATIVE EXPENSES :</b>				
Advertising Expenses	4,928		8,848	
Telephone	-		116	
Computer costs	589		345	
Hotel and Travel	846		1,892	
Audit Fees	1,740		3,250	
Bank Charges	540		597	
Profit/Loss on Exchange	(2,248)		(890)	
General Expenses	427		697	
Subscriptions Chgs	-		240	
		6,822		15,095
<b>Net profit for the year</b>		2,172		8,414



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2009.

### 1. ACCOUNTING POLICIES :

#### 1.1 Accounting Convention :

The Financial statements are prepared under the historical cost convention

The company has taken advantage of the exception in FRS1 for 90% or more subsidiary undertakings from the requirement to produce a cashflow statement because the consolidated financial statements in which the subsidiary undertaking ADF Foods UK Limited, is included is publicly available.

#### 1.2 Turnover :

Turnover represents the total invoice value, excluding value added tax and goods returned, of sales made during the year.

#### 1.3 Stock :

Stock is valued at the lower of cost and net realisable value.

#### 1.4 Foreign Currencies :

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

### 2. TURNOVER :

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

### 3 OPERATING PROFIT :

Operating profit is stated after charging :

Auditor's remuneration

and after crediting:

Net Foreign exchange (loss)/gain

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in period

As at 31/03/09 £	As at 31/03/08 £
------------------------	------------------------

1740	3250
------	------

2248	890
------	-----

As at 31/03/09 £	As at 31/03/08 £
------------------------	------------------------

456	1,556
-----	-------

#### Current Tax

U.K. Corporation tax

#### Factors effecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (21 percent).

The differences are explained below:

As at 31/03/09 £	As at 31/03/08 £
------------------------	------------------------

2,172	8,414
-------	-------

Profit on ordinary activities before taxation

Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% ( 31st March 2008: 20% )

456	1,683
-----	-------

#### Effects of :

Utilisation of tax losses

Current tax charge for period

-	(127)
---	-------

456	1,556
-----	-------



<b>5 STOCKS :</b>	<b>As at</b>	<b>As at</b>
	<b>31/03/09</b>	<b>31/03/08</b>
	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<b>120,890.00</b>	<b>35,340.00</b>
<b>6 DEBTORS :</b>	<b>As at</b>	<b>As at</b>
	<b>31/03/09</b>	<b>31/03/08</b>
	<b>£</b>	<b>£</b>
Trade Debtors	<b>15,256</b>	<b>16,719</b>
Other Debtors	<b>1,636</b>	<b>2,234</b>
Prepayments and accrued income	<b>590</b>	<b>-</b>
	<b>17,482</b>	<b>18,953</b>
<b>7 CREDITORS : amounts falling due within one year</b>	<b>As at</b>	<b>As at</b>
	<b>31/03/09</b>	<b>31/03/08</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>21,020</b>	<b>1,200</b>
Amounts owed to group undertaking	<b>112,901</b>	<b>26,789</b>
Corporation tax	<b>456</b>	<b>1,556</b>
Accruals and deferred income	<b>1,500</b>	<b>2,000</b>
	<b>135,877</b>	<b>31,545</b>
<b>8 SHARE CAPITAL</b>	<b>As at</b>	<b>As at</b>
	<b>31/03/09</b>	<b>31/03/08</b>
	<b>£</b>	<b>£</b>
<b>Authorised Equity</b>		
50,000 Ordinary shares of £ 1 each	<b>50,000</b>	<b>50,000</b>
<b>Alloted, called up and fully paid equity</b>		
10,000 Ordinary shares of £ 1 each	<b>10,000</b>	<b>10,000</b>
<b>Equity Shares</b>		
10,000 Ordinary shares of £ 1 each	<b>10,000</b>	<b>10,000</b>
<b>9 EQUITY RESERVES</b>	<b>Profit &amp; Loss Account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>At 1 April, 2008</b>	<b>16,637</b>	<b>16,637</b>
(Loss)/profit for the year	<b>1,716</b>	<b>1,716</b>
<b>At 31 March 2008</b>	<b>18,353</b>	<b>18,353</b>
<b>10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUND</b>	<b>As at</b>	<b>As at</b>
	<b>31/03/09</b>	<b>31/03/08</b>
	<b>£</b>	<b>£</b>
Profit for the year	<b>1,716</b>	<b>6,858</b>
<b>Opening shareholder's funds</b>	<b>26,637</b>	<b>19,779</b>
<b>Closing shareholder's funds</b>	<b>28,353</b>	<b>26,637</b>
<b>11 RELATED PARTY TRANSACTIONS</b>		
The company has taken advantage of the exemption from disclosure of transactions with entities within the group on the grounds that the consolidated financial statements of the group are publicly available.		
<b>12 ULTIMATE PARENT UNDERTAKING</b>		
The company's ultimate parent undertaking at the balance sheet date was ADF Foods Limited, a company incorporated in India		
<b>Bimal Thakkar</b>		
Director		



## DIRECTORS' REPORT

The Directors have pleasure in submitting the Second Annual Report of the company and the Audited Accounts for the financial year ended 31st March 2009.

### 1. FINANCIAL RESULTS

During the financial year 2008-09, the Company earned total income of Rs. 19,86,923/-. The Company incurred a net loss after tax of Rs.1,95,68,954/-. The loss is mainly due to amortization of brands.

No dividend has been declared for the financial year 2008-09.

### 2. DIRECTORS

During the year Mr. Nipun Shah, was appointed as Additional Director being Nominee of ADF Foods Limited in accordance with the Listing Agreement requirements of ADF Foods Limited, the Company's holding Company. Mr. Yasir Varawala was also appointed as an Additional Director of the Company. At its Extraordinary General Meeting held on 31st March 2009, the Company appointed Ms. Mahalaxmi R Thakkar as Whole-time Director and also appointed Mr. Nipun Shah and Mr. Yasir Varawala as Directors of the Company.

None of the Directors are not liable to retire by rotation.

### 3. AUDITORS

M/s D. P. Ghevaria & Co., Chartered Accountants retire as auditors and being eligible offer themselves for re-appointment.

### 4. PARTICULARS OF EMPLOYEES

Since there are no employees on the roll of the Company, the statement under Section- 217(2A) of the Companies Act, 1956 and other particulars under Companies (Particulars of Employees) Rules, 1975 are not given.

### 5. DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT 1956

Pursuant to the provisions of section 217 (2AA) of the Companies Act 1956, the Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanations relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company as on 31st March 2009 and of the Profit & Loss of the Company for the year ended 31st March 2009.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on a going concern basis.

### 6. ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE

As the Company is not engaged in any manufacturing activity, the disclosures as required u/s 217 (1) (e) of the Companies Act, 1956 with regard to conservation of energy, etc. is not given.

### 7. APPRECIATION

Your Directors place on record their deep appreciation for the support and contribution received from the Company's Bankers, Distributors, Business Associates and Shareholders during the period under review and your Directors look forward to their continued support.

**For Power Brands (Foods) Private Limited**

**Ramesh H Thakkar**

Director

Date : 29.04.2009

Place : Mumbai



## AUDITOR'S REPORT

1. We have audited the annexed Balance Sheet of 'POWER BRANDS (FOODS) PRIVATE LIMITED' as at 31st March 2009, and the annexed Profit and Loss Account for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The Company is a Private Limited Company and falls within the exemption specified on the paragraph 2(iv) of the Companies (Auditor's Report) Order, 2003. Hence the matters specified under paragraphs 4 & 5 of the said order issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956 are not enclosed.
4. Further to our comments we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit.
  - (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books.
  - (iii) The Balance Sheet and Profit and Loss Account dealt with by this report comply with the requirements of section 211 (3C) of the Companies Act, 1956 and are in agreement with the books of account.
  - (iv) On the basis of written representations received from the Directors, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2009, from being appointed as a Director in terms of clause (g) of section 274 (1) of the Companies Act, 1956
  - (v) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, and the accounting policies appearing thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view.
    - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
    - (b) in the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

**For D. P. GHEVARIA & CO.**  
Chartered Accountants

**Deepak P. Ghevaria**  
Proprietor  
Membership No.32431

Place: Mumbai

Date : 29<sup>th</sup> April, 2009





## AUDITED BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SOURCES OF FUNDS</b>				
<b>Shareholders' Funds</b>				
Share Capital	1	1,900.00	1,900.00	1,900.00
			<b>1,900.00</b>	<b>1,900.00</b>
<b>Loan Funds</b>				
Unsecured Loans	2	25.50	25.50	18.81
			<b>25.50</b>	<b>18.81</b>
<b>Deferred tax Liability</b>				
Deferred tax liability (Net)	3		(1.50)	(1.35)
<b>TOTAL</b>			<b>1,924.00</b>	<b>1,917.46</b>
<b>APPLICATION OF FUNDS</b>				
<b>Fixed Assets</b>				
Gross Block	4	2,200.96		2,202.10
Less : Depreciation		408.39		203.81
Net Block			<b>1,792.57</b>	<b>1,998.29</b>
<b>Current Assets, Loans &amp; Advances:</b>				
Sundry Debtors	5	4.22		2.59
Cash & Bank Balances	6	0.39		3.17
Loans & Advances	7	17.97		264.62
			<b>22.58</b>	<b>270.38</b>
Less :				
<b>Current Liabilities &amp; Provisions:</b>				
Current Liabilities	8	305.20		320.91
Provisions		1.65		248.07
			<b>306.85</b>	<b>568.98</b>
<b>Net Current Assets</b>			<b>(284.27)</b>	<b>(298.60)</b>
<b>MISCELLANEOUS EXPENDITURE</b>	9			
a) Preliminary Expenses (to the extent not written off or adjusted)			11.66	12.95
b) Profit & Loss account			404.04	204.82
<b>TOTAL</b>			<b>1,924.00</b>	<b>1,917.46</b>

### NOTES TO ACCOUNTS

14

The Schedules referred to above form an integral part of the Balance sheet

As per our report of even date

**For D.P. GHEVARIA & CO.**  
Chartered Accountants

**D.P.GHEVARIA**  
Proprietor

Mumbai,  
Date, 29th April 2009

For and on behalf of the Board of Directors

**RAMESH H. THAKKAR**  
Director

**BIMAL R. THAKKAR**  
Director

**ASHOK H. THAKKAR**  
Director

**BHAVESH R. THAKKAR**  
Director



<b>AUDITED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009</b>			
	<b>Schedule</b>	<b>31-Mar-09 Rs. in lacs</b>	<b>31-Mar-08 Rs. in lacs</b>
<b>INCOME</b>			
Sales	10	1.63	4.39
Other Income	11	18.24	15.07
<b>TOTAL</b>		<b>19.87</b>	<b>19.46</b>
<b>EXPENDITURE</b>			
Manufacturing & Other Expenses	12	9.76	15.63
Financial Expenses	13	0.00	0.02
Depreciation/Amortisation		204.63	203.81
<b>TOTAL</b>		<b>214.39</b>	<b>219.46</b>
Profit/(Loss) before tax		(194.52)	(200.00)
Less: Provision for taxation			
- Current tax		1.32	0.32
- Deferred tax (Net)		(0.15)	(1.35)
		1.17	(1.03)
Profit/(Loss) after tax		(195.69)	(198.97)
Less: Adjustment of tax of earlier years		3.53	5.85
Balance brought forward		(204.82)	-
Balance available for appropriation		<b>(404.04)</b>	<b>(204.82)</b>
<b>Balance carried to Balance Sheet</b>		<b>(404.04)</b>	<b>(204.82)</b>

**NOTES TO ACCOUNTS**

14

The Schedules referred to above form an integral part of the Profit &amp; Loss Account

As per our report of even date

For and on behalf of the Board of Directors

**For D.P. GHEVARIA & CO.**  
Chartered Accountants

**RAMESH H. THAKKAR**  
Director

**ASHOK H. THAKKAR**  
Director

**D.P.GHEVARIA**  
Proprietor

**BIMAL R. THAKKAR**  
Director

**BHAVESH R. THAKKAR**  
Director

Mumbai,  
Date, 29th April 2009



## SCHEDULES TO THE BALANCE SHEET

	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
1,90,00,000 ( Previous year 1,90,00,000) Equity Shares of Rs. 10/- each	1,900.00	1,900.00
<b>Issued, Subscribed and Paid Up</b>		
1,90,00,000 (Previous year 1,90,00,000) Equity Shares of Rs. 10 each fully paid up	1,900.00	1,900.00
	<u>1,900.00</u>	<u>1,900.00</u>
<b>SCHEDULE 2</b>		
<b>UNSECURED LOANS</b>		
From Others:		
Others	25.50	18.81
	<u>25.50</u>	<u>18.81</u>
<b>SCHEDULE 3</b>		
<b>DEFERRED TAX LIABILITY:</b>		
As per last Balance Sheet (Net)	(1.35)	-
Less: Deferred tax asset	(0.15)	(1.35)
	<u>(1.50)</u>	<u>(1.35)</u>

## FIXED ASSETS 4

Rs. in lacs

DESCRIPTION	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	As on 1-04-08	Additions during the period	Deduction/ Adj during the period	As on 31-3-09	As on 1-04-08	For the period ended 31-3-09	Deduction/ Adj during the the period	As on 31-3-09	As on 31-3-09
<b>Tangible Assets:</b>									
Leasehold Land	-	-	-	-	-	-	-	-	-
Freehold Land	-	-	-	-	-	-	-	-	-
Factory Building (Revalued)	226.20		-	226.20	6.75	7.56		14.31	211.89
Plant & Machinery	1.33		0.91	0.42	0.05	0.02	0.03	0.04	0.38
Laboratory Equipment	-		-	-	-	-	-	-	-
Office Equipment	0.10		0.10	-	0.01	-	0.01	-	0.09
Computers	0.02		-	0.02	0.01	0.00		0.01	0.01
Furniture & Fixures	10.32		-	10.32	0.58	0.65		1.23	9.09
Vehicles	0.13		0.13	-	0.01		0.01	-	0.12
<b>Intangible Assets:</b>			-	-	-	-			
Trade Marks/Brands (Value is based on valuation report obtain)	1,964.00		-	1,964.00	196.40	196.40		392.80	1,571.20
Goodwill	-		-	-	-	-		-	-
<b>TOTAL</b>	<b>2,202.10</b>	<b>-</b>	<b>1.14</b>	<b>2,200.96</b>	<b>203.81</b>	<b>204.63</b>	<b>0.05</b>	<b>408.39</b>	<b>1,792.57</b>
Previous year		2,202.10	-	2,202.10		203.81	-	203.81	1,998.29



## SCHEDULES TO THE BALANCE SHEET

	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 5</b>		
<b>SUNDRY DEBTORS ( Unsecured)</b>		
Debts due for more than six months:		
Considered Good [including Rs. Nil/-, (Previous year Rs. Nil/- Lacs) due from a firm in which some of the Directors are interested as partners]	4.22	2.59
	<b>4.22</b>	<b>2.59</b>
<b>SCHEDULE 6</b>		
<b>CASH AND BANK BALANCES</b>		
Cash on Hand	0.05	3.05
Bank Balances		
In Current Accounts with Scheduled Banks	0.34	0.12
	<b>0.39</b>	<b>3.17</b>
<b>SCHEDULE 7</b>		
<b>LOANS &amp; ADVANCES</b>		
<b>(Unsecured Considered Good unless otherwise stated):</b>		
Advances recoverable in cash or in kind or for value to be received	17.97	263.49
Other Deposits	-	1.13
	<b>17.97</b>	<b>264.62</b>
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Current Liabilities		
Other Liabilities	305.20	320.91
	305.20	320.91
Provisions		
For taxation	1.65	248.07
	1.65	248.07
	<b>306.85</b>	<b>568.98</b>
<b>SCHEDULE 9</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
a) Preliminary Expenses	11.66	12.95
(To the extent not written off or adjusted)		
a) profit & Loss Account	404.04	204.82
	<b>415.70</b>	<b>217.77</b>



	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 10</b>		
<b>SALES</b>		
Sales	1.63	4.39
	<b>1.63</b>	<b>4.39</b>
<b>SCHEDULE 11</b>		
<b>OTHER INCOME</b>		
<b>Interest received :</b>		
From Others (Tax deducted at source Rs. Nil )		0.15
Miscellaneous Income (Tax deducted at source Rs. 148923)+A20	18.24	14.92
	<b>18.24</b>	<b>15.07</b>
<b>SCHEDULE 12</b>		
<b>MANUFACTURING &amp; OTHER EXPENSES</b>		
<b>Raw Materials Consumed :</b>		
Cost of sale of traded goods	1.60	3.33
Rent	6.20	8.21
Rates & Taxes	0.09	1.95
Printing and Stationery	0.00	0.01
Professional Fees	0.27	0.63
Auditors Remuneration	0.08	0.08
Directors Sitting Fees	0.10	-
Loss of Assets due to Sale/Discard/Fire	0.09	-
Diminution in value of Investments	0.03	-
Miscellaneous Expenses (net)	1.30	1.42
	<b>9.76</b>	<b>15.63</b>
<b>SCHEDULE 13</b>		
<b>FINANCIAL EXPENSES</b>		
<b>Interest to :</b>		
Banks	0.00	0.02
	<b>0.00</b>	<b>0.02</b>



## SCHEDULE 14

### NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AND PROFIT AND LOSS

ACCOUNT AS AT 31<sup>ST</sup> MARCH 2009

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### a. GENERAL:

The company follows mercantile system of accounting. Accordingly, all known expenses and all incomes except insurance claims to the extent not settled, are accounted for on accrual basis.

##### b. FIXED ASSETS:

Fixed Assets other than Factory Premises and Brands are valued at cost. Cost comprises the purchase price or construction cost including any attributable cost of bringing the asset to its working condition for its intended use. Factory Premises and Brands are stated at revalued amount.

##### c. DEPRECIATION:

Depreciation on assets other than Brands has been provided on straight line method at the rates specified as per schedule XIV of the Companies Act 1956. Depreciation on additions to assets or where any asset has been sold, discarded etc is calculated on a prorata basis from the date of such addition or up to the date of such sale etc as the case may be. Brands have been amortised over a period of 10 years.

##### d. REVENUE RECOGNITION :

All known incomes and all known expenses are recognised on accrual basis.

##### e. CONTINGENT LIABILITIES:

Contingent Liabilities are not provided for and are disclosed by way of a note to the accounts.

##### f. TAXES ON INCOME

Income Tax expenses comprise current tax and deferred tax charges or credit. Provision for current tax, if applicable, is made in accordance with the provisions of Income Tax Act, 1961. In accordance with the Accounting Standard AS-22 'Accounting for Taxes on Income' issued by Institute of Chartered Accountants of India, Deferred Tax Liability / Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, Deferred Tax Assets are recognized only if there is a reasonable certainty of realisation.

#### 2. CONTINGENT LIABILITY:

Demand not accepted as debt in respect of:	2008-2009 (Rs in Lacs)	2007-2008 (Rs in Lacs)
Income Tax dues of A.Y.2006-07 of Power Brands (Foods)-erstwhile partnership firm.	NIL	8.50

#### 3. DEFERRED TAX

The deferred tax Liability/ (Asset) at the year end comprise timing differences on account of:

Particulars	2008-09 Rs./Lacs	2007-08 Rs./Lacs
Depreciation	(1.50)	(1.35)



#### 4. **Related party transactions:**

Sr. No.	Name of the Related Party	Relationship
1.	ADF Foods Ltd	Holding Company
2.	H.J.Thakkar Property Investment Ltd	Some of the Directors of the Company are related to the Directors of the said Ltd. Company.
3.	Mr. Ramesh H. Thakkar	Shareholder
	Mr. Ashok H. Thakkar	Shareholder
	Mr. Bimal R. Thakkar	Shareholder
	Mr. Bhavesh R. Thakkar	Shareholder
	Mr. Bimal R. Thakkar (HUF)	Shareholder
	Mr. Bhavesh R. Thakkar (HUF)	Shareholder
	Mr. Mishal A. Thakkar	Shareholder
	Miss Suchita A Thakkar	Shareholder

#### **Transactions during the year with Related Parties:**

Related party	Relationship Refer note	Description of transaction	Opening balance (Rs.)	Sales/ income during the Year (Rs.)	Receipts / adjustment during the year (Rs.)	Purchases/ expenses (Net) during the year (Rs.)	Payments during the year (Rs.)	Closing balance 31-03-2009 (Rs.)
ADF Foods Limited	1	Advance	1,05,526.24 ( 78,935.76)	- (1,84,462.00)	1,84,462.00 -	- -	13,935.76 -	65,000.00 (1,05,526.24)
ADF Foods Limited	1	Rent	- -	18,05,880.00 (14,92,407.00)	18,05,880.00 (14,92,407.00)	- -	- -	- -
ADF Foods Limited	1	Security deposit for office	75,00,000.00 (75,00,000.00)	- (-)	50,00,000.00 (-)	- (-)	- (-)	1,25,00,000.00 (75,00,000.00)
ADF Foods Limited	1	Security Deposit for Brands utilization	1,75,00,000.00 (1,75,00,000.00)	- (-)	- (-)	- (-)	- (-)	1,75,00,000.00 (1,75,00,000.00)
ADF Foods Limited	1	Investment	18,81,00,000.00 (-)	- (-)	- (18,81,00,000-)	- (-)	- (-)	18,81,00,000.00 (18,81,00,000.00)
H.J.Thakkar Property Investment Limited	2	Loan	13,40,000.00 (5,65,000.00)	- (-)	5,00,000.00 (7,75,000.00)	- (-)	18,40,000.00 (-)	- (13,40,000.00)
Shareholders	3	Loan from Shareholders	5,41,058.77 (13,32,986.37)	- (-)	20,00,000.00 (34,912.40)	- (-)	56,058.77 (8,26,840.00)	25,50,000.00 (5,41,058.77)

Note: Previous year's figures are shown in brackets.

- Depreciation charged to Profit and Loss Account includes Depreciation of Rs.7,55,508/- on Revalued Factory Premises and Amortisation Charges of Rs. 1,96,40,000/- on Revalued Brands in all aggregating to Rs.2,03,95,508/-
- Previous year's figure have been regrouped/rearranged where ever necessary.

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

Mumbai :

Date : 29th April 2009

**Directors**





## ADF FOODS (MAURITIUS) LIMITED

### MANAGEMENT AND ADMINISTRATION

		Date appointed
<b>DIRECTORS</b>	:	
	Ashok Hariram Thakkar	22 October 2008
	Craig Thomas Downes	22 October 2008
	Abdool Azize Owasil	22 October 2008
	Bimal Ramesh Thakkar	5 December 2008
<b>ADMINISTRATOR &amp; SECRETARY</b>	:	
	Multiconsult Limited	
	Rogers House	
	5, President John Kennedy Street	
	Port Louis	
	Mauritius	
<b>REGISTERED OFFICE</b>	:	
	C/o Multiconsult Limited	
	Rogers House	
	5, President John Kennedy	
	Street Port Louis	
	Mauritius	
<b>AUDITOR</b>	:	
	Nexia Baker & Arenson	
	Chartered Accountants	
	5th Floor, C&R Court	
	49, Labourdonnais Street	
	Port Louis	
	Mauritius	
<b>BANKER</b>	:	
	HSBC Bank (Mauritius) Limited	
	HSBC Centre	
	18, CyberCity	
	Ebenc	
	Mauritius	



## DIRECTORS' REPORT

### DIRECTORS' REPORT TO THE MEMBERS

The directors present their annual report, together with the audited financial statements of the Company for the period from 22 October 2008 (Date of Incorporation) to 31 March 2009.

### PRINCIPAL ACTIVITY

The Company was incorporated on 22 October 2008 and its main activity is to hold investments in companies related with Agro based/Food processing Industries.

### RESULTS AND DIVIDENDS

The Company's loss for the period from 22 October 2008 to 31 March 2009 is USD 5,885.

The directors do not recommend the payment of a dividend for the period under review.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs and of the profit or loss of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001 and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### AUDITORS

The auditors, Nexia Baker & Arenson, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

By order of the board:

for Multiconsult Limited  
Corporate Secretary

Date: 08<sup>th</sup> May, 2009.

### CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE COMPANIES ACT 2001

We certify that, to the best of our knowledge and belief, that ADF FOODS (MAURITIUS) LIMITED has filed with the Registrar of Companies for the financial period ended 31 March 2009, all such returns as are required of the Company under the Companies Act 2001.

Multiconsult Limited  
Corporate Secretary

Rogers House  
5, President John Kennedy Street  
Port Louis  
Mauritius

Date: 08<sup>th</sup> May, 2009.



## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AUF FOODS (MAURITIUS) LIMITED

### **Report on the Financial Statements**

We have audited the financial statements ADF FOODS (MAURITIUS) LIMITED, which comprise the balance sheet as at 31 March 2009) and the income statement, statement of changes in equity and cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes.

### ***Directors' Responsibility for the Financial Statements***

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error: selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2009, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

### ***Other matter***

This report is made solely to the company's members, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Report on Other Legal and Regulatory Requirements**

#### ***Mauritian Companies Act 2001***

We have no relationship with or interests in the Company other than in our capacity as auditors, tax and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Nexia Baker & Arcnsen  
Chartered Accountants  
Date : 08<sup>th</sup> May, 2009

Kian-Fah K.T. Chung Chun Lam FCCA  
Signing Partner



## BALANCE SHEET AS AT 31 MARCH. 2009

	Notes		USD
<b>ASSETS</b>			
<b>Current asset</b>			
Cash and cash equivalents			9,980
<b>Total assets</b>		USD	9,980
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Stated capital	3		10,000
Accumulated loss			(5,885)
<b>Shareholder's equity</b>			4,115
<b>Current liability</b>			
Other payables and accruals	4		5,865
<b>Total equity and liabilities</b>		USD	9,980

These financial statements have been approved by the Board of Directors on 8<sup>th</sup> May, 2009.

**Craig Thomas Downes**  
Director

**Abdool Azize Owasil**  
Director

## INCOME STATEMENT

FOR THE PERIOD FROM 22 OCTOBER 2008 (DATE OF INCORPORATION) TO 31 MARCH 2009

		USD
<b>INCOME</b>		-
<b>EXPENSES</b>		
Directors fee		1,500
Secretarial fees		1,000
FSC fee		2,625
ROC fee		240
Audit fees		500
Bank charges		20
		5,885
<b>Loss for the period</b>	USD	5,885



**STATEMENT OF CHANGES IN EQUITY**  
**For The Period From 22 October 2008 (Date Of Incorporation) To 31 March 2009**

	<b>Stated capital</b>	<b>Accumulated loss</b>	<b>Total</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Issue of shares</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>Loss for the period</b>	<b>-</b>	<b>(5,885)</b>	<b>(5,885)</b>
<b>At 31 March 2009</b>	<b>USD 10,000</b>	<b>(5,885)</b>	<b>(4,115)</b>

**CASH FLOW STATEMENT**  
**For The Period From 22 October 2008 (Date Of Incorporation) To 31 March 2009**

		<b>USD</b>
<b>Operating activities</b>		
Loss for the period		<b>(5,885)</b>
Operating loss before working capital changes		<b>(5,885)</b>
Increase in other payables and accruals		<b>5,865</b>
<b>Net cash used in operating activities</b>		<b>(20)</b>
<b>Cash flow from financing activities</b>		
Issue of shares		<b>10,000</b>
<b>Net cash from financing activities</b>		<b>10,000</b>
Net increase in cash and cash equivalents		<b>9,980</b>
<b>Net movement in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the period		<b>9,980</b>
<b>Cash and cash equivalents at end of the period</b>	<b>USD</b>	<b>9,980</b>



## NOTES TO THE FINANCIAL STATEMENTS

For The Period From 22 October 2008 (Date Of Incorporation) To 31 March 2009

### 1. GENERAL INFORMATION

**ADF FOODS (MAURITIUS) LIMITED** was incorporated in the Republic of Mauritius on 22 October 2008 as a `Category I Global Business Licence Company and its principal activity is to hold investments in companies -related with Agro based/ Food processing Industries. The holding Company is ADF Foods Ltd, a company incorporated in India.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below:

#### (a) Basis of preparation

The financial statements are prepared in accordance and compliance with the International Financial Reporting Standards. The financial statements are prepared under the historical cost convention, as modified, wherever applicable, by the revaluation of financial assets and liabilities at fair value through the income statement.

The preparation of financial statements in accordance with International Financial Reporting Standards requires the directors to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

#### (b) Foreign currency translation

##### (i) *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States Dollars ("USD"), which is the Company's functional and presentation currency.

##### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### (c) Revenue recognition

Revenues are recognised as follows: -

Interest income - as it accrues unless collectibility is in doubt.

Dividend income - when the shareholder's right to receive payment is established.

#### (d) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (e) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses. All known risks at balance sheet date are reviewed in detail and provision is made where necessary.

#### (f) Financial Instruments

Financial instruments carried on the balance sheet include cash and cash equivalents and other payables and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures about financial instruments to which the Company is a party are provided in note 6.



(g) Related Parties

Related parties are individuals and companies where the individual or the company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions, or vice versa.

(h) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(i) Deferred Taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets relating to carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

### 3. STATED CAPITAL

		USD
Issued and fully paid. •		
Ordinary shares of USD 1 each	USD	10,000

### 4. OTHER PAYABLES AND ACCRUALS

		USD
Administration fees		5,365
Audit fees		500
	USD	5,865

### 5. TAXATION

The Company is a "Category I Global Business Licence Company" for the purpose of the Financial Services Act 2007. The profit of the Company, as adjusted for income tax purposes, is subject to income tax at 15%. It is, however, entitled to a tax credit equivalent to the higher of the actual foreign taxes paid and 80% of the Mauritius tax chargeable on its foreign source income.

At 31 March 2009, the Company had a tax loss of USD 5,885 and is therefore not liable to income tax. interest income from call and deposit accounts from banks licenced under Banking Act 2004 are exempt from tax and there is no tax on capital gains in Mauritius.

#### Reconciliation of taxable loss with income statement

		USD
Loss as per income statement		(5,885)
Add non-allowable expenses		-
Taxable loss for the year	USD	(5,885)

#### Accumulated loss

		USD
Balance brought forward		-
Additions during the year		(5,885)
Balance carried forward	USD	(5,885)





## 6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

### (i) Fair values

The carrying amounts of cash and cash equivalents and other payables and accruals approximate to their fair values. Financial assets and liabilities, which are accounted for at historical cost, are carried at values, which may differ materially from their fair values.

### (ii) Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	Financial assets	Financial liabilities
	-----	-----
	USD	USD
USD	9,980	5,865
	=====	=====

### (iii) Currency risk

At 31 March 2009, all the Company's assets and liabilities are denominated in United States Dollars,

### (iv) Liquidity risk

The Company manages its liquidity risk by ensuring the availability of fund through committed credit facilities.

### (v) Interest rate risk

The company is not exposed to any interest rate risk.

## 7. BENEFICIAL OWNERSHIP

The beneficial owner of the Company is ADF Foods Ltd having its registered office at 83/86, G.I.D.C., Industrial Estate, Nadiad - 387 001, Gujarat, India and is engaged in production, distribution, sales and marketing of Indian foods either locally or internationally.

## 8. GOING CONCERN

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholders.

The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

## 9. CONTINGENT LIABILITIES

At 31 March 2009, the Company has no material litigation claims outstanding, pending or threatened against, which could have a material effect on the Company's financial position or results of operations.

## 10. CAPITAL COMMITMENTS

The Company has no material commitments as at 31 March 2009.

## 11. POST BALANCE SHEET EVENTS

There have been no material post-balance sheet events, which would require disclosure or adjustment to the 31 March 2009 financial statements.

## 12. REPORTING CURRENCY

The financial statements of the company are expressed in United States dollar ('USD').

## STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

1	Name of the Subsidiary	ADF Foods UK Limited	Power Brands (Foods) Private Limited	ADF Foods (Mauritius) Ltd.
2.	The Financial year of the company ended on	31.03.2009	31.03.2009	31.03.2009
3.	Holding company	ADF Foods Limited	ADF Foods Limited	ADF Foods Limited
4.	Holding Company's interest	100%	99%	100%
5.	Shares held by the holding company in the subsidiary	10000 equity shares of £ 1/- each	1,88,10,000 equity shares of Rs. 10/- each	10,000 equity shares \$ 1/- each.
6.	The aggregate of profits or losses for the current financial year of the subsidiary so far as it concerns the members of the holding company			
	a) dealt with or provided for in the accounts of the holding company	Nil	Nil	Nil
	b) not dealt with or provided for in the accounts of the company	£ 1,716	Rs. (199.22) lacs	\$(5,885)
7	The aggregate of profits or losses for the previous financial year of the subsidiary so far as it concerns the members of the holding company.			
	a) deal with or provided for in the accounts of the holding company	Nil	Nil	Nil
	b) not dealt with or provided for in the accounts of the company	£ 6,858	Rs. (204.82) lacs	Nil

### AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF ADF FOODS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ADF FOODS LIMITED AND ITS SUBSIDIARIES

We have examined the attached Consolidated Balance Sheet of ADF FOODS LIMITED and its subsidiaries as at 31<sup>st</sup> March 2009, the Consolidated Profit and Loss Account and the Cash Flow Statement for the year then ended.

These Consolidated financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have conducted our audit of ADF FOODS LIMITED in accordance with generally accepted auditing standards of India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of ADF Foods UK Limited (a foreign subsidiary) whose audited financial statements reflect total assets (net) of Rs.20.65 lacs as at 31<sup>st</sup> March 2009 and total revenue of Rs.123.28 lacs (before giving effect to the consolidation adjustments) for the year ended on that date.

We did not audit the financial statements of ADF Foods (Mauritius) Limited (a foreign subsidiary) whose audited financial statements reflect total assets (net) of Rs 2.10 lacs as at 31<sup>st</sup> March 2009 and total revenue of Rs. Nil (before giving effect to the consolidation adjustments) for the year ended on that date.

Financial statements of Power Brand (Foods) Pvt. Ltd. (an Indian subsidiary) which reflect total assets (net) of Rs.1,924 lacs as at 31<sup>st</sup> March 2009 and total revenue of Rs. 19.87 lacs (before giving effect to the consolidation adjustments) for the year ended on that date, have been audited by one of us.

These financial statements have been approved by the Board of Directors of these subsidiaries and in our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, are based solely on these approved financial statements.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standards (AS) 21 "Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of ADF FOODS LIMITED and the certified financial statements of its Subsidiaries.

On the basis of the information and explanation given to us, we are of the opinion that the attached consolidated financial statements give a true & fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of ADF FOODS LIMITED and its Subsidiaries as at 31<sup>st</sup> March 2009,
2. in the case of the Consolidated Profit and Loss Account, of the consolidated results of operations of ADF FOODS LIMITED and its Subsidiaries for the year then ended and
3. in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of ADF FOODS LIMITED and its Subsidiaries for the year then ended.

**For D.P. GHEVARIA & CO.**  
**Chartered Accountants**

**D.P. Ghevaria**  
**Proprietor**  
**Membership Number 32431**

**Place: Mumbai**

**Date: 15<sup>th</sup> May 2009**

**For V. P. THACKER & CO,**  
**Chartered Accountants**

**V. P. Thacker**  
**Partner**  
**Membership Number 35713**



## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	Sch.	Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SOURCES OF FUNDS</b>				
<b>(1) Shareholders' Funds</b>				
Share Capital	1	1,805.22		1,805.22
Warrants		105.00		105.00
Reserves & Surplus	2	6,422.31		5,970.85
			<b>8,332.53</b>	<b>7,881.07</b>
<b>Minority interest</b>			14.96	16.95
<b>(2) Loan Funds</b>				
Secured Loans	3	158.33		382.91
Unsecured Loans	4	24.85		5.41
			<b>183.18</b>	<b>388.32</b>
<b>(3) Deferred tax</b>				
Deferred tax liability (Net)	5		<b>394.58</b>	<b>362.32</b>
<b>TOTAL</b>			<b>8,925.25</b>	<b>8,648.66</b>
<b>APPLICATION OF FUNDS</b>				
<b>(1) Fixed Assets</b>				
(a) Gross Block	6	8,377.57		8,183.95
(b) Less : Depreciation		2,585.18		1,997.85
(c) Net Block		<b>5,792.39</b>		<b>6,186.10</b>
(d) Capital work-in-progress		355.46		116.04
			<b>6,147.85</b>	<b>6,302.14</b>
<b>(2) Investments</b>	7		-	-
<b>(3) (i) Current Assets, Loans &amp; Advances</b>				
(a) Inventories	8	1,353.76		1,094.04
(b) Sundry Debtors	9	715.99		687.49
(c) Cash & Bank Balances	10	1,779.67		1,133.32
(d) Loans & Advances	11	394.69		934.77
			<b>4,244.11</b>	<b>3,849.62</b>
Less :				
<b>(ii) Current Liabilities &amp; Provisions</b>				
Current Liabilities	12	1,042.84		969.68
Provisions		435.53		546.38
			<b>1,478.37</b>	<b>1,516.06</b>
<b>Net Current Assets (i) - (ii)</b>			<b>2,765.74</b>	<b>2,333.56</b>
<b>(4) MISCELLANEOUS EXPENDITURE</b>				
(to the extent not written off or adjusted)	13		<b>11.66</b>	<b>12.96</b>
Pre-operative expenses pending capitalisation				
<b>TOTAL</b>			<b>8,925.25</b>	<b>8,648.66</b>

Notes to Accounts

21

Schedules referred to above form an integral part of the Balance Sheet

As per our report of even date

**For D.P. GHEVARIA & CO.**

Chartered Accountants

**D.P.GHEVARIA**

Proprietor

Mumbai,

Date, 15th May 2009

**For V.P. THACKER & CO.**

Chartered Accountants

**V.P.THACKER**

Partner

For and on behalf of the Board of Directors

**ASHOK H. THAKKAR**

Vice Chairman

**Aparna Bhat**

Company Secretary

**BIMAL R. THAKKAR**

Managing Director

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

	Schedule	31-Mar-09 Rs. in lacs	31-Mar-08 Rs. in lacs
<b>INCOME</b>			
Sales	14	9,586.45	8,980.18
Other Income	15	384.30	274.13
Increase/(Decrease) in stocks	16	285.15	12.04
<b>TOTAL</b>		<b>10,255.90</b>	<b>9,266.35</b>
<b>EXPENDITURE</b>			
Manufacturing & Other Expenses	17	8,309.00	7,539.29
Financial Expenses	18	220.33	243.38
Depreciation/Amortisation		598.32	564.71
Unrealised profit on inventory	19	26.50	9.08
Translation difference	20	3.53	1.32
<b>TOTAL</b>		<b>9,157.68</b>	<b>8,357.78</b>
Profit before tax		1,098.22	908.57
Less : Provision for taxation			
- Current tax		247.85	253.70
- Fringe benefit tax		22.81	15.30
- Deferred tax (Net)		32.26	33.98
- Wealth tax		0.78	0.69
		303.70	303.67
Profit after tax		794.52	604.90
Less: Prior Year's Adjustment (Net)		8.44	22.02
Less: Adjustment of tax of earlier years (Income Tax & Deferred Tax)		34.79	6.38
Net profit before Minority Interest		751.29	576.50
Minority Interest in the Loss of Consolidated subsidiary		1.99	2.05
Net profit after Minority Interest		753.28	578.55
Balance brought forward		1,420.54	1,303.08
<b>BALANCE AVAILABLE FOR APPROPRIATION</b>		<b>2,173.82</b>	<b>1,881.63</b>
<b>LESS: APPROPRIATIONS</b>			
Interim dividend		-	150.24
Proposed dividend		265.11	176.74
Tax on Dividend		45.06	55.57
General Reserve		49.00	78.54
Balance carried to Balance Sheet		1,814.65	1,420.54
		<b>2,173.82</b>	<b>1,881.63</b>
EPS- Basic		4.21	4.22
EPS- Diluted		3.88	4.02

Notes to Accounts

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Schedules referred to above form an integral part of the Profit & Loss Account

As per our report of even date

**For D.P. GHEVARIA & CO.**  
Chartered Accountants

**For V.P. THACKER & CO.**  
Chartered Accountants

For and on behalf of the Board of Directors

**ASHOK H. THAKKAR**  
Vice Chairman

**BIMAL R. THAKKAR**  
Managing Director

**D.P.GHEVARIA**  
Proprietor

**V.P.THACKER**  
Partner

**Aparna Bhat**  
Company Secretary

Mumbai,  
Date, 15th May 2009



## SCHEDULES TO THE CONSOLIDATED BALANCE SHEET

	Rs. in lacs	Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 1</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised</b>				
2,50,00,000 ( Previous year 2,50,00,000) Equity Shares of Rs. 10/- each			<u>2,500.00</u>	<u>2,500.00</u>
<b>Issued, Subscribed and Paid Up</b>				
1,76,73,890 (Previous year 1,76,73,890) Equity Shares of Rs. 10/- each fully paid up			1,767.39	1,767.39
<b>Of the above:</b>				
i) 50,00,490 (Previous year 50,00,490) Shares were allotted to the Shareholders of the erstwhile Lustre Investments Pvt. Ltd., for consideration other than cash pursuant to a Scheme of Amalgamation				
ii) 26,50,000 (previous year 26,50,000) Equity Shares were issued on preferential basis to investors.				
Add: Shares Forfeited				
7,56,600 (Previous year 7,56,600) Equity Shares of Rs. 10/- each ; amount originally paid up there on @ Rs.5 per share.			37.83	37.83
			<u>1,805.22</u>	<u>1,805.22</u>
<b>SCHEDULE 2</b>				
<b>RESERVES &amp; SURPLUS</b>				
<b>General Reserve:</b>				
Opening balance			190.84	112.30
Add: Transfer from profit & loss account			49.00	78.54
			<u>239.84</u>	<u>190.84</u>
<b>Securities Premium Reserve:</b>				
Balance brought forward			4,322.59	2,817.50
Add: Received during the year			-	1,590.00
			<u>4,322.59</u>	<u>4,407.50</u>
Less: Expenses on issue of preferential shares			-	84.91
			<u>4,322.59</u>	<u>4,322.59</u>
<b>Profit &amp; Loss Account</b>				
Consolidation Reserve			1,814.65	1,420.54
Foreign Currency Translation Reserve			45.80	37.45
			(0.57)	(0.57)
			<u>6,422.31</u>	<u>5,970.85</u>

	Rs. in lacs	Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 3</b>				
<b>SECURED LOANS</b>				
<b>From Banks:</b>				
Cash Credit and Packing Credit [Secured by equitable mortgage of the Factory, Land & Building situated at Nadiad DTA and Nashik DTA, Plant & Machinery and all other Fixed Assets, present & future, of the Company situated at Nadiad DTA and other Current Assets, present & future, of the Company, situated at Nashik DTA ranking pari passu in favour of the Company's bankers and personal guarantees of the Chairman & Vice Chairman of the Company]		2.60		216.37
Add: Interest Accrued and due		-		2.30
			2.60	218.67
Foreign Currency Packing Credit [Secured by equitable mortgage of the Factory, Land & Building situated at Nadiad DTA and Nashik DTA, Plant & Machinery and all other Fixed Assets, present & future, of the Company situated at Nadiad DTA and other Current Assets, present & future, of the Company, situated at Nashik DTA ranking pari passu in favour of the Company's bankers and personal guarantees of the Chairman & Vice Chairman of the Company]			127.45	119.93
Due to banks under hire purchase agreement (secured by hypothecation of assets purchased under hire purchase agreement) [Repayable with in one year Rs. 21.85 Lacs, (Previous year Rs.22.72 Lacs)]			28.28	44.31
			<b>158.33</b>	<b>382.91</b>
<b>SCHEDULE 4</b>				
From Others			24.85	5.41
			<b>24.85</b>	<b>5.41</b>
<b>SCHEDULE 5</b>				
<b>DEFERRED TAX LIABILITY:</b>				
Deferred tax liability			362.32	333.37
Less: Deferred tax asset			0.15	1.35
Add: Deferred tax liability			32.41	30.30
			<b>394.58</b>	<b>362.32</b>



## SCHEDULES TO THE BALANCE SHEET - Consolidation

### SCHEDULE 6

#### FIXED ASSETS

Rs. in lacs

DESCRIPTION	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 1st April 08	Additions during the year	Deduction/ Adj during the year	As on 31st March 09	As on 1st April 08	For the year ended 31st March 09	Deduction/ Adj during the year	As on 31st March 09	As on 31st March 09	As on 31st March 08
<b>Tangible Assets:</b>										
Leasehold Land	35.49	-	-	35.49	4.16	0.35	-	4.51	30.98	31.33
Freehold Land	3.08	-	-	3.08	-	-	-	-	3.08	3.08
Factory Building	1,683.75	59.60	17.25	1,726.10	389.72	57.12	-	446.84	1,279.26	1,294.03
Plant & Machinery	2,369.10	184.45	40.42	2,513.13	719.28	118.36	1.29	836.35	1,676.78	1,649.82
Laboratory Equipment	18.77	0.47	-	19.24	7.33	0.87	-	8.20	11.04	11.44
Office Equipment	66.50	3.69	0.25	69.94	29.91	3.45	0.16	33.20	36.74	36.59
Computers	88.38	1.94	-	90.32	66.37	6.78	-	73.15	17.17	22.01
Furniture & Fixures	69.87	1.46	-	71.33	38.38	3.96	-	42.34	28.99	31.49
Vehicles	192.46	18.30	18.37	192.39	64.32	16.48	9.54	71.26	121.13	128.14
<b>Intangible Assets:</b>										
Trade Marks/ Brands	3,257.52	-	-	3,257.52	571.97	311.14	-	883.11	2,374.41	2,685.55
Goodwill	399.03	-	-	399.03	106.41	79.81	-	186.22	212.81	292.62
<b>TOTAL</b>	<b>8,183.95</b>	<b>269.91</b>	<b>76.29</b>	<b>8,377.57</b>	<b>1,997.85</b>	<b>598.32</b>	<b>10.99</b>	<b>2,585.18</b>	<b>5,792.39</b>	<b>6,186.10</b>
Previous year	4,951.09	3,281.16	48.30	8,183.95	1,463.50	564.71	30.36	1,997.85	6,186.10	3,487.59
Capital Work-in-Progress & Capital Advances	116.04	348.06	108.64	355.46	-	-	-	-	355.46	116.04
<b>TOTAL</b>									<b>6,147.85</b>	<b>6,302.14</b>

	Rs. in lacs	Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 7</b>				
<b>INVESTMENTS</b>				
<b>LONG TERM: UNQUOTED (At Cost):</b>				
<b>In Subsidiary Company:</b>				
10,000 Equity Shares (Previous period 10,000) of £1/- each fully paid up in ADF Foods UK Limited, 100% subsidiary of the Company.			-	-
1,88,10,000 Equity Shares (Previous year 1,88,10,000) of Rs. 10 each fully paid up in Power Brands (Foods) Pvt. Ltd. ,99% subsidiary of the Company.			-	-
10,000 Equity Shares (Previous year Nil) of \$1/- each fully paid up in ADF Foods Mauritius Limited, 100% subsidiary of the Company.			-	-



	Rs. in lacs	Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>Others:</b>				
280 Shares (Previous year 280 Shares) of Janta Co-operative Bank Ltd. Of Rs. 50/- each fully paid		0.14		0.14
Less: permanent diminution in value		0.14		0.14
			-	-
			-	-
<b>SCHEDULE 8</b>				
<b>INVENTORIES</b>				
(As valued & certified by the Management)				
Raw Material			113.64	147.46
Stores, Spares, Packing Materials, etc.			426.33	411.41
Finished Goods			33.17	81.63
Semi-finished goods			601.62	425.92
Trading goods			88.19	27.62
Licences on hand			90.81	-
			<b>1,353.76</b>	<b>1,094.04</b>
<b>SCHEDULE 9</b>				
<b>SUNDRY DEBTORS ( Unsecured)</b>				
Over Six months:				
Considered Good			19.73	76.53
Considered Doubtful			5.27	7.97
			25.00	84.50
Less Provision for Doubtful Debts			2,066.75	1,886.95
			2,091.75	1,971.45
Others debts			5.27	7.97
			2,086.48	1,963.48
Less: Bills discounted with banks			1,370.49	1,275.99
			<b>715.99</b>	<b>687.49</b>
<b>SCHEDULE 10</b>				
<b>CASH AND BANK BALANCES</b>				
Cash on Hand			2.55	33.94
Balances with Scheduled Banks				
in Current Accounts [Includes Rs. 42.41 lacs (Previous year Rs. 37.23 lacs) on account of unclaimed dividend]			312.89	103.07
in Fixed Deposits			1,464.23	996.31
			<b>1,779.67</b>	<b>1,133.32</b>



	Rs. in lacs	Rs. in lacs	As at 31-Mar-09 Rs. in lacs	As at 31-Mar-08 Rs. in lacs
<b>SCHEDULE 11</b>				
<b>LOANS &amp; ADVANCES ( Unsecured Considered Good)</b>				
Interest receivable			19.65	4.01
Advance recoverable in cash or in kind or for value to be received				
Considered Good	294.17			566.93
Considered Doubtful	44.56			25.05
		338.73		591.98
Staff loan				
Considered Good	21.53			23.15
Considered Doubtful	1.28			-
		22.81		23.15
		361.54		615.13
Less: provided for doubtful advances		45.84		25.05
			315.70	590.08
Advance payment of Tax net of provisions			-	31.87
Other Deposits			59.34	308.81
			<b>394.69</b>	<b>934.77</b>
<b>SCHEDULE 12</b>				
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>				
<b>Current Liabilities</b>				
Sundry Creditors			207.89	214.78
Other Liabilities			792.44	717.07
Dealers' Deposits			0.10	0.60
Unclaimed dividend			42.41	37.23
			<b>1,042.84</b>	<b>969.68</b>
<b>Provisions</b>				
For leave encashment			14.10	17.32
For gratuity			99.03	73.22
For taxation			12.23	249.06
Proposed dividend			265.11	176.74
Tax on proposed dividend			45.06	30.04
			<b>435.53</b>	<b>546.38</b>
			<b>1,478.37</b>	<b>1,516.06</b>
<b>SCHEDULE 13</b>				
<b>MISCELLANEOUS EXPENDITURE</b>				
(to the extent not written off or adjusted)				
Pre-operative expenses			11.66	12.96
			<b>11.66</b>	<b>12.96</b>

**SCHEDULE TO THE CONSOLIDATED PROFIT & LOSS ACCOUNT**

	Rs. in lacs	For the year 31-Mar-09 Rs. in lacs	For the year 31-Mar-08 Rs. in lacs
<b>SCHEDULE 14</b>			
<b>SALES</b>			
Sales Export	8,897.25		8,232.81
Local	431.15		367.01
Import licences	258.05		380.36
		<b>9,586.45</b>	<b>8,980.18</b>
<b>SCHEDULE 15</b>			
<b>OTHER INCOME</b>			
<b>Interest received :</b>			
On Fixed Deposits with Banks (Tax deducted at source Rs. 21.60 lacs, Previous year Rs. 4.66 lacs)		101.03	21.06
From Others (Tax deducted at source Rs. 0.32 lacs, Previous year Rs. 0.16 lacs)		5.79	3.29
		106.82	24.35
Miscellaneous Income (Tax deducted at source Rs.0.38 lacs, Previous year Rs. 1.40 lacs)		277.48	235.04
Exchange Rate Differences (Net)		-	14.74
		<b>384.30</b>	<b>274.13</b>
<b>SCHEDULE 16</b>			
<b>INCREASE/(DECREASE) IN STOCKS</b>			
Closing Stock:			
Semi-finished goods	601.62		425.92
Finished Goods	127.98		109.34
Licences on hand	90.81		-
		820.41	535.26
Opening stock:			
Semi-finished goods	425.92		443.28
Finished Goods	109.34		79.94
		535.26	523.22
		<b>285.15</b>	<b>12.04</b>



	Rs. in lacs	For the year 31-Mar-09 Rs. in lacs	For the year 31-Mar-08 Rs. in lacs
<b>SCHEDULE 17</b>			
<b>MANUFACTURING &amp; OTHER EXPENSES</b>			
<b>Raw Materials Consumed :</b>			
Opening Stock	147.46		103.77
Add : Purchases	2,657.05		2,669.13
Carriage Inward	36.29		47.37
	2,840.80		2,820.27
Less : Closing Stock	113.64		147.46
		2,727.16	2,672.81
Cost of sale of traded goods		306.78	184.95
<b>Consumption of Stores &amp; Packing Materials:</b>			
Opening Stock	411.41		291.60
Add : Purchases	1,434.46		1,583.06
	1,845.87		1,874.66
Less : Closing Stock	426.33		411.41
		1,419.54	1,463.25
Excise Duty		9.78	35.09
Power & Fuel		299.11	260.89
Other Manufacturing Expenses		244.40	273.84
Freezing & preservation Charges		46.17	40.33
Payments to & Provisions for Employees :			
Salaries, Wages & other allowances	370.78		319.36
Contribution to Provident & Other Funds	62.33		41.83
Staff Welfare Expenses	48.51		38.62
		481.62	399.81
Repairs :			
Building	46.18		94.54
Plant & Machinery	57.02		33.76
Others	32.54		42.97
		135.74	171.27
Rent		25.19	43.45
Rates & Taxes		19.25	53.70
Insurance		28.95	28.78
Water Charges		10.41	11.74

	Rs. in lacs	For the year 31-Mar-09 Rs. in lacs	For the year 31-Mar-08 Rs. in lacs
Electricity		12.92	13.22
Communication expenses		47.07	50.03
Printing and Stationery		11.40	14.50
Travelling & Conveyance Expenses		270.34	247.48
Motor Car Expenses		22.06	21.61
Professional Fees		143.14	114.43
Clearing & Forwarding		108.74	157.79
Carriage Outward & Octroi		180.59	147.91
Steamer Freight		527.65	535.59
Discount, Commission & Brokerage		233.45	138.23
Advertisement		288.48	185.33
Sales Expenses		58.76	176.60
Exchange Rate Differences (Net)		502.66	-
Donation		12.19	4.62
Registration & Filing Fees		0.80	0.76
Directors Sitting Fees		4.30	1.90
Loss on Sale of Assets		12.39	2.94
Provision for Diminution in value of Investments		0.03	0.14
Bad debts		3.85	1.53
Provision for Doubt ful debts & Advances		18.09	-
Miscellaneous Expenses (net)		95.99	84.77
		<b>8,309.00</b>	<b>7,539.29</b>
<b>SCHEDULE 18</b>			
<b>FINANCIAL EXPENSES</b>			
Interest to :			
Banks		162.20	184.13
Others		4.32	6.77
		166.52	190.90
Bank Charges		53.81	52.48
		<b>220.33</b>	<b>243.38</b>
<b>SCHEDULE 19</b>			
<b>UNREALISED PROFIT ON INVENTORY</b>			
Unrealized profit on inventory		26.50	9.08
		<b>26.50</b>	<b>9.08</b>
<b>SCHEDULE 20</b>			
<b>TRANSLATION DIFFERENCE</b>			
Translation difference		3.53	1.32
		<b>3.53</b>	<b>1.32</b>



## NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31-03-2009

### SCHEDULE 21

#### PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of ADF Foods limited and its following subsidiaries:

Name of the Company	Country of Incorporation	Proportion of ownership interest & relationship	Financial year-ended
ADF Foods UK Limited	UK	100% Subsidiary of ADF Foods Limited	31 <sup>st</sup> March 2009
Power Brands (Foods) Pvt. Ltd.	India	99% Subsidiary of ADF Foods Limited	31 <sup>st</sup> March 2009
ADF Foods (Mauritius ) Limited	Mauritius	100% Subsidiary of ADF Foods Limited	31 <sup>st</sup> March 2009

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

#### NOTES TO ACCOUNTS

##### **SIGNIFICANT ACCOUNTING POLICIES:**

a. **Basis of Preparation:**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting in accordance with accounting principles generally accepted in India

b. **Use of Estimates:**

The preparation of financial statements requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of financial statements. Example of such estimates includes provision for doubtful debts, employee retirement benefit plans, provision for income taxes etc. Changes in estimates are recognized in the year these arise.

c. **Fixed Assets:**

**Tangible assets:**

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

**Intangible assets:**

Intangible fixed assets are carried at cost less accumulated depreciation. Cost comprises the purchase price for brands and the purchase consideration paid for goodwill.

**Capital Work in progress:**

Capital work in progress includes the acquisition/commissioning cost of assets under expansion/acquisition and pending commissioning. Expenditure of revenue nature related to such acquisition/expansion is also treated as capital work in progress and capitalized along with the asset on completion of the expansion project or otherwise on commencement of commercial use of the asset.

d. **Depreciation:**

**Tangible Assets:**

Depreciation has been provided under the straight-line method on all Fixed Assets, at the rates specified as per Schedule XIV of the Companies Act, 1956. Depreciation on additions to assets or where any asset has been sold, discarded etc. is calculated on a prorata basis from the date of such addition or up to the date of such sale etc. as the case may be. Additional depreciation is provided, if required, to cover any impairment in the value of fixed assets.

**Intangible Assets:**

Intangible assets are amortized over a period of 5 years in case of Goodwill and over a period of 10 years, in case of Brands. Additional depreciation is provided, if required, to cover any impairment in the value of intangible assets.

## **Leasehold land:**

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

## **e. Valuation of Stock:**

Stock of raw materials, packing materials, stores and spares and semi-finished goods are valued at weighted average cost. Cost comprises purchase cost including all taxes and duties and factory over heads in case of semi finished and finished goods.

Traded goods and finished goods are valued at cost or net realizable value whichever is lower.

## **f. Staff Retirement Benefits:**

### **a) Defined benefit plan:**

The Company accounts for the defined benefit plans such as gratuity leave encashment, medical reimbursement and leave travel assistance reimbursement on accrual basis. Gratuity and leave encashment liability has been determined by an actuarial valuation report obtained as at 31<sup>st</sup> March, 2009 and the same is based on Accounting Standard 15 (Revised) issued by the Institute of Chartered Accountants of India.

### **b) Defined contribution plan:**

The Company contributes to provident fund scheme for all its employees who are eligible for the benefit.

## **g. Foreign Currency transactions:**

Export sales are recorded by applying the exchange rate as on the date of dispatch.

Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account except in cases where they relate to acquisition of fixed asset, in which case they are adjusted to the carrying cost of such assets.

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign exchange rates. The difference between the year end rate and rate on the date of the contract is recognized as exchange difference in profit and loss account and the premium paid / received on forward contracts is recognized over the life of the contract as expense or income as the case may be, in profit and loss account.

## **h. Revenue Recognition:**

Sale is recognized on dispatch of goods to customers and is net of sales returns and taxes. Scrap sale is accounted upon sale. Interest and other income are recognized on accrual basis.

## **i. Research and Development:**

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

## **j. Provisions and Contingencies:**

A provision is recognized when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management best estimates of the expenditure required to settle the obligation as at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate for each such obligation.

A contingent liability is disclosed when there is a possible or present obligation that may, but probably will not, require an outflow of resources unless the possibility of such outflow is remote.

## **k. Investments:**

Long-term investments are stated at cost. Provision for diminution in the value of long term investment is made only if such a decline is other than temporary. Current investments are stated at lower of cost and fair value computed separately in respect of each category of investment

## **l. Operating lease:**

Value of minimum lease payments at the inception of the lease. These assets are depreciated in accordance with rates stipulated in Schedule XIV to the Companies Act, 1956.

Operating lease payments are for premises taken on lease by the Company; these are recognized as expense in the profit and loss account on accrual basis



**m. Borrowing costs:**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying fixed asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expense in the profit and loss account on accrual basis.

**n. Government Grants:**

Government grants are recognized when there is reasonable assurance that the same will be received. Revenue grants are recognized in the Profit & Loss account. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other Capital grants are credited to capital reserve.

**o. Taxation:**

Provision for taxation is determined with reference to the results of the financial year at the rates stipulated under Income Tax Act, 1961.

Deferred tax accounting is effected to the extent any deferred tax liability arises on account of reversible timing differences and for deferred tax assets (other than accumulated tax losses and depreciation) if there is reasonable certainty of asset realization. Deferred tax asset relating to unabsorbed tax depreciation and losses are recognized if there is virtual certainty of realization.

The deferred tax amounts are determined by, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date.

These are subsequently reviewed at each year end and restated to reflect possible changes of realizable value.

**NOTES TO ACCOUNTS:**

1. In the previous year, 15,00,000 Convertible Warrants of Rs. 70 each with part payment of Rs. 7 per warrant were issued to the Promoters, their friends and relatives and independent Directors of the Company. These warrants are, at the option of the warrant holder, convertible into fully paid Equity Shares of Rs. 10 each at a premium of Rs. 60 per Share, no later than 23 June 2009, upon the warrant holder paying the balance consideration.

Subject to specified lock in provisions relating to the warrants and shares acquired on conversion, the Equity Shares acquired on conversion are to be listed and freely tradable on the exchanges and are to rank pari passu with the existing Equity Shares of the Company.

2. In the previous year, the Company issued 26,50,000 fully paid up equity shares, at Rs. 70 per share, on private placement basis. The aggregate consideration of Rs. 1855 lakhs has been utilized in the manner summarized below:

**Rs. in lacs**

For expansion / acquisition of fixed assets	630.72
Unutilised balance held as Fixed deposits with banks	1,224.28
<b>Total</b>	<b>1,855.00</b>

**3. Contingent Liabilities:****Rs. in lacs**

	<b>2008-09</b>	<b>2007-08</b>
Letter of credit issued by the banks ( net of margin money)	<b>12.81</b>	24.81
Guarantees issued by the banks (net of margin money)	<b>11.48</b>	11.72
Claims against the Company not acknowledged as debts (net of deposits)	<b>126.36</b>	21.99
Capital commitment (net of advances)	<b>22.79</b>	38.43
Income tax of earlier year	<b>12.42</b>	110.67
Foreign bills purchase	<b>1378.75</b>	1265.21

4. Depreciation charged to profit & Loss accounts includes depreciation of Rs. 7,55,508/- on revalued factory premises and amortization charges of Rs. 1,96,40,000/- on revalued brands in all aggregating to Rs. 2,03,95,508/-.
5. In the opinion of the Board, all the Current Assets, Loans and Advances are approximately of the values stated, if realized in the ordinary course of business. The provisions for all known liabilities are adequate and are not in excess of the amounts considered reasonably necessary.

6. The Company has reviewed the valuation of its intangible assets and investments, based on management estimates. Such valuation does not reflect any impairment of value requiring provision of additional asset amortization amounts. Brands owned by a subsidiary company
7. The Company has not received any intimation from suppliers regarding their status under the Micro Small & Medium Enterprises Development Act, 2006 hence disclosure, if any, relating to amount unpaid as at the year end and together with the interest paid/payable as required under the said Act, have not been given.
8. Deposits include:  
Interest free security deposit of Rs.15.00 lacs (Previous year Rs. 15 lacs), Maximum balance outstanding during the year Rs. 15.00 Lacs, (Previous year Rs. 15 lacs) paid for guest house taken on lease from Chairman of the Company.
9. Company has taken office premises on lease.

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

	2008-09 Rs. /Lacs	2007-08 Rs./Lacs
i) Not later than one year	17.80	17.80
ii) Later than one year and not later than five years	20.50	37.81
iii) Later than five years	45.33	45.83

Lease payment recognized in the Profit & Loss Account for the year ended Rs. 19.87 lacs including service tax, (Previous year Rs. 19.05 lacs including service tax).

## 10. Deferred Tax

The deferred tax liability / (Asset) at the year end comprise timing differences on account of:

Particulars	2008-09 Rs. /Lacs	2007-08 Rs./Lacs
Liability		
Depreciation	479.58	439.23
<b>Total</b>	<b>479.58</b>	<b>439.23</b>
Assets:		
Un funded provision for gratuity and leave encashment	(38.45)	(31.39)
Doubtful advances and debts	(16.93)	(6.13)
Expenditure/provisions allowable	(29.62)	(39.39)
<b>Total</b>	<b>(85.00)</b>	<b>(76.91)</b>
<b>Total</b>	<b>394.58</b>	<b>362.32</b>

## 11. Related party transactions:

Sr. No.	Name of the Related Party	Relationship
1.	M.H. Foods Pvt. Ltd.	Some of the Directors of the Company are related to the Directors of the said Pvt. Ltd. Company.
2.	Mr. Ramesh H. Thakkar	Key Managerial Personnel
	Mr. Ashok H. Thakkar	Key Managerial Personnel
	Mr. Bimal R. Thakkar	Key Managerial Personnel
	Mr. Bhavesh R. Thakkar	Key Managerial Personnel
3.	Mr. Mishal A. Thakkar	Relative
4.	Yogiji's NZ Ltd.	Some of the Directors of the Company are related to the Directors of the said Pvt. Ltd. Company.


**Transactions during the year with Related Parties:**

Related party	Relationship Refer note	Description of transaction	Opening balance (Rs.)	Sales/ income during the Year (Rs.)	Receipts / adjustment during the year (Rs.)	Purchases/ expenses (Net) during the year (Rs.)	Payments during the year (Rs.)	Closing balance 31-03-2008 (Rs.)
M.H. Foods Pvt. Ltd.	1	Purchase	- (-)	- (-)	- (-)	4,42,466 (1,44,414)	4,42,466 (1,44,414)	- (-)
Ramesh H. Thakkar	2	Deposit	15,00,000 (15,00,000)	- (-)	- (-)	- (-)	- (-)	15,00,000 (15,00,000)
Ramesh H. Thakkar	2	Rent	- (-)	- (-)	- (-)	1,00,000 (-)	1,00,000 (-)	- (-)
Key Managerial Personnel	2	Directors'/ President Remuneration/ Salary	- (-)	- (-)	- (-)	(88,28,096)	(88,26,096)	- (-)
Mishal A. Thakkar	3	Salary	- (-)	- (-)	- (-)	(1,20,000)	(1,20,000)	- (-)
Yogiji's NZ Ltd.	4	Sales	8,83,095 (13,11,850)	25,25,782 (40,78,936)	24,46,013 (45,07,691)	- (-)	- (-)	9,62,864 (8,83,095)

Note: Previous year's figures are shown in brackets

**12. a. Financial and derivative instruments**

- Contracts entered into by the Company for hedging in US \$ and outstanding as on 31<sup>st</sup> March 2009 amounts to US \$ 53.55 lacs (previous year US \$ 48.50 lacs), equivalent to Rs. 2611. 77 lacs
  - All contracts entered by the Company are for hedging of exposures against receivable.
- In respect of outstanding hedging contracts as given in 'i' above, there is a net unrealized loss of Rs. 152.83 lacs as on 31<sup>st</sup> March 2009 (Previous year Rs 18.28 Lacs) which has been recognized in books of accounts.

**b. Foreign Exchange differences (Net)**

Foreign exchange difference charged to profit and loss account includes loss of Rs. 152.83 lacs (Previous year Rs. 18.28 lacs) on restatement of outstanding hedging contracts at the year end exchange rate.

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

- Net Asset/Liability recognised in the Balance Sheet as at 31<sup>st</sup> March 2009.

Particulars	2008-09 Rs. /Lacs (Unfunded)	2007-08 Rs./Lacs (Unfunded)
Present value of the obligation on 31 <sup>st</sup> March 09	99.03	14.10
Fair value of the plan assets	Nil	Nil
Unfunded liability as on 31 <sup>st</sup> March 09	99.03	14.10
Unrecognised actual gains/losses	Nil	Nil
Unfunded liability recognised in Balance Sheet	99.03	14.10

- Expenses recognised during the year under the head personnel cost

Particulars	Gratuity Rs. /Lacs (Unfunded)	Leave Encashment Rs./Lacs (Unfunded)
Interest cost from 1 <sup>st</sup> April 08 to 31 <sup>st</sup> march 09	6.93	1.66
Service cost from 1 <sup>st</sup> April 08 to 31 <sup>st</sup> March 09	9.24	7.13
Actual return on plan assets	Nil	Nil
Gain / Loss recognised up to 31 <sup>st</sup> march 09	36.60	5.98
Net gain to be provided as income in Profit & Loss Account	20.43	2.81

## c) Actuarial Assumptions

Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Discount rate (per annum)	7 %	7 %
Rate of increase in compensation level	5 %	5 %
Expected average remaining working lives of employees (years)	16	16

## 14. Computation of earning per share:

Basic earning per share:	2008-09	2007-08
Number of Shares	1,78,63,917	1,36,85,847
Profit for the year (Rs. in Lacs)	Rs. 751.29	Rs. 576.50
Earning per Share (Basic)	4.21	4.22
Number of Shares	1,93,63,917	1,43,39,272
Earning per Share (Diluted)	3.88	4.02

## 15. Sales:

	2008-09		2007-08	
Turnover	Qty. In M.T.	Rs./Lacs	Qty. in M.T.	Rs./Lacs
Processed & Preserved Food Products	12,493.79	8,513.18	14,237.83	8054.49
Chilli Powder, Ground and Blended Spices	238.92	314.69	188.62	175.92
Traded Goods *		500.53		369.41
Sale of Import Licenses		258.05		380.36
<b>Total</b>		<b>9,586.45</b>		<b>8980.18</b>

\* Quantities of traded goods are not indicated, as there are large numbers of items which cannot be quantified into metric tonnes.

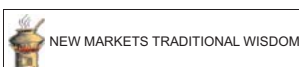
## 16. Details of Raw Materials and Packing Materials Consumed:

	2008-09		2007-08	
	Qty. in M.T.	Rs./Lacs	Qty. in M.T.	Rs./Lacs
Mango, Lemon, Chilli, Vegetables, Whole Chilli, Tamarind, Salt, Sugar, & Other ingredients	17,344	2727.16	17,509	2672.81
Packing Materials *		1417.08		1457.32
<b>Total</b>		<b>4144.24</b>		<b>4130.13</b>

\*Note: Quantities of packing materials are not indicated as there are too many items having Different-measuring units, which cannot be expressed into metric tones.

## 17. Value of Imported and indigenous Raw Materials, Packing Materials and Stores and Spare parts consumed:

	2008-09		2007-08	
	Rs./Lacs	% of Consumption	Rs./Lacs	% of Consumption
Raw Materials consumed:				
Imported	16.39	0.60	52.71	1.97
Indigenous	2710.77	99.40	2620.10	98.03
<b>Total</b>	<b>2,727.16</b>	<b>100.00</b>	<b>2672.81</b>	<b>100.00</b>



	2008-09		2007-08	
	Rs./Lacs	% of Consumption	Rs./Lacs	% of Consumption
Stores & Packing Materials consumed:				
Imported	174.24	12.30	164.94	11.27
Indigenous	1245.30	87.70	1298.31	88.73
<b>Total</b>	<b>1419.54</b>	<b>100.00</b>	<b>1463.25</b>	<b>100.00</b>

**18. Information of each class of goods manufactured:**

**Licensed Capacity, Installed Capacity and Actual Production:**

**a) I) Licensed Capacity** (See note no. 1)

	2008-09	2007-08
	Quantity in M.T.	Quantity in M.T.
II) Installed Capacity	42,900	42,900
III) Actual Production:		
Processed & Preserved Food Products	12554.26	14405.19
Chilly Powder, Ground Spices	237.64	192.24

**Notes:**

- (1) As the Company is in the Agro based industry category no license is required to be obtained for its capacity.
- (2) As certified by the management.
- (3) Production is not actual but it a derived.

**b) Opening & Closing Stock of Finished Goods :**

	2008-09				2007-08			
	Opening Stock		Closing Stock		Opening Stock		Closing Stock	
	Qty/M.T.	Rs./Lacs	Qty/M.T.	Rs./Lacs	Qty/M.T.	Rs./Lacs	Qty/M.T.	Rs./Lacs
Processed & Preserved food Products	154.76	77.48	75.04	30.36	82.28	32.70	154.76	77.48
Chilly Powder, Ground Spices	3.76	4.15	2.48	2.81	0.14	0.11	3.76	4.15
Traded Goods *		27.62		88.19		29.01		27.62
<b>Total</b>	<b>158.52</b>	<b>109.25</b>	<b>77.52</b>	<b>121.36</b>	<b>82.42</b>	<b>61.82</b>	<b>158.52</b>	<b>109.25</b>

\* Quantities of Opening & Closing stock of traded goods are not indicated as there are too many items having different measuring units, which cannot be translated into metric tonnes.

**c) Purchase of Traded Goods:**

	2008-09 Rs./Lacs	2007-08 Rs./Lacs
Traded Goods *	324.77	164.58
<b>Total</b>	<b>324.77</b>	<b>164.58</b>

\* Quantities of Purchase of traded goods are not indicated as there are too many items having different measuring units, which cannot be translated into metric tones.

## 19. Managerial Remuneration:

### A. Remuneration to Chairman, Vice Chairman, Managing Director, Executive Director#

	2008-09 Rs./Lacs	2007-08 Rs./Lacs
Salaries, Allowances & Commission	70.22	45.24
Contribution to P.F. & F.P.F.	5.32	2.95
Perquisites	13.23	2.76
<b>Total</b>	<b>88.77</b>	<b>50.95</b>

Note:

# includes in respect of an executive director appointed with effect from 1 June 2008. The above remuneration does not include provisions for gratuity and leave encashment, as these are lump sum amounts based on actuarial valuation.

## 20. Miscellaneous expenditure includes Auditors' Remuneration:

	2008-09 Rs./Lacs	2007-08 Rs./Lacs
For Audit Fees	6.16	5.70
For Tax Audit Fees	0.50	0.30
For Other Matters	10.82	1.55
For Service Tax	0.64	0.43
<b>Total</b>	<b>18.12</b>	<b>7.98</b>

## 21. Value of Imports Calculated on C.I.F. Basis:

	2008-09 Rs./Lacs	2007-08 Rs./Lacs
Raw Materials / Packing Materials / Traded Goods	207.27	265.27
Capital Goods/ Consumables/ imported parts for machinery repairs	21.05	334.98
<b>Total</b>	<b>228.32</b>	<b>600.25</b>

## 22. Expenditure in Foreign Currency:

	2008-09 Rs./Lacs	2007-08 Rs./Lacs
Traveling Expenses	111.10	88.57
Advertisement	152.90	107.85
Legal & Professional Fees	68.81	43.08
Bank Interest	9.21	10.97
Sales expenses	20.51	107.73
Claims	112.20	120.03
Commission	112.19	-
Steamer Freight	181.96	251.56
Capital Advances	38.11	12.88
Others	26.62	2.04
<b>Total</b>	<b>833.61</b>	<b>744.71</b>

**23. Remittance in foreign Currency on account of dividend:**

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

Particulars	Final dividend 2007-2008
No. of Share holders	53
No. of shares held by them	26,92,754
Amount of dividend (10 % i.e. Rs. 1/- Per Share)	26,92,754

**24. Earnings in Foreign Currency:**

	2008-09 (Rs. in lacs)	2007-08 (Rs. in lacs)
F.O.B. Value of Exports	8368.91	7641.44

**25. Segment wise information for the year ended 31<sup>st</sup> March 2009:**

Segments have been identified in line with the "Accounting standard on Segment reporting "(AS-17), taking into account, the nature of products and services, the organization and internal reporting structure as well as differential risk of these segments.

(A) Information about Primary Business Segments is given in Annexure 1:

Notes:

- (i) The Company is organized into two main segments. Namely:
  - Processed & Preserved Foods.
  - Trading Goods.
- (ii) Segment revenue includes sales, Export incentives (Duty Draw back, Sales of Licence) and Exchange Rate difference.

(B) Information about Secondary Business Segments is given in Annexure 2:

Notes:

- (i) The Company is organized into two main segments. Namely:
    - India.
    - Out of India.
  - (ii) Segment revenue in geographical segments considered for disclosure is as follows:
    - Revenue with in India includes sales to customers located with in India and earning in India.
    - Revenue outside India includes located outside India and earning outside India.
- (C) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

26. Previous year's figures have been regrouped and recast wherever considered necessary.

27. Figures have been rounded off to the nearest lakhs.

**Schedules referred to above form an integral part of the Consolidated Balance Sheet and Consolidated Profit & Loss Account.**

For and on behalf of the Board of Directors

**ASHOK H. THAKKAR**  
Vice Chairman

**BIMAL R. THAKKAR**  
Managing Director

Mumbai,  
Date, 15th May 2009

**Aparna Bhat**  
Company Secretary

**CONSOLIDATED SEGMENT REPORTING FOR THE YEAR ENDED**
**Annexure - 1**

Particulars	31-March-09 Rs. in lacs	31-March-08 Rs. in lacs
<b>Segment Revenue</b>		
a) Processed and preserved foods	9,080.30	8,599.88
b) Traded goods	506.15	380.30
<b>Total</b>	<b>9,586.45</b>	<b>8,980.18</b>
Less: Inter Segment revenue	-	-
<b>Net Sales/Income from Operations</b>	<b>9,586.45</b>	<b>8,980.18</b>
<b>Segment Results</b>		
<b>Profit(+)/Loss(-) before tax and interest</b>		
<b>from each Segment wise:</b>		
a) Processed and preserved foods	1,830.76	1,696.13
b) Traded goods	195.13	123.59
<b>Total</b>	<b>2,025.89</b>	<b>1,819.72</b>
Less: Interest	220.33	257.90
Other un-allocated expenditure net off	1,109.98	915.30
Un-allocable income	402.64	262.05
<b>Total Profit before Tax</b>	<b>1,098.22</b>	<b>908.57</b>
<b>Capital employed:</b>		
a) Processed and preserved foods	4,702.88	4,421.85
b) Traded goods	141.49	108.99
c) Others un allocated	3,897.70	3,729.50
<b>Total</b>	<b>8,742.07</b>	<b>8,260.34</b>

**Note on segment information:**

- Regarding Segment-wise results, business segment, as given below, have been identified as reportable Primary Segments in accordance with AS-17, issued by the ICAI, taking in to account the organisational and the internal reporting structure as well as evaluation of risks and returns from these segments.
  - Processed and preserved foods
  - Traded goods
- Segment Revenue and Results include the respective amounts identifiable to each of the business segments. Other unallocable expenditure (Net of unallocable income) represents expenses incurred on common/regional/corporate services not directly identifiable to individual segments.
- Segment assets and liabilities include all operating assets directly identified to the business segments. "Others un allocated" represent common assets and liabilities which cannot be allocated to any of the segments.
- The Consolidated Financial statement have been prepared in accordance with Accounting Standards AS-21 "Consolidated Financial Statement" issued by the Institute of Chartered Accountants of India. Consolidated financial statement of the Company includes the Financial statement of it's 100% Subsidiary Company, ADF Foods UK Limited, 99% Subsidiary Company, Power Brands (Foods) Pvt. Limited and 100% Subsidiary Company, ADF Foods (Mauritius) Limited.





## CONSOLIDATED SEGMENT REPORTING FOR THE YEAR ENDED

### Annexure - 2

Particulars	31-March-09 Rs. in lacs	31-March-08 Rs. in lacs
<b>Segment Revenue</b>		
a) Domestic	566.51	747.34
b) Exports	9,019.94	8,232.84
	<b>9,586.45</b>	<b>8,980.18</b>
Less: Inter Segment revenue	-	-
<b>Net Sales/Income from Operations</b>	<b>9,586.45</b>	<b>8,980.18</b>
<b>Segment Results</b>		
<b>Profit(+)/Loss(-) before tax and interest from each Segment wise:</b>		
a) Domestic	59.09	33.36
b) Exports	1,966.80	1,786.36
<b>Total</b>	<b>2,025.89</b>	<b>1,819.72</b>
Less: Interest	220.33	257.90
Other un-allocated expenditure net off	1,109.98	915.30
Un-allocable income	402.64	262.05
	<b>1,098.22</b>	<b>908.57</b>
<b>Capital employed:</b>		
a) India	8,742.07	8,260.34
b) Out side India	-	-
<b>Total</b>	<b>8,742.07</b>	<b>8,260.34</b>

#### Note on segment information:

- 1) Segment have been identified in line with the "Accounting Standard on Segment Reporting (AS-17)", taking in to account, the organisation and internal reporting structure as well as differential risk of these segments.
- 2) The Company's tangible fixed Assets are located entirely in India
- 3)) The Consolidated Financial statement have been prepared in accordance with Accounting Standars AS-21"Consolidated Financial Statement"issued by the Institute of Chartered Accountants of India. Consolidated financial statement of the Company includes the Financial statement of it's 100% Subsidiary Company, ADF Foods UK Limited, 99% Subsidiary Company, Power Brands (Foods) Pvt. Limited and 100% Subsidiary Company, ADF Foods (Mauritius) Limited.

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

		31-Mar-09 Rs.(in Lacs)	31-Mar-08 Rs.(in Lacs)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/(Loss) before tax and extraordinary items.	1,098.22	908.57
	Adjustment for :		
	Depreciation	598.32	564.71
	Sale of assets	65.30	17.93
		663.62	582.64
	Operating Profit before working capital charges	1,761.84	1,491.21
	Adjustment for :		
	Trade and other receivables	511.58	(496.70)
	Inventories	(259.72)	(165.30)
	Trade Payables	(37.69)	755.97
		214.17	93.97
	Cash generated from operations	1,976.01	1,585.18
	Direct taxes paid	(247.85)	(253.70)
	Fringe benefit tax	(22.81)	(15.30)
	Previous year's adjustment	(43.21)	(33.42)
	Wealth tax	(0.78)	(0.69)
		(314.67)	(303.11)
	Cash Flow before extraordinary items	1,661.34	1,282.07
	Pre-operative expenses	(1.30)	11.89
		(1.30)	11.89
	<b>Net cash from operating activities ( A )</b>	<b>1,662.64</b>	<b>1,270.18</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of fixed Assets (including capital work in progress)	(509.33)	(3,110.29)
	Increase of Share Capital	-	284.00
	Issue of Warrants	-	105.00
	Increase of Reserves	8.35	1,526.86
	Investment in Subsidiary Company/Other	-	1,881.14
	<b>Net Cash used in investing activities ( B )</b>	<b>(509.98)</b>	<b>686.71</b>
<b>C.</b>	<b>CASH FLOW FINANCING ACTIVITIES</b>		
	Proceeds from borrowings from banks & financial institutions (Net of repayments)	(224.58)	(533.77)
	Unsecured loans from Directors	19.44	(12.54)
	Dividend & Corporate Dividend Tax Paid	(310.17)	(382.55)
	<b>Net cash used in financing activities ( C )</b>	<b>(515.31)</b>	<b>(928.86)</b>
	<b>Net decrease in cash and cash equivalents (A+B+C)</b>	<b>646.35</b>	<b>1,028.03</b>
	Cash and cash equivalents at the beginning of the year	1-Apr-08	1-Apr-07
	(Opening Balance)	1,133.32	105.29
	Cash and cash equivalents as at	31-Mar-09	31-Mar-08
	(Closing Balance)	1,779.67	1,133.32

**For and on behalf of the Board of Directors**
**ASHOK H THAKKAR**

Vice Chairman

**BIMAL R. THAKKAR**

Managing Director

Mumbai,  
Date, 15th May 2009

**AUDITORS' REPORT**

We have verified the above cash flow statement of ADF FOODS LIMITED derived from the audited financial statements for the year ended 31st March 2009 and for the year ended 31st March 2008 and found the same to be drawn in accordance there with and also with the requirements of Clause 32 of the listing agreement with StockExchange.

For D.P. GHEVARIA & CO.  
Chartered Accountants

D.P. GHEVARIA  
Proprietor

Mumbai,  
Date, 15th May 2009

For V.P. THACKER & CO.  
Chartered Accountants

V.P. THACKER  
Partner

## ADF FOODS LIMITED

Registered office: 83/86 GIDC Industrial Estate, Nadiad – 387001, Gujarat

### Proxy Form

**Nineteenth Annual General Meeting- 17<sup>th</sup> June 2009 at 2.00 P.M.**

Folio No. ....

I/We .....

of .....in the district of

.....being a member /members of the above named Company hereby appoint

.....of .....in the district of

.....or failing him .....

of .....in the district of .....

as my/our proxy to vote for me/us on my/our behalf at the Nineteenth Annual General Meeting of the Company to be held on 17<sup>th</sup> June 2009 at 2.00 PM and at any adjournment thereof.

Signed this ..... day of .....

Signature .....

Affix  
Revenue  
Stamp

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

## ADF FOODS LIMITED

Registered office: 83/86 GIDC Industrial Estate, Nadiad – 387001, Gujarat

### Attendance Slip

**Nineteenth Annual General Meeting- 17<sup>th</sup> June 2009 at 2.00 P.M.**

Folio No .....

I certify that I am a Registered Shareholder / Proxy for the registered shareholder of the Company. (Members' /proxy's name and address in block letters to be furnished below)

I hereby record my presence at the NINETEENTH ANNUAL GENERAL MEETING of the Company at Sheth Khushaldas Gokaldas Patel Municipal Town Hall, Nadiad – 387001, Gujarat on Wednesday, 17<sup>th</sup> June 2009 at 2.00 PM.

.....  
Member's / Proxy's Name in block letters

.....  
Members' / Proxy's Signature

Note: Please fill in this attendance slip and hand it over at the ENTRANCE OF THE MEETING HALL

# ADF FOODS LIMITED

## ECS MANDATE FORM



To,  
M/s. Link Intime (India) Private Limited  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg,  
Bhandup (West )  
Mumbai- 400 078.

### FOR SHARED HELD IN PHYSICAL MODE

Please complete this form and send it to  
M/s. Link Intime (India) Private Ltd., Mumbai

### SHAREHOLDERS HOLDING SHARES IN DEMAT MODE

Should inform their DPs directly.

### Unit: ADF Foods Limited

I hereby consent to have the amount of dividend on my equity shares credited through the Electronic Clearing Service (Credit Clearing ) (ECS). The particulars are:

1. Folio No./Cert. No. :
2. Name of the 1<sup>st</sup> Registered holder :
3. Bank details :
  - Name of the Bank :
  - Full address of the Branch :
  - Account Number :
  - Bank Ledger No. :
  - Account Type : *(Please tick the relevant box for Saving Bank Account, Current Account or Cash Credit Account)*

Savings	Current	Cash Credit
---------	---------	-------------

- 9 Digit Code number of the Bank and branch appearing on the MICR Cheque issued by the Bank *(Please attach a photocopy of a Cheque for verifying the accuracy of the code number)*



I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

(Signature of the 1<sup>st</sup> Registered holder as per the Specimen signature with the Company)

Name : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Notes

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## Notes

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