



D. P. GHEVARIA & CO.

CHARTERED ACCOUNTANTS

DEEPAK P. GHEVARIA
B. Com (Hons.), F. C. A.

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RESIDENCE : Hastiraj, A/15, 4th Floor, Bapubhai Vashi Road, Vile Parle (W), Mumbai - 400 056. • Tel. : 2671 6669

Independent Auditors' Report

To the Members of ADF Foods Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

Independent Auditors' Report (Continued)

ADF Foods Limited

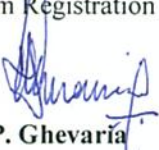
Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements having regard to Note No. 28(11) in the Notes to Account, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion, proper books of account as required by law have been kept by the Company so far it appears from our examination of those books;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act; and
 - on the basis of written representations received from the directors as at 31 March 2014 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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


D.P. Ghevaria
Proprietor
Membership No: 032431

Mumbai
28th May, 2014





D. P. GHEVARIA & CO.

CHARTERED ACCOUNTANTS

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Annexure to the Auditors' Report

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

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

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

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

Statute	Nature of Dues	Amount (Rs.) (In lacs)	Period to which amount relates	Forum where dispute is pending
Finance Act, 1944	Service Tax	140.81		CESTAT
	Service Tax-penalty and interest	299.19	FY 2006-07 to FY 2010-11	CESTAT

- (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. The Company has, however, given unsecured interest bearing Inter Corporate Deposits to some Companies. The terms and conditions of such deposits are, in our opinion, not prejudicial to the interest of the Company.
- (xiii) The provisions of special statute applicable to Chit Fund, Nidhi or Mutual 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 the loans taken by others from banks or financial institutions.

- (xvi) The term loans have been applied for the purposes for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have 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
Firm Regn. No. 103176W



D. P. Ghevaria
Proprietor



Membership Number : 032431

Place: Mumbai

Date: 28th May, 2014