

# **DHARMESH PARIKH & CO.**

## **CHARTERED ACCOUNTANTS**

303/304, "Milestone", Nr. Drive-in-Cinema, Opp.T.VTower, Thaltej,  
Ahmedabad-380 054. Phone: 91-79-27474466 Fax: 91-79-27479955

### **Independent Auditor's Report**

#### **To the Members of Adani Agri Fresh Limited**

##### **Report on the audit of the Standalone Financial Statements**

We have audited the accompanying Standalone Financial Statements of Adani Agri Fresh Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2020, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

##### **Basis for Opinion**

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

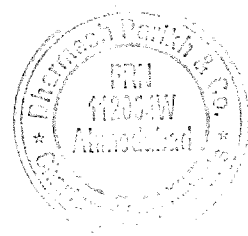
##### **Emphasis of Matter**

Without qualifying / modifying our opinion:

Note 43 in the Standalone Ind AS Financial Statements which indicate that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss during the current and previous year and, the Company's current liabilities exceed its current assets as at the balance sheet date. These conditions, along with other matters set forth in Note 43, indicate the existence of a material uncertainty that may cast significant doubt about Company's ability to continue as a going concern. However, the Standalone Ind AS Financial Statements of the Company have been prepared on a going concern basis for the reason stated in the said note.

##### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.



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### **Independent Auditor's Report** **To the Members of Adani Agri Fresh Limited (Continue)**

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

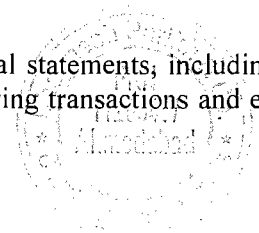
The Board of Directors are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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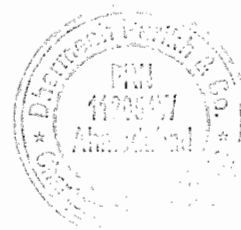
### Independent Auditor's Report To the Members of Adani Agri Fresh Limited (Continue)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



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**Independent Auditor's Report**

**To the Members of Adani Agri Fresh Limited (Continue)**

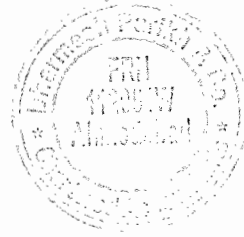
3. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has been paid /provided in accordance with the requisite approval mandated by the provision of Section 197 (16) read with Schedule V of the Act.

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2020

For, **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Reg. No. 112054W

**CHIRAG SHAH**  
Partner  
Membership No. 122510  
**UDIN : 20122510AAAAGY9473**



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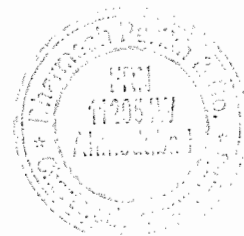
## Annexure - A to the Independent Auditor's Report

### RE: Adani Agri Fresh Limited

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified by the management in a phased periodic manner over the period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the products manufactured or services rendered by the Company. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, Goods and Service Tax and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales tax, Goods and Service Tax, and other material statutory dues.



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### Annexure - A to the Independent Auditor's Report

#### RE: Adani Agri Fresh Limited (Continue)

(Referred to in Paragraph 1 of our Report of even date)

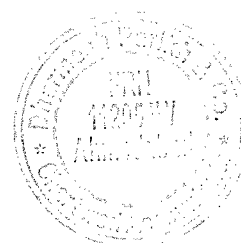
According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred above were in arrears as at 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us and records of the Company examined by us, the following due has not been deposited on account of dispute:

Name of the Statute	Nature of the Dues	Forum Where dispute is pending	Amount (Rs. in Lakhs) *	Amount Paid Under Protest (Rs. in Lakhs)	Period to which the amount Relates
The Central Sales Tax Act, 1956, Local Sales Tax Acts & Works Contract Tax Act	Penalty under section 10 (A) of the CST Act on interstate purchase of goods made at concessional rate of tax without meeting the requirement of section 8(3)(b) of CST Act, 1956	Additional Excise & Taxation Commissioner (Appeals), Shimla	198.50	135.00	2006-07

(\*)Including Interest/ Penalty where the notice specifies the same.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding debentures or dues to any financial institutions or government during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, no term loans taken by the Company during the year under review.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has been paid/ provided in accordance with the requisite approval mandated by the provision of Section 197 read with Schedule V of the Act.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.



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### **Annexure - A to the Independent Auditor's Report**

#### **RE: Adani Agri Fresh Limited (Continue)**

(Referred to in Paragraph 1 of our Report of even date)

- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2020

For, **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Reg. No. 112054W

**CHIRAG SHAH**  
Partner  
Membership No. 122510



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### **Annexure – B to the Independent Auditor's Report**

**RE: Adani Agri Fresh Limited**

(Referred to in Paragraph 2(f) of our Report of even date)

### **Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act 2013 (the act).**

We have audited the internal financial controls over financial reporting of the company as of 31<sup>st</sup> March, 2020 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

### **Management's Responsibilities for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:





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### **Annexure – B to the Independent Auditor's Report**

#### **RE: Adani Agri Fresh Limited**

(Referred to in Paragraph 2(f) of our Report of even date)

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

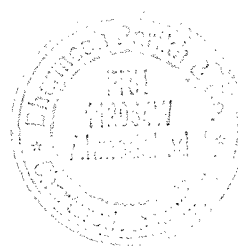
### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, **DHARMESH PARIKH & CO.**  
Chartered Accountants  
Firm Reg. No. 112054W

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2020

**CHIRAG SHAH**  
Partner  
Membership No. 122510



## BALANCE SHEET AS AT 31st MARCH 2020

Particulars	Notes	As at 31st March, 2020 ₹ In Lakhs	As at 31st March, 2019 ₹ In Lakhs
<b>ASSETS</b>			
<b>I NON-CURRENT ASSETS</b>			
(a) Property, Plant & Equipment	4	7,964.16	8,842.20
(b) Capital Work-In-Progress		1,408.12	931.45
(c) Intangible Assets	4	1.25	2.04
(d) <b>Financial Assets</b>			
(i) Investments	5	1,394.17	1,394.30
(ii) Other Financial Assets	6	18.92	18.92
(e) Deferred Tax Assets (net)	7	584.23	584.23
(f) Other Non-current Assets	8	216.74	843.08
		<b>11,587.59</b>	<b>12,616.22</b>
<b>II CURRENT ASSETS</b>			
(a) Inventories	9	4,175.34	4,352.87
(b) <b>Financial Assets</b>			
(i) Trade Receivables	10	1,890.84	3,047.99
(ii) Cash & cash equivalents	11	2,578.26	357.73
(iii) Bank Balances other than above	12	444.22	431.17
(iv) Loans & Advances	13	1,318.65	739.87
(v) Other Financial Assets	14	41.68	16.62
(c) Other Current Assets	15	264.26	281.91
		<b>10,713.25</b>	<b>9,228.16</b>
<b>TOTAL</b>		<b>22,300.84</b>	<b>21,844.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I EQUITY</b>			
(a) Equity Share Capital	16	10,257.10	4,561.00
(b) Other Equity			
(i) Equity component - Convert. Pref. Share	16	-	4,018.10
(ii) Retained Earnings	17	(11,640.88)	(13,939.67)
<b>Total Equity</b>		<b>(1,383.78)</b>	<b>(5,360.57)</b>
<b>LIABILITIES</b>			
<b>II NON-CURRENT LIABILITIES</b>			
(a) <b>Financial Liabilities</b>			
(i) Borrowings	18	181.63	5,458.66
(ii) Other Financial Liabilities	19	35.76	21.54
(b) Provisions	20	46.51	27.98
(c) Government Grants	21	642.76	815.29
		<b>906.66</b>	<b>6,323.47</b>
<b>III CURRENT LIABILITIES</b>			
(a) <b>Financial Liabilities</b>			
(i) Borrowings	22	20,849.51	18,723.98
(ii) Trade Payables	23		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		929.74	1,027.20
(iii) Other Financial Liabilities	24	696.01	824.50
(b) Other Current Liabilities	25	77.80	86.97
(c) Provisions	26	52.37	46.30
(d) Government Grants	21	172.53	172.53
		<b>22,777.96</b>	<b>20,881.48</b>
<b>TOTAL</b>		<b>22,300.84</b>	<b>21,844.38</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Dharmesh Parikh &amp; Co.

Chartered Accountants

Firm Registration No. 112054W

Chirag Shah

Partner

Membership No. 122510

For and on behalf of the Board of Directors of  
Adani Agri Fresh Limited

Pranav Adani

Chairman

DIN - 00008457

Niranjan Jain

Company Secretary

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2020

Basanta Kumar Nayak

Whole Time Director

DIN - 08187071

Sanjay Garge

Chief Financial Officer

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2020

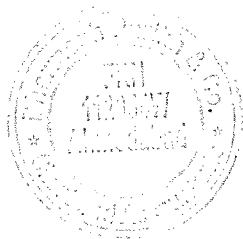
## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31st MARCH 2020

		NOTES	For the Year Ended 31st March, 2020 ₹ In Lakhs	For the Year Ended 31st March, 2019 ₹ In Lakhs
	<b>REVENUE</b>			
I	Revenue from Operations	27	33,192.39	17,012.53
II	Other Income	28	284.18	236.87
III	<b>Total Revenue (I+II)</b>		<b>33,476.57</b>	<b>17,249.40</b>
	<b>EXPENSES</b>			
IV	Purchase of Stock-in-Trade		27,185.69	12,815.02
	Decrease/(Increase) in Inventories of finished goods	29	203.91	(1,196.80)
	Employee benefits expense	30	620.98	564.57
	Finance costs	31	2,572.56	2,366.28
	Depreciation and amortization expense	3	1,182.99	1,105.16
	Other expenses	32	3,415.44	3,088.44
	<b>Total Expenses</b>		<b>35,181.58</b>	<b>18,742.67</b>
V	<b>Profit / (Loss) for the year before Exceptional, Extraordinary Items &amp; Taxation (III - IV)</b>		<b>(1,705.01)</b>	<b>(1,493.27)</b>
VI	Exceptional Items & Extraordinary items		-	-
VII	<b>Profit / (Loss) for the year before Taxation (V - VI)</b>		<b>(1,705.01)</b>	<b>(1,493.27)</b>
VIII	<b>Tax Expense</b>			
	Tax adjustment of earlier years		0.09	-
	<b>Total tax expenses / (credit)</b>		<b>0.09</b>	<b>-</b>
IX	<b>Profit / (Loss) for the year (VII - VIII)</b>		<b>(1,705.10)</b>	<b>(1,493.27)</b>
X	<b>Other Comprehensive Income</b>			
	- Item that will not be reclassified to Profit & Loss			
	(a) Remeasurement of Post employee benefit obligation		(14.21)	0.60
	<b>Total Other Comprehensive Income / (Loss)</b>		<b>(14.21)</b>	<b>0.60</b>
	<b>Total Comprehensive Income for the year (IX + X)</b>		<b>(1,719.31)</b>	<b>(1,492.67)</b>
	<b>Earning per Equity Share of ₹ 10 each :</b>			
	- Basic		<b>(1.66)</b>	<b>(3.27)</b>
	- Diluted		<b>(1.66)</b>	<b>(1.46)</b>

The accompanying notes are an integral part of the financial statements.  
As per our report of even date.

**For Dharmesh Parikh & Co.**  
Chartered Accountants  
Firm Registration No. 112054W

Chirag Shah  
Partner  
Membership No. 122510



For and on behalf of the Board of Directors of  
**Adani Agri Fresh Limited**

Pranav Adani  
Chairman  
DIN - 00008457

Basanta Kumar Nayak  
Whole Time Director  
DIN - 08187071

Niranjan Jain  
Company Secretary

Sanjay Garge  
Chief Financial Officer

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2020

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2020



## Statement of Changes in Equity for the year ended 31st March, 2020

## A. Share Capital

Particulars	No. of Shares	₹ In Lakhs
As at 1st April 2018	45,610,000	4,561.00
Changes in the Equity Share Capital	-	-
As at 31st March 2019	45,610,000	4,561.00
Changes in the Equity Share Capital	-	-
Conversion of Preference Share into Equity	56,961,000	5,696.10
As at 31st March 2020	102,571,000	10,257.10

## B. Other Equity

₹ In Lakhs

Particulars	Equity Component of Preference share	Reserves & Surplus		Total
		Capital Reserve	Retained Earnings	
Balance at 1 <sup>st</sup> April 2018	4,018.10	-	(12,447.00)	(8,428.90)
<b>Adjustments</b>				
Add : (Loss) for the year	-	-	(1,493.27)	(1,493.27)
<b>Other Comprehensive Income</b>				
Remeasurement of defined benefit plans	-	-	0.60	0.60
As at 31st March 2019	4,018.10	-	(13,939.67)	(9,921.57)
Balance at 1 <sup>st</sup> April 2019	4,018.10	-	(13,939.67)	(9,921.57)
<b>Adjustments</b>				
Add : (Loss) for the year	-	-	(1,705.10)	(1,705.10)
Add / (Less) : Equity Component of Pref. Share Converted	(4,018.10)		4,018.10	-
<b>Other Comprehensive Income</b>				
Remeasurement of defined benefit plans	-	-	(14.21)	(14.21)
As at 31st March 2020	-	-	(11,640.88)	(11,640.88)

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For Dharmesh Parikh &amp; Co.

Chartered Accountants

Firm Registration No. 112054W

For and on behalf of the Board of Directors of

Adani Agri Fresh Limited

Chirag Shah

Partner

Membership No. 122510



Pranav Adani

Chairman

DIN - 00008457

Basanta Kumar Nayak

Whole Time Director

DIN - 08187071

Niranjan Jain

Company Secretary

Sanjay Garge

Chief Financial Officer

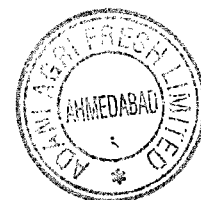
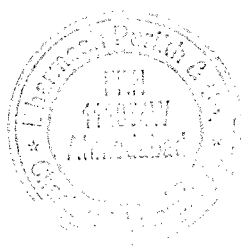
Place : Ahmedabad

Date : 4<sup>th</sup> May, 2020

Place : Ahmedabad

Date : 4<sup>th</sup> May, 2020

Particulars	For the year ended 31 March 2020 ₹ In Lakhs	For the year ended 31 March 2019 ₹ In Lakhs
<b>Cash flow from operating activities</b>		
Profit / (Loss) before Tax	(1,705.01)	(1,493.27)
Non cash adjustment to reconcile (loss) before tax to net cash flows		
Depreciation	1,182.99	1,105.16
Bad Debts	32.92	-
Interest on Debt Component of Preference Share	600.69	586.20
Bank Charges on Term Loan - IndAS Transaction	-	1.85
Govt Subsidy released to profit & Loss	(172.53)	(172.53)
(Profit) / Loss on sale of fixed assets	(1.69)	(12.63)
(Profit) / Loss from P'ship firm (50% share)	0.14	(2.69)
Interest Expense	1,967.31	1,775.44
Interest Income	(150.83)	(98.13)
<b>Operating Profit before working capital changes</b>	<b>1,753.99</b>	<b>1,689.40</b>
<b>Movements in working capital :</b>		
(Decrease) / Increase in trade payables	(97.46)	(49.32)
(Decrease) / Increase in non-current provisions	18.53	(2.92)
(Decrease) / Increase in short-term provisions	(8.14)	(8.77)
(Decrease) / Increase in other financial liabilities	14.22	(1.78)
(Decrease) / Increase in current other financial liabilities	(108.57)	(488.58)
(Decrease) / Increase in other current liabilities	(9.17)	31.71
Decrease / (Increase) in trade receivables	1,124.23	(92.70)
Decrease / (Increase) in inventories	177.53	(1,185.62)
Decrease / (Increase) in financial assets	(610.93)	(775.28)
Decrease / (Increase) in current financial assets	4.60	1.14
Decrease / (Increase) in other assets	519.25	660.86
Decrease / (Increase) in other current assets	17.65	(58.18)
<b>Cash generated from operations</b>	<b>2,795.74</b>	<b>(280.04)</b>
Direct taxes paid (net of refunds)	610.83	775.27
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>3,406.56</b>	<b>495.22</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(673.79)	(882.91)
Sale of fixed assets	1.75	21.45
Decrease / (Increase) in Deposits above 12 Months	-	(1.03)
Investment in / proceeds from margin Money	(13.05)	(19.03)
Decrease / (Increase) in loans	(578.78)	(70.28)
Interest received	121.18	100.89
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(1,142.69)</b>	<b>(B50.91)</b>
<b>Cash flows from financing activities</b>		
Proceeds / (repayment) from borrowings	1,943.90	2,124.03
Interest paid	(1,987.24)	(1,781.04)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(43.34)</b>	<b>342.99</b>
Net increase / (decrease) in cash and cash equivalents (A + B + C)	2,220.53	(12.70)
Cash and cash equivalents at the beginning of the year	357.73	370.43
<b>Cash and cash equivalents at the end of the year</b>	<b>2,578.26</b>	<b>357.73</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	-	-
With banks-on current account	528.26	357.73
Fixed Deposit with maturity less than :	2,050.00	-
<b>Total cash and cash equivalents (note 11)</b>	<b>2,578.26</b>	<b>357.73</b>



**Notes to Cash Flow Statement:**

1. The Cash Flow Statement has been prepared under the Indirect method as set out in Ind AS 7 on Cash Flow Statements notified under Section 133 of The Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2. Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2017 (as amended) is given as given below.

- The entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). The Company has provided the information for current period.

- Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (indian accounting standards) rules, 2018.

**Changes in liabilities arising from financing activities**

₹ In Lakhs

Particulars	April 1, 2019	Cash flows	Others	March 31, 2020
Long-term borrowings (incl. current maturities of long term debt)	656.11	(292.86)	-	363.25
Short-term borrowings	18,723.98	2,125.53	-	20,849.51
Interest accrued but not due on borrowings	26.05	(1,987.24)	1,967.31	6.13
<b>TOTAL</b>	<b>19,406.15</b>	<b>(154.57)</b>	<b>1,967.31</b>	<b>21,218.89</b>

3. Previous year's figures have been regrouped wherever necessary, to conform to this year's classification.

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

**For Dharmesh Parikh & Co.**

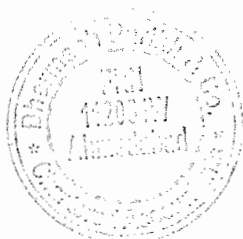
Chartered Accountants

Firm Registration No. 112054W

Chirag Shah

**Partner**

Membership No. 122510



For and on behalf of the Board of Directors of  
**Adani Agri Fresh Limited**

Pranav Adani

**Chairman**

DIN - 00008457

Basanta Kumar Nayak

**Whole Time Director**

DIN - 08187071

Niranjan Jain

**Company Secretary**

Sanjay Garge

**Chief Financial Officer**

Place : Ahmedabad

Date : 4<sup>th</sup> May, 2020

Place : Ahmedabad

Date : 4<sup>th</sup> May, 2020



**1. Corporate Information**

ADANI AGRI FRESH LIMITED ('the Company' / 'AAFL') is a wholly owned subsidiary of Adani Enterprises Limited and an entity incorporated under the provision of the Companies Act, 1956. The registered office is located at Adani House, Near Mithakhali Circle, Navrangpura, Ahmedabad, Gujarat - 380 009, India.

The Company has set up modern Controlled Atmospheric (CA) storage facilities for storage of apple with European technology at three locations viz. Rewali (Rampur), Sainj and Rohru in Himachal Pradesh having a combined capacity of 22,630 MT.

**2. Summary of Significant Accounting Policies:****a) Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company have adopted Ind AS with effect from April 1, 2016 in accordance with the notification issued by the Ministry of Corporate Affairs.

**b) Basis of preparation and presentation of financial statements**

The financial statements have been prepared on historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

The financial statements are presented in INR ₹ in Lakhs and all values are rounded to the nearest to one.

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**c) Use of Estimates**

The preparation of financial statements requires the management to make certain judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustments to the carrying amounts of assets or liabilities in future periods.



**d) Property, Plant & Equipment**

All Property, Plant and Equipments (PPE) are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost comprises purchase price (Net of Cenvat and VAT credit wherever applicable), import duty and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditure related to an item of asset are capitalised to that asset only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. Borrowing costs attributable to acquisition, construction of qualifying assets are capitalized until such time as the assets are substantially ready for their intended use. Other pre-operative expenses for major projects are also capitalized, where appropriate.

The Company identifies and determine cost of each component has cost which is significant to the total cost of the assets, has useful life that is materially different from that of the remaining asset.

The Property, Plant and Equipments which are not ready for their intended use before reporting date are disclosed under Capital work-in-progress.

Gains or losses arising from derecognition of Property, Plant and Equipments are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on Property, Plant & Equipments is calculated on straight-line method (SLM) using the rates arrived at based on the Useful Life as specified in Schedule II of the Companies Act, 2013. The identified component of property, plant & equipments are depreciated on the basis of their useful

Depreciation on asset acquired / disposed off during the year is provided on pro-rata basis with reference to the date of addition/disposal.

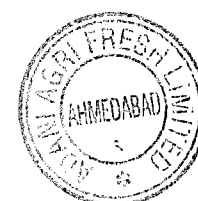
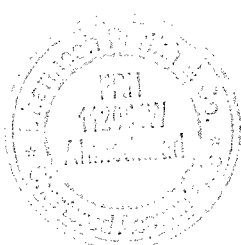
**e) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized using straight line method over a period of five years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**f) Impairment of non-financial assets:**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's net selling price and its value in use. Where the carrying amount of an assets exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.





After impairment depreciation is provided on the reviewed carrying amount of the asset over its remaining useful life.

**g) Leases**

**Where the Company is the lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

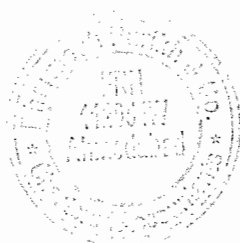
Lease payments have been classified as financing activities.

**h) Inventories**

Inventories are valued as follows:

**i) Finished goods:**

Lower of cost and net realisable value. Cost of inventories includes cost incurred on acquisition of material, cost of conversion and other costs i.e. cost incurred to bring the material to its present location and condition.



**ii) Stores and spares, Chemicals, Packing material and Fuels:**

At lower of cost and net realisable value. Cost is determined on a moving weighted average method. In case of Stores and spares, Chemicals, Packing material and Fuel, net realisable value is the estimated current procurement price in the ordinary course of the business.

Net Realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

**i) Revenue Recognition**

Effective 1st April, 2018, the Company has adopted Ind AS 115 - Revenue from Contracts with Customers (Ind AS 115, the standard), using the cumulative effect method for transition. Accordingly, the Company applied Ind AS 115 to contracts that were not completed as of 1 April, 2018 but the comparative periods have not been adjusted. The adoption of the standard did not have any material impact to the financial statements.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. Amounts disclosed as Revenue are net of returns, trade allowances, rebates and taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The following specific recognition criteria must also be met before revenue is recognised.

**Sale of Goods**

Revenue from the sale of goods is recognised when significant risk and reward of ownership of goods are transferred to customer. Revenue is measured at the fair value of consideration, net of returns, trade discounts, rebates and taxes or duties collected on behalf of the government.

**Other Income**

Insurance and other claims are recognized where there is no uncertainty as to measurement and when it is reasonably certain that the ultimate collection will be made.

**Income from Investment in Partnership Firm**

Share of Profit and Loss from Partnership firm is recognized when company's right / obligation to receive / pay is established.

**Rendering of Services**

Revenue from sale of services is recognized on rendering of services as per the terms of the contract with customers.

**Interest**

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "other income" in the statement of profit and loss.



**j) Government Grants and Subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant / subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

When the grant or subsidy relates to any Property, Plant & Equipment or non-monetary item, it is recognised as deferred income under liabilities and is credited to Profit and Loss on straight line basis over the expected life of the related asset or a non-monetary item.

**k) Foreign Currency Translation**

The financial statements are presented in INR, which is also the company's functional currency.

**Initial Recognition and Measurement**

Foreign currency transactions are translated into the functional currency, for initial recognition, using the exchange rates at the dates of the transactions.

**Subsequent Measurement**

All foreign currency denominated monetary assets and liabilities are translated at the functional currency exchange rates on the reporting date. The resultant exchange differences are recognised in profit and loss for the year. Exchange differences arising on settlement or translation of monetary items are recognised in profit and loss for the year.

Foreign currency non-monetary items that are measured in terms of historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**l) Borrowing Costs**

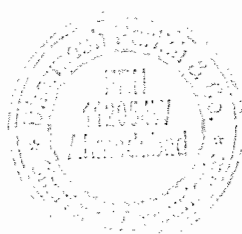
Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**m) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



For purposes of subsequent measurement, financial assets and liabilities are classified in various categories as under.

- > at amortised cost
- > fair value through other comprehensive income
- > fair value through profit and loss account

Financial instruments are subsequently measured and accounted based on their category. All financial instruments of the Company are covered under Amortised Cost. After initial measurement, such financial assets and liabilities are subsequently measured using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### **Derecognition of Financial Assets**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- a) The rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

#### **Impairment of Financial Assets**

The Company applies simplified approach model for measurement and recognition of impairment loss on the financial assets and credit risk exposure.

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

#### **Derecognition of Financial Liability**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **n) Employee Benefits**

Employee benefits includes gratuity, compensated absences, contribution to provident fund, employees' state insurance and superannuation fund.



**A) Short term Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of salaries and wages at the undiscounted amount of the benefits expected to be paid wholly within twelve months of rendering the service.

**B) Post Employment Benefits****i) Defined Benefit Plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary, using the projected unit credit method. The liability for gratuity is funded annually to a gratuity fund maintained with the Life Insurance Corporation of India.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net balance of defined benefit liability or asset.

**ii) Defined Contribution Plans**

Retirement benefits in the form of provident fund are defined contribution plans determined under the relevant schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the respective fund as an expense, when an employee renders the related service. If the contribution payable to the fund for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

Termination Benefits, if any, are recognised as an expense as and when incurred.

**iii) Other Long-term employee benefits**

Other long term employee benefits comprise of compensated absences/leaves. The Company allocates accumulated leaves between short term and long term liability based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method.

**o) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting to management. The management of the company examines performance both from a product and geographic perspective and has determined its primary business segment as sale of fruits and secondary segment is based on the geographical location of its customer.

**p) Related Party Transactions**

Disclosure of transactions with related parties, as required by Ind AS 24 "Related Party Disclosure", has been set out in a separate note. Related parties as defined under the said accounting standard have been identified on the basis of representations made by management and information available with the Company.



**q) Earning Per Share**

Basic earnings per share has been calculated by dividing the profit or loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share has been calculated by dividing the net profit or loss for the year attributable to equity shareholders (after adjusting for costs associated with dilutive potential equity shares) by the weighted average number of equity shares and dilutive potential equity shares outstanding during the accounting year.

**r) Convertible Preference Share**

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability component is determined using a market rate for an equivalent loan. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. The carrying amount of the conversion option is not remeasured in subsequent years.

**s) Taxes on Income**

Tax expense comprises of Current and Deferred Tax.

**i) Deferred Taxation**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements at the reporting date.

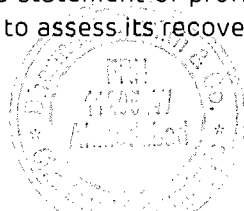
Deferred tax liabilities are recognised for all taxable timing difference. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of and unrecognised deferred tax assets are reviewed at each reporting date to assess the extent to which sufficient future taxable profit will be available to allow realisability of the these assets and corresponding adjustment is made to carrying values of deferred tax assets in the financial statements.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax includes MAT tax credit. The Company recognises tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognises tax credits as an asset, the said asset is created by way of tax credit to the statement of profit and loss. The Company reviews the such tax credit asset at each reporting date to assess its recoverability.



**ii) Current Taxation**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current tax items, relating to items recognised outside the statement of profit and loss, are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In absence of any taxable profit during the year, tax provision has not been made.

**t) Investment in Partnership Firm**

Adani Agri Fresh Ltd has investment in Partnership firm (Vishakha Industries). Investment in partnership firm stated at capital contribution alongwith profit and loss share in partnership firm.

**u) Cash Flow Statement****i) Cash and Cash Equivalent ( for purpose of cash flow statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**ii) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.

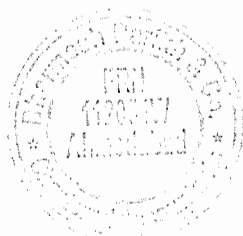
**v) Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical evaluation and past experience.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Disclosure of contingent liability are made when there is a possible or present obligation where an outflow of economic benefit is 'not probable'. Where, outflow of economic benefit is 'remote', no disclosure is made.

Contingent assets are not recognised but disclosed in the financial statements.



**3. Critical accounting judgements and key sources of estimation uncertainty**

The application of the Company's accounting policies as described as above, in the preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and assumptions are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis and any revisions thereto are recognized in the period in which they are revised or in the period of revision and future periods if the revision affects both the current and future periods. Actual results may differ from these estimates which could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**3.1 Property, plant and equipment<sup>1</sup>**

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**3.2 Taxation****Deferred tax assets<sup>2</sup>**

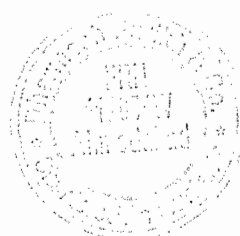
Deferred tax assets are recognised for unused tax losses / credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**3.3 Fair value measurement of financial instruments<sup>2</sup>**

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes.

**3.4 Defined benefit plans and other long-term employee benefits<sup>2</sup>**

The present value of obligations under defined benefit plan and other long term employment benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

<sup>1</sup>Critical accounting judgments<sup>2</sup> Key sources of estimation uncertainties



Notes to financial statements for the year ended 31st March, 2020

**NOTE : 4 PROPERTY, PLANT & EQUIPMENTS & INTANGIBLE ASSETS**

PARTICULARS	Tangible Assets							Intangible Assets						
	Freehold Land	Building Owned	Building Leased (ROU)	Material Handling Equipment	Plant & Machinery	Furniture & Fixture	Electric Installation	Office Equipment	Computer	Vehicle	Total	Computer Software	Dedicated Power Line	Total
As at 31st March 2019														
Gross Carrying Value														
Opening Gross Carrying Amount	599.45	2,781.02	-	3,432.53	7,154.98	50.75	716.82	14.65	21.19	351.36	15,122.75	3.98	1.99	5.97
Addition during the Year	-	61.18	-	-	1.59	33.44	5.81	11.42	-	-	113.45	-	-	-
Deduction during the Year	-	-	-	14.77	9.16	-	-	-	-	-	23.92	-	-	-
Closing Gross Carrying Value	599.45	2,842.20	-	3,417.76	7,147.42	84.19	722.63	26.07	21.19	351.36	15,212.28	3.98	1.99	5.97
Accumulated Depreciation														
Opening Accumulated Depreciation	-	286.11	-	2,114.24	2,251.63	21.47	494.10	8.01	14.60	90.64	5,280.80	1.16	1.99	3.15
Depreciation during the Year	-	106.22	-	152.11	769.82	6.10	20.11	4.69	3.06	42.27	1,104.38	0.78	-	0.78
Disposals during the Year	-	-	-	12.97	2.13	-	-	-	-	-	15.10	-	-	-
Closing Accumulated Depreciation	-	392.33	-	2,253.38	3,019.33	27.57	514.20	12.70	17.67	132.91	6,370.08	1.94	1.99	3.93
Net Carrying Amount as at 31.03.2019	599.45	2,449.87	-	1,164.39	4,128.09	56.62	208.43	13.38	3.52	218.45	8,842.20	2.04	-	2.04
As at 31st March 2020														
Gross Carrying Value														
Opening Gross Carrying Amount	599.45	2,842.20	-	3,417.76	7,147.42	84.19	722.63	26.07	21.19	351.36	15,212.28	3.98	1.99	5.97
Addition during the Year	-	3.61	26.74	-	267.82	-	-	1.97	4.07	-	304.22	-	-	-
Deduction during the Year	-	-	-	0.44	-	-	-	-	-	-	0.44	-	-	-
Closing Gross Carrying Value	599.45	2,845.81	26.74	3,417.33	7,415.24	84.19	722.63	28.04	25.26	351.36	15,516.06	3.98	1.99	5.97
Accumulated Depreciation														
Opening Accumulated Depreciation	-	392.33	-	2,253.38	3,019.33	27.57	514.20	12.70	17.67	132.91	6,370.08	1.94	1.99	3.93
Depreciation during the Year	-	113.80	17.89	150.45	826.34	5.33	20.52	3.62	2.09	42.17	1,182.21	0.78	-	0.78
Disposals during the Year	-	-	-	0.38	-	-	-	-	-	-	0.38	-	-	-
Closing Accumulated Depreciation	-	506.13	17.89	2,403.44	3,845.67	32.91	534.72	16.31	19.75	175.08	7,551.90	2.73	1.99	4.72
Net Carrying Amount as at 31.03.2020	599.45	2,339.69	8.85	1,013.89	3,569.57	51.29	187.91	11.73	5.51	176.28	7,964.16	1.25	-	1.25



## Notes to financial statements for the year ended 31st March, 2020

## NOTE : 5 NON-CURRENT INVESTMENTS

₹ In Lakhs

PARTICULAR	AS AT 31st March, 2020	AS AT 31st March, 2019
<b>a) In Associate</b> 1,46,685 (31st March, 2019 - 1,46,685) fully paid up equity shares of Vishakha Industries Pvt. Ltd. of Rs. 10 each	500.00	500.00
<b>b) In Partnership Firm</b> 50% share in partnership firm Vishakha Industries (Includes share of profit / loss for the year is NIL (share of profit for the year 2018-19 is Rs. 4.20 Lakhs)	894.17	894.30
	<b>1,394.17</b>	<b>1,394.30</b>
<b>Aggregate amount of Unquoted Investment</b>	<b>1,394.17</b>	<b>1,394.30</b>
<b>Aggregate amount of Impairment in value of Investment</b>	-	-
Details of Investments in partnership firm: Vishakha Industries		
<b>Name of the Partner</b>	<b>% of Share in Profits</b>	
Adani Agri Fresh Limited	50.00	50.00
Jigish N Doshi	43.88	43.88
Umesh N Doshi	4.13	4.13
Bhadresh N Doshi	2.00	2.00
<b>Name of the Partner</b>	<b>Capital Employed</b>	
Adani Agri Fresh Limited	894.17	894.30
Jigish N Doshi	632.36	632.48
Umesh N Doshi	171.28	171.29
Bhadresh N Doshi	86.79	86.80
<b>Total Capital Employed</b>	<b>1,784.60</b>	<b>1,784.88</b>

## NOTE : 6 OTHER NON CURRENT FINANCIAL ASSETS

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Security Deposits	18.92	18.92
	<b>18.92</b>	<b>18.92</b>

## NOTE : 7 DEFERRED TAX ASSETS (NET)

₹ In Lakhs

PARTICULAR	AS AT 31st March, 2020	AS AT 31st March, 2019
<b>Deferred tax liabilities</b>		
Fixed Assets : Impact of tax depreciation and depreciation / amortisation charged in the financial reporting	461.64	569.21
Right of use assets : Ind AS Impact	2.30	-
<b>Gross deferred tax liabilities</b>	<b>463.94</b>	<b>569.21</b>
<b>Deferred tax asset</b>		
Effect of expenditure debited to profit & loss account in the current year, but allowable for tax purposes in the following years :		
a. Expenses allowable for tax purposes when paid (u/s sec. 40(a) / 43B of the Income Tax Act, 1961)	30.41	24.04
b. Unabsorbed Depreciation / Business loss under the Income Tax Act, 1961	3,302.33	3,093.53
c. Unamortised Government Grant	211.98	256.83
d. Right of use liabilities : Ind AS Impact	2.33	-
	<b>3,547.05</b>	<b>3,374.40</b>
<b>Net deferred tax (liabilities) / assets</b>	<b>3,083.11</b>	<b>2,805.19</b>
<b>Mat credit entitlement</b>	<b>584.23</b>	<b>584.23</b>

\* The net deferred tax assets of Rs. 3,083.11 Lakhs has not been recognised because there is no reasonable certainty as to when assets can be realised.



## Notes to financial statements for the year ended 31st March, 2020

**NOTE : 8 OTHER NON CURRENT ASSETS**  
 (Unsecured, Considered Good)

₹ In Lakhs

PARTICULAR	AS AT 31st March, 2020	AS AT 31st March, 2019
Capital Advance	15.71	122.80
Deposit with Government Authorities	137.89	137.89
Prepaid Expenses	-	2.41
Advance payment of tax (Net)	63.14	579.98
	<b>216.74</b>	<b>843.08</b>

**NOTE : 9 INVENTORIES**  
 (Valued at lower of cost or net realisable value)

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Finished Goods	3,758.52	3,962.43
Chemical & Fuel and Stores & Spares	275.37	236.67
Packing Material	141.45	153.77
	<b>4,175.34</b>	<b>4,352.87</b>

**NOTE : 10 TRADE RECEIVABLES**

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
(i) Secured, considered good (Secured to the extent of Security Deposit & Bank Guarantees)	498.34	504.44
(ii) Unsecured, considered good	1,392.49	2,543.54
(iii) Significant increase in Credit Risk	-	-
(iv) Credit impaired	-	-
	<b>1,890.84</b>	<b>3,047.99</b>
Allowance for doubtful trade receivable	-	-
	<b>1,890.84</b>	<b>3,047.99</b>

Note : Above balances with trade receivables include balances with related parties (Refer note no. : 36)

**NOTE : 11 CASH AND CASH EQUIVALENTS**

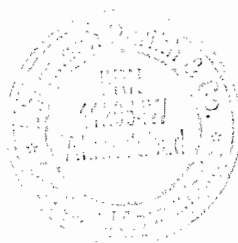
₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
<b>Cash &amp; Cash Equivalents</b>		
Balances with banks		
- In Current Account	528.26	357.73
Fixed Deposit with maturity less than 3 months	2,050.00	-
	<b>2,578.26</b>	<b>357.73</b>

**NOTE : 12 OTHER BANK BALANCES**

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Margin Money Deposits (secured against bank guarantee)	444.22	431.17
	<b>444.22</b>	<b>431.17</b>



## Notes to financial statements for the year ended 31st March, 2020

## NOTE : 13 LOANS &amp; ADVANCES

(Unsecured, considered good)

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Loans to Related Parties (refer note no : 36)	1,318.65	739.87
	<b>1,318.65</b>	<b>739.87</b>

## NOTE : 14 OTHER CURRENT FINANCIAL ASSETS

(Unsecured, considered good)

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Interest Accrued But Not Due	32.09	2.44
Sundry Deposits	9.58	14.18
	<b>41.68</b>	<b>16.62</b>

## NOTE : 15 OTHER CURRENT ASSETS

(Unsecured, considered good)

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Advance Recoverable in cash or kind	22.52	72.96
Advance to Vendors	182.29	149.55
Prepaid Expenses	53.13	50.31
Loan to Employees	6.32	9.09
	<b>264.26</b>	<b>281.91</b>



**ADANI AGRI FRESH LIMITED**

Notes to financial statements for the year ended 31st March, 2020

**adani**  
**Agri Fresh**
**Note : 16 SHARE CAPITAL**

Particulars	AS AT 31st March, 2020		AS AT 31st March, 2019	
	No. of Share	₹ In Lakhs	No. of Share	₹ In Lakhs
<b>AUTHORISED SHARES *</b>				
Equity Shares of ₹ 10 each	106,961,000	10,696.10	50,000,000	5,000.00
0.01% Non cumulative optionally convertible Preference shares of ₹ 10 each	-	-	56,961,000	5,696.10
	<b>106,961,000</b>	<b>10,696.10</b>	<b>106,961,000</b>	<b>10,696.10</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP SHARES</b>				
Equity shares of ₹ 10 each fully paid up	102,571,000	10,257.10	45,610,000	4,561.00
<b>EQUITY COMPONENT OF CONVERTIBLE PREFERENCE SHARE #</b>				
0.01% Non cumulative optionally convertible Preference shares of ₹ 10 each fully paid up	-	-	56,961,000	4,018.10
	<b>102,571,000</b>	<b>10,257.10</b>	<b>102,571,000</b>	<b>8,579.10</b>

\* Pursuant to Section 13 and other applicable provisions if any of the Companies Act, 2013 and rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force) and the Articles of Association, the company has re-classified its Authorised Share capital from Rs. 106,96,10,000 (Rupees One Hundred Six Crores Ninety Six Lacs Ten Thousand Only) divided into 5,00,00,000 (Five Crores) Equity Shares of Rs. 10 each and 5,69,61,000 (Five Crores Sixty Nine Lacs Sixty One Thousand) 0.01% Non Cumulative Optionally Convertible Preference Shares of Rs. 10 each to 106,96,10,000 (Rupees One Hundred Six Crores Ninety Six Lacs Ten Thousand Only) divided into 10,69,61,000 (Ten Crores Sixty Nine Lacs Sixty One Thousand) Equity Shares of Rs. 10 each by passing ordinary resolution at the Extra-ordinary general meeting held on 2nd March 2020.

# This note covers the equity component of the issued convertible preference shares for previous year. The liability component is reflected in financial liabilities under note 18.

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the year : Equity shares**

Particulars	AS AT 31st March, 2020		AS AT 31st March, 2019	
	No. of Share	₹ In Lakhs	No. of Share	₹ In Lakhs
At the beginning of the year	45,610,000	4,561.00	45,610,000	4,561.00
Issued during the year	-	-	-	-
Preference share converted into Equity during the year	56,961,000	5,696.10	-	-
Outstanding at the end of the year	<b>102,571,000</b>	<b>10,257.10</b>	<b>45,610,000</b>	<b>4,561.00</b>

**Equity component of convertible Preference shares**

	AS AT 31st March, 2020		AS AT 31st March, 2019	
	No. of Share	₹ In Lakhs	No. of Share	₹ In Lakhs
At the beginning of the year	56,961,000	4,018.10	56,961,000	4,018.10
Issued during the year	-	-	-	-
Transfer to Reserve for conversion into equity	(56,961,000)	(4,018.10)	-	-
Outstanding at the end of the year	<b>-</b>	<b>-</b>	<b>56,961,000</b>	<b>4,018.10</b>

1. There are no amount due and outstanding to be credited to Investor Education & Protection fund as at 31st March, 2020.

**(b) Terms/ rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

As per records of the company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



**(c) Terms/ rights attached to Preference shares**

**Redemption:** Unless previously redeemed or converted, the preference shares will be redeemed at par, without further notice at the end of 10 years from the date of allotment.

**Conversion:** The option of conversion of preference shares to equity shares can be exercised in for entire face value of preference shares, at any time after a period of 6 months from the date of allotment, by giving prior notice of not less than 15 days in writing. On preference shall be converted in one (1) equity shares of Rs. 10 each. The equity shares so allotted shall rank pari passu in all respects with the then existing Equity shares of the company.

The board will however, have the option to convert the preference shares in the equity shares of the company with the consent of the holder's on mutually agreed terms and conditions by giving prior notice to the preference share holders of not less than 15 days in writing.

The preference shares carry a dividend of 0.01% per annum. The dividend rights are non cumulative.

The presentation of the liability and equity portions of these shares is explained in the summary of significant accounting policy.

**(d) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity shares issued by the company, shares held by its holding company are as below:

**Equity shares of ₹ 10 Each Fully paid**

Name of Share Holders	AS AT 31st March, 2020		AS AT 31st March, 2019	
	No. of Share	₹ In Lakhs	No. of Share	₹ In Lakhs
Adani Enterprise Limited, the Holding Company (Along with its nominees)	102,571,000	10,257.10	45,610,000	4,561.00

**Preference shares of ₹ 10 Each Fully paid**

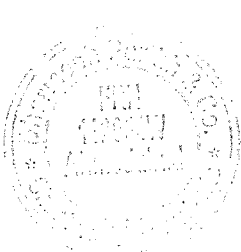
Name of Share Holders	AS AT 31st March, 2020		AS AT 31st March, 2019	
	No. of Share	₹ In Lakhs	No. of Share	₹ In Lakhs
Adani Enterprise Limited, the Holding Company	-	-	56,961,000	4,018.10

**(e) Details of shareholders holding more than 5% shares in the company**

Name of Share Holders	AS AT 31st March, 2020		AS AT 31st March, 2019	
	No. of Share	% holding in the Class	No. of Share	% holding in the Class
Equity Share of ₹ 10 each fully paid Adani Enterprise Limited, the Holding Company (Along with its nominees)	102,571,000	100%	45,610,000	100%
	102,571,000	100%	45,610,000	100%
Preference Shares of ₹ 10 each fully paid Adani Enterprise Limited, the Holding Company	-	-	56,961,000	100%
	-	-	56,961,000	100%

**(f) Bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date : NIL**

\* As per records of company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



## Notes to financial statements for the year ended 31st March, 2020

## NOTE : 17 OTHER EQUITY

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
<b>DEFICIT IN STATEMENT OF PROFIT AND LOSS</b>		
Balance as per last financial statements	(13,939.67)	(12,447.00)
Add : Equity Component of Pref. Share Converted	4,018.10	-
Add : Loss for the year	(1,705.10)	(1,493.27)
Add : Remeasurement Gain/(Loss) on defined benefit plans	(14.21)	0.60
	<b>(11,640.88)</b>	<b>(13,939.67)</b>

## NOTE : 18 NON CURRENT BORROWINGS

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
<b>Secured Loans</b>		
- Term Loans	181.63	363.25
<b>Unsecured Loans</b>		
- Convertible Preference Share-Loan component	-	5,095.41
	<b>181.63</b>	<b>5,458.66</b>

## Sub Notes :

## i) Security Details:

**Rupee Term Loans from bank is secured by**

- **HDFC Bank** : The company has been sanctioned term loan facilities amounting to Rs. 2,370 Lakhs (present outstanding as on 31st March, 2020 is Rs. NIL) to be used for capital expenditure for increase in controlled atmosphere storage facilities capacity with supporting infrastructure, equipment, vehicle etc. against security of :

First pari passu charge on entire present and future fixed assets of the company (with minimum security cover of 1.25 times) and Second charge on pari passu basis on the entire present and future current assets of company.

- **YES Bank** : The Company has been sanctioned term loan facilities of Rs. 1,570 Lakhs (present outstanding as on 31st March, 2020 is Rs. 363.25 lacs including current maturities shown in Note no. 24) for part financing of construction and development of controlled atmosphere storage facilities at Rohru against security of :

First pari passu charge on all the Immovable and movable fixed assets of the company, both present and future and Second pari passu charge on all the current assets of the company, both present and future.

## ii) Repayment terms:

a) Loan from HDFC bank amounting to Rs. 2,370 Lakhs repayable in 16 quarterly instalments starting from 30.06.2015. This loan is fully repaid as on 31st March, 2020.

b) Loan from Yes bank repayable after moratorium period of 12 months. Entire loan to be repaid in 16 equal quarterly instalments.

iii) The term loans carries Rate of interest ranging from 9.50% to 10.35% p.a.

iv) For Current maturities of Long term borrowing refer Note No - 24 "Other Current Liabilities"

## v) Convertible Preference Shares:

The Board of Directors of the company at its meeting held on 2nd March, 2020 converted 5,69,61,000 (0.01% Non-Cumulative Optionally Convertible) preference shares of Rs. 10 each (aggregating to Rs. 5,696.10 lacs) issued to Adani Enterprises Limited, the holding company into 5,69,61,000 fully paid up equity shares of Rs. 10 each as per the terms of issuance of preference shares. The equity shares allotted to Adani Enterprises Limited pursuant to such conversion are ranking pari passu with the existing equity shares of the company.



## Notes to financial statements for the year ended 31st March, 2020

## NOTE : 19 OTHER NON CURRENT FINANCIAL LIABILITIES

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Retention Money	35.76	21.54
	<b>35.76</b>	<b>21.54</b>

## NOTE : 20 NON CURRENT PROVISIONS

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Provision for employee benefits - Compensated Absences	46.51	27.98
	<b>46.51</b>	<b>27.98</b>

\* Long term and short term classification of compensated absences is done based on actuarial valuation certificate.

## NOTE : 21 GOVERNMENT GRANTS

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Opening balance	987.82	1,160.34
Received during the year	-	-
Released to the statement of profit and loss	172.53	172.53
Closing balance	<b>815.29</b>	<b>987.82</b>
Current	172.53	172.53
Non Current	642.76	815.29
	<b>815.29</b>	<b>987.82</b>

## Note :

As per revised guidelines of government of India vide circular no. 4-18/2005-Host - TM dated 6th February, 2006 the company was eligible to get the credit linked back-ended capital subsidy @ 33.33% of the project cost or 33.33% of Rs. 1600 Lacs per unit, whichever is less for setting up of Controlled Atmosphere (CA) store in Himachal Pradesh. The subsidy amount of Rs. 799.90 Lakhs was received during the year 2007-08 and balance of Rs. 799.79 Lakhs have been received during the year 2010-11.

As per guidelines of Ministry of Food Processing Industries the company is eligible for grant in aid of Rs. 769.29 Lakhs under the scheme of "Cold Chain, Value addition and Preservation infrastructure for expansion at its Village Mehandli, Rohru, District Shimla unit. During the Financial year 2015-16 company has received first and second instalment total amounting to Rs. 592.82 Lakhs. Final instalment of Rs. 176.47 Lakhs received during the financial year 2016-17.

There are no unfulfilled conditions or contingencies attached to these grants.

## NOTE : 22 CURRENT BORROWINGS

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
<b>Secured Loans</b>		
- Working Capital Loan (sub note - ii)	325.00	2,095.00
- Cash Credit (sub note - i)	3,862.65	2,532.01
<b>Unsecured Loans</b>		
- Related Parties (sub note - iii)	16,661.86	14,096.97
	<b>20,849.51</b>	<b>18,723.98</b>





## Notes to financial statements for the year ended 31st March, 2020

## Sub Notes :

## i) Cash Credit from YES Bank :

The Company has been sanctioned cash credit facilities of Rs. 6,000 Lakhs from Yes Bank (renewed cash credit facilities of Rs. 4,955 lakhs) which is used towards working capital requirement of the company against the security of :

First pari passu charge on all the current assets of the company, both present and future including inventory, spares, book debts, bills and receivables.

Second pari passu charge on all the immovable and movable fixed assets of the company both present and future.

The cash credit carries interest rate of 10.50% p.a.

## ii) Working Capital Loan from HDFC Bank :

The Company has been sanctioned working capital facilities of Rs. 6,000 Lakhs from HDFC bank (renewed working capital facilities of Rs. 3,000 lakhs) which is used towards working capital requirement of the company against the security of :

First pari passu charge on existing and future current assets of the company including inventory, spares, book debts, bills and receivables.

Second pari passu charge on existing and future fixed assets of the company.

The working capital loan carries Rate of interest ranging from 10.70% to 11.25% p.a.

## iii) Loan from Related Parties:

The Company has taken an unsecured loan of Rs. 16,661.86 Lakhs (31 March 2019 - Rs. 14,096.97 Lakhs) from Adani Enterprises Limited (Holding Company) at interest rate of 10.50% p.a. (31 March 2019 @ 10.50% p.a.)

## NOTE : 23 TRADE PAYABLE

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Trade payables		
- Micro and small enterprise	-	-
- Others	929.74	1,027.20
	<b>929.74</b>	<b>1,027.20</b>

Note : Above balances with trade payables include balances with related parties (Refer note no. : 36)

- The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the standalone Financial Statements based on the information received and available with the company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts has been relied upon by the auditors.

## NOTE : 24 OTHER CURRENT FINANCIAL LIABILITIES

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Current maturities of long term debt		
- Term Loan from Bank (refer note no : 18)	181.63	292.86
Interest accrued but not due on borrowings	6.13	26.05
Financial lease current	8.96	-
Other payables - Security deposits	499.30	505.59
	<b>696.01</b>	<b>824.50</b>

## NOTE : 25 OTHER CURRENT LIABILITIES

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Statutory Dues Payable (includes TDS, GST, PF etc.)	64.61	60.27
Advance from customers	13.19	26.70
	<b>77.80</b>	<b>86.97</b>

## NOTE : 26 CURRENT PROVISIONS

₹ In Lakhs

PARTICULARS	AS AT 31st March, 2020	AS AT 31st March, 2019
Provision for employee benefits		
- Compensated Absences	13.43	11.84
- Gratuity (refer note no : 35)	38.94	34.46
	<b>52.37</b>	<b>46.30</b>

\* Long term and short term classification of compensated absences is done based on actuarial valuation certificate.

## NOTE : 27 REVENUE FROM OPERATIONS

₹ In Lakhs

NOTES	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>Sale of Products</b>		
Finished Goods	32,856.28	16,540.05
<b>Sale of Services</b>		
Freight Income	107.98	238.18
Storage Income	55.60	61.77
<b>Other Operating revenues</b>		
Insurance claim received	-	-
Government Subsidy	172.53	172.53
	<b>33,192.39</b>	<b>17,012.53</b>

## NOTE : 28 OTHER INCOME

₹ In Lakhs

PARTICULARS	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>Interest Income on</b>		
Bank deposits	41.95	27.80
Income tax refund	94.09	116.81
Others	108.88	70.33
Profit on sale of fixed assets	1.69	12.63
Profit from Partnership Firm (50% share)	-	2.69
Exchange differences (net)	-	6.52
Sale of Scrap	37.49	-
Other non-operating income	0.07	0.08
	<b>284.18</b>	<b>236.87</b>

## NOTE : 29 DECREASE/(INCREASE) IN INVENTORIES OF FINISHED GOODS

₹ In Lakhs

PARTICULARS	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>Inventories at the end of the year</b>		
- Finished Goods	3,758.52	3,962.43
<b>Inventories at the beginning of the year</b>		
- Finished Goods	3,962.43	2,765.62
<b>Decrease / (Increase) in Inventories</b>	<b>203.91</b>	<b>(1,196.80)</b>

## NOTE : 30 EMPLOYEE BENEFIT EXPENSE

₹ In Lakhs

PARTICULARS	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Salaries, wages and bonus	554.20	502.64
Contribution to provident and other funds	38.27	36.86
Staff Welfare Expenses	28.51	25.07
	<b>620.98</b>	<b>564.57</b>

## NOTE : 31 FINANCE COSTS

₹ In Lakhs

PARTICULARS	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
<b>Interest expense</b>		
Bank	422.78	588.04
Debt component of Preference share	600.69	586.20
Lease finance cost	0.85	-
Others	1,544.53	1,187.39
<b>Bank Charges</b>	3.70	4.65
	<b>2,572.56</b>	<b>2,366.28</b>

## NOTE : 32 OTHER EXPENSES

₹ In Lakhs

PARTICULARS	For the Year Ended 31st March, 2020	For the Year Ended 31st March, 2019
Consumption of stores and spares	98.68	113.30
Consumption of chemicals	0.07	2.24
Consumption of packing materials	810.50	605.48
Power and fuel	267.61	222.04
Contract labour	406.81	393.43
Rent	81.10	72.95
Rates and taxes	0.03	0.06
Insurance	96.88	60.27
Repairs and maintenance		
-Plant and machinery	64.06	47.12
-Buildings	5.82	6.38
-Others	8.97	13.20
Security expenses	53.10	47.47
Travelling and Conveyance	62.02	56.27
Communication Expenses	7.82	10.02
Printing and Stationery	5.03	5.07
Legal and professional fees	51.34	201.59
Exchange differences (net)	15.35	-
Bad Debts written off	32.92	-
Payment to Auditors (Note A)	5.36	5.03
Donation	0.25	0.50
Director Sitting Fees	0.36	0.65
Loss from Partnership Firm (50% share)	0.14	-
Loss on sale of fixed assets	-	-
Miscellaneous expenses	8.46	9.19
Vehicle expenses	186.45	234.59
Inspection & Testing Expenses	-	0.31
Freight Outward and distribution expenses	1,146.32	975.09
Brokerage/commission	-	6.18
	<b>3,415.44</b>	<b>3,088.44</b>

## A. Payment to Auditors

(i) Audit fees	4.72	4.07
(ii) Other professional service	0.64	0.96
(iii) Reimbursement of expenses	-	-
	<b>5.36</b>	<b>5.03</b>



## Notes to financial statements for the year ended 31st March, 2020

## 33 Financial Instruments

## Financial Instruments by category

The carrying value of financial instruments by categories as on 31st March, 2020 were as follows :

₹ In Lakhs

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total fair value
<b>Financial Assets</b>					
Cash and cash equivalents	-	-	-	2,578.26	2,578.26
Other Bank balances	-	-	-	444.22	444.22
Investments	-	-	-	1,394.17	1,394.17
Trade Receivables	-	-	-	1,890.84	1,890.84
Loans	-	-	-	1,318.65	1,318.65
Other Financial assets (non-current)	-	-	-	18.92	18.92
Other Financial assets (current)	-	-	-	41.68	41.68
<b>Total</b>	-	-	-	<b>7,686.74</b>	<b>7,686.74</b>
<b>Financial Liabilities</b>					
Borrowings (non-current)	-	-	-	181.63	181.63
Borrowings (current)	-	-	-	20,849.51	20,849.51
Trade Payables	-	-	-	929.74	929.74
Other Financial Liabilities (non-current)	-	-	-	35.76	35.76
Other Financial Liabilities (current)	-	-	-	696.01	696.01
<b>Total</b>	-	-	-	<b>22,692.65</b>	<b>22,692.65</b>

The carrying value of financial instruments by categories as on 31st March, 2019 were as follows :

₹ In Lakhs

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss	Derivative instruments not in hedging relationship	Amortised cost	Total fair value
<b>Financial Assets</b>					
Cash and cash equivalents	-	-	-	357.73	357.73
Other Bank balances	-	-	-	431.17	431.17
Investments	-	-	-	1,394.30	1,394.30
Trade Receivables	-	-	-	3,047.99	3,047.99
Loans	-	-	-	739.87	739.87
Other Financial assets (non-current)	-	-	-	18.92	18.92
Other Financial assets (current)	-	-	-	16.62	16.62
<b>Total</b>	-	-	-	<b>6,006.61</b>	<b>6,006.61</b>
<b>Financial Liabilities</b>					
Borrowings (non-current)	-	-	-	5,458.66	5,458.66
Borrowings (current)	-	-	-	18,723.98	18,723.98
Trade Payables	-	-	-	1,027.20	1,027.20
Other Financial Liabilities (non-current)	-	-	-	21.54	21.54
Other Financial Liabilities (current)	-	-	-	824.50	824.50
<b>Total</b>	-	-	-	<b>26,055.88</b>	<b>26,055.88</b>

continued...



## Notes to financial statements for the year ended 31st March, 2020

## 34 Fair Value Hierarchy :

Level 1- Quoted (unadjusted) price in active markets for identical assets or liabilities.

Level 2- Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3- Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

₹ In Lakhs

Particulars	Carrying Amount As at 31-03-2020	Fair value		
		Level 1	Level 2	Level 3
<b>Assets :</b>				
Cash and cash equivalents	2,578.26	-	-	-
Other Bank balances	444.22	-	-	-
Investments	1,394.17	-	-	-
Trade Receivables	1,890.84	-	-	-
Loans	1,318.65	-	-	-
Other Financial assets (non-current)	18.92	-	-	-
Other Financial assets (current)	41.68	-	-	-
<b>Total</b>	<b>7,686.74</b>	-	-	-
<b>Liabilities :</b>				
Borrowings (non-current)	181.63	-	-	-
Borrowings (current)	20,849.51	-	-	-
Trade Payables	929.74	-	-	-
Other Financial Liabilities (non-current)	35.76	-	-	-
Other Financial Liabilities (current)	696.01	-	-	-
<b>Total</b>	<b>22,692.65</b>	-	-	-

₹ In Lakhs

Particulars	Carrying Amount As at 31-03-2019	Fair value		
		Level 1	Level 2	Level 3
<b>Assets :</b>				
Cash and cash equivalents	357.73	-	-	-
Other Bank balances	431.17	-	-	-
Investments	1,394.30	-	-	-
Trade Receivables	3,047.99	-	-	-
Loans	739.87	-	-	-
Other Financial assets (non-current)	18.92	-	-	-
Other Financial assets (current)	16.62	-	-	-
<b>Total</b>	<b>6,006.61</b>	-	-	-
<b>Liabilities :</b>				
Borrowings (non-current)	5,458.66	-	-	-
Borrowings (current)	18,723.98	-	-	-
Trade Payables	1,027.20	-	-	-
Other Financial Liabilities (non-current)	21.54	-	-	-
Other Financial Liabilities (current)	824.50	-	-	-
<b>Total</b>	<b>26,055.88</b>	-	-	-

Company does not have any asset or liability measured at fair value.



## Notes to financial statements for the year ended 31st March, 2020

## 34.1 Financial Risk Management

The Company's principal financial liabilities comprise borrowings, provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations/projects. The Company's principal financial assets include loan and receivables, cash and cash equivalents and other business related receivables. In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk), market risk, liquidity risk and credit risk.

**Market Risk**

Market risk is the risk of loss of future earning, fair values of future cash flows that may result from adverse changes in interest rate, foreign currency exchange rates and commodity prices.

## a) Interest Risk

The Company is exposed to changes in interest rates due to its financing, investing and cash management activities. The risks arising from interest rate movements arise from borrowings with variable interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The Group's risk management activities are subject to the management, direction and control of Central Treasury Team of the Adani Group under the framework of Risk Management Policy for interest rate risk. The Company's central treasury team ensures appropriate financial risk governance framework for the Company through appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

## b) Foreign Currency Risk

The Company's portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its purchases from overseas suppliers in various foreign currencies.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies.

(In Lakhs)			
Foreign Currency exposure as at 31st March, 2020	USD	EURO *	Total
Trade Payables	-	0.00	0.00
Advance to Vendors (Other Receivable)	0.15	-	0.15

(In Lakhs)			
Foreign Currency exposure as at 31st March, 2019	USD	EURO *	Total
Trade Payables	1.60	0.00	1.60

\* (Transaction below Rs. 500 denoted as Rs. 0.00)

**Foreign Currency sensitivity**

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax.

Currency	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.11	(0.11)	(1.10)	1.10
EURO *	(0.00)	0.00	(0.00)	0.00
<b>Increase / (Decrease) in profit or loss</b>	<b>0.11</b>	<b>(0.11)</b>	<b>(1.10)</b>	<b>1.10</b>

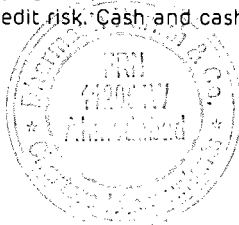
\* (Transaction below Rs. 500 denoted as Rs. 0.00)

## c) Commodity Risk

Commodity risk is the risk of change in market price of commodities dealt by the Company. The Company's exposure to commodity risk mainly comprises of revenue generating and operating activities. The Company purchases apple in season, stored them and sale in off season when prices are higher as compared to season. Thus the company has very limited risk towards market price.

**Credit Risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the company. The company has adopted the policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial losses from default. The carrying amount of financial assets recorded in the financial statements represents the company's maximum exposure to credit risk. Cash and cash equivalent are held with creditworthy financial institutions.



## Notes to financial statements for the year ended 31st March, 2020

**Liquidity Risk**

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020

Particulars	₹ In Lakhs		
	Less than 1 Year	1 to 5 Years	Total
Trade Payable	929.74	-	929.74
Short Term Borrowings	20,849.51	-	20,849.51
Long term Borrowings	-	181.63	181.63
Other Financial Liabilities	696.01	35.76	731.77

The table provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019

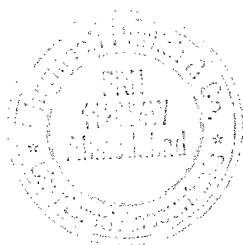
Particulars	₹ In Lakhs		
	Less than 1 Year	1 to 5 Years	Total
Trade Payable	1,027.20	-	1,027.20
Short Term Borrowings	18,723.98	-	18,723.98
Long term Borrowings	-	5,458.66	5,458.66
Other Financial Liabilities	824.50	21.54	846.04

**34.2 Capital management**

For the purposes of the company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The company monitors capital using gearing ratio, which is net debt (total debt less cash and cash equivalents) divided by total capital plus net debt.

Particulars	March 31, 2020	March 31, 2019
Total borrowings (includes current maturities of long term borrowings)	21,031.13	24,182.64
Less : Cash and cash equivalents	2,578.26	357.73
Net debt (A)	18,452.87	23,824.91
Total equity (B)	(1,383.78)	(5,360.57)
Total equity and net debt (C = A + B)	<b>17,069.09</b>	<b>18,464.33</b>
<b>Gearing Ratio</b>	108.11%	129.03%



## Notes to financial statements for the year ended 31st March, 2020

## 35 Gratuity and other post employment benefit plans

The Company has a defined benefit gratuity plan. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with Life Insurance Corporation of India (LIC).

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss, amounts recognized in the balance sheet, changes in the present value of defined benefit obligation and changes in the fair value of plan assets :

**Expenses recognised in the Statement of Profit and Loss**  
**Net employee benefit expense (recognised in employee cost)**

Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
Current service cost	9.68	8.70
Add: Past Service Cost	-	-
Add: Loss /(gain) on settlement	-	-
Add: Interest cost on benefit obligation	2.62	2.75
<b>Net benefit expense</b>	<b>12.30</b>	<b>11.45</b>

**Other Comprehensive Income****Actuarial (gains) / Losses**

Change in demographic assumptions	5.12	-
Change in financial assumptions	6.48	1.21
Experience variance (i.e. Actual experience vs assumptions)	1.87	(2.23)
Others	-	-
Return on plan assets, excluding amount recognised in net interest expense	0.74	0.41
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
<b>Components of defined benefit costs recognised in other comprehensive Income</b>	<b>14.21</b>	<b>(0.60)</b>

**Amount recognised in the Balance Sheet****Details of Provision for gratuity**

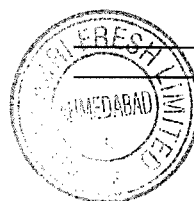
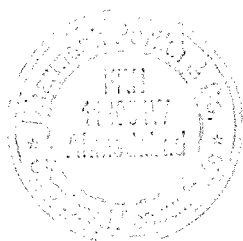
Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
Defined benefit obligation	126.37	97.29
Less: Fair value of plan assets	87.43	62.83
<b>Amount recognised in the Balance Sheet</b>	<b>38.94</b>	<b>34.46</b>

**Changes in the present value of the defined benefit obligation**

Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
Opening defined benefit obligation	97.29	97.17
Add: Interest cost	7.41	7.57
Add: Current service cost	9.68	8.70
Less: Benefits paid	(3.76)	(15.14)
Add: Actuarial loss on obligation	13.47	(1.01)
Add: Acquisition adjustment	2.29	-
<b>Closing defined benefit obligation</b>	<b>126.37</b>	<b>97.29</b>

**Changes in the fair value of the plan assets**

Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
Fair value of assets at the beginning of the year	62.83	61.86
Add: Acquisition adjustment	-	-
Add: Expected return on plan assets	4.79	4.82
Add: Contribution by employer	23.97	11.70
Less: Benefits paid	(3.42)	(15.14)
Add: Actuarial gain / (loss) on plan assets	(0.74)	(0.41)
<b>Fair value of assets at the end of the year</b>	<b>87.43</b>	<b>62.83</b>





## Notes to financial statements for the year ended 31st March, 2020

The principal assumptions used in determining gratuity obligations are shown below :

Particulars	31 March 2020	31 March 2019
<b>Financial Assumptions</b>		
Discount rate	6.70%	7.60%
Rate of increase in compensation	8.00%	8.00%
<b>Demographic Assumptions</b>		
Mortality rate (% of IALM 06-08)	100.00%	100.00%
Employee turnover	2.82%	10.00%

## Sensitivity Analysis

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount Rate (-/+ 1%)	115.20	139.29	91.50	103.74
Salary Growth Rate (-/+ 1%)	139.00	115.23	103.65	91.46
Attrition Rate (-/+ 0.50%)	125.06	127.91	96.72	98.14
Mortality Rate (-/+ 0.10%)	126.34	126.41	97.29	97.29

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Other amounts for the current period are as follows :

Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
Defined benefit obligation	38.94	34.46
Experience adjustments on plan liabilities - loss	13.47	(1.01)

## Maturity Profile of Obligations

The average duration of the defined benefit plan obligation at the end of the reporting period is 10 years. The expected maturity analysis of gratuity benefits is as follows :

Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
Within 1 year	9.15	11.55
2 to 5 years	32.19	42.84
6 to 10 years	58.84	57.59
More than 10 years	169.03	61.08

Contributions to Defined Contribution Plan, recognised as expense for the year are as under :

Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
Provident Fund	25.97	25.41

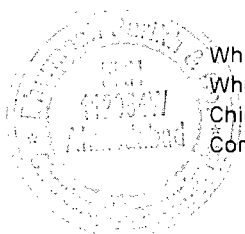
## 36 Related party disclosures

The management has identified the following entities and individuals as related parties of the Company for the year ended March 31, 2020 for the purposes of reporting as per Ind AS 24 – Related Party Transactions, which are as under :

Name of Related party	Country of Incorporation	% of Equity Interest 31 March 2020	% of Equity Interest 31 March 2019
<b>Holding Company</b>			
Adani Enterprises Limited	India	100	100
<b>Associate Companies / Firms</b>			
Vishakha Industries Pvt. Ltd.	India	50	50
Vishakha Industries	India	50	50

## Key Management Personnel

Basanta Kumar Nayak	Whole Time Director (from 1st September, 2018)
A. S. Ramanujam	Whole Time Director (upto 1st June, 2018)
Sanjay Garge	Chief Financial Officer
Niranjan Jain	Company Secretary



## Notes to financial statements for the year ended 31st March, 2020

**Directors**

Pranav Adani  
Atul Chaturvedi  
Chitra Bhatnagar

Chairman  
Director  
Director

Name of Related Parties and description of relationship with whom transactions were made during the year.

Name of the Related Party	Relationship
Adani Power Limited	Associate Companies
Adani Agri Logistics Limited	
Adani Wilmar Limited	
Adani Power Mundra Limited	
Adani Transmission Limited	
Adani Ports and Special Economic Zone Limited	
Mundra Solar PV Limited	

**Terms and conditions of transactions with related parties :**

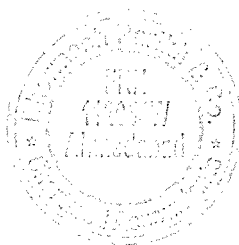
Outstanding balances of related parties at the year-end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**Notes :**

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

Aggregate of transactions for the year ended with these parties have been given below :

Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
<b>Sale of goods</b>		
Adani Wilmar Limited	2.75	-
<b>Purchase of goods</b>		
Adani Transmission Limited	7,567.20	-
Adani Ports and Special Economic Zone Limited	6.48	-
<b>Sale of assets</b>		
Adani Wilmar Limited	-	7.05
Vishakha Industries	-	14.40
<b>Purchase of assets</b>		
Vishakha Industries	17.11	36.35
Adani Wilmar Limited	-	2.88
Mundra Solar PV Limited	-	21.98
<b>Rendering of services</b>		
Adani Wilmar Limited	11.58	19.05
Adani Power Mundra Limited	0.01	-
Adani Transmission Limited	7.20	-
<b>Business promotion services</b>		
Adani Wilmar Limited	15.00	-
<b>Other expenses</b>		
Adani Enterprises Limited	-	72.33
- Professional Fees	-	72.33
- Interest	1,544.32	1,187.39
<b>Remuneration</b>		
A. S. Ramanujam	-	40.19
Basanta Kumar Nayak	63.44	25.91
<b>Sitting Fees to Director</b>		
Chitra Bhatnagar	0.36	0.56



## Notes to financial statements for the year ended 31st March, 2020

<b>Interest Income</b>		
Vishakha Industries	80.78	70.31
<b>Loan Received</b>		
Adani Enterprises Limited	2,564.89	3,918.65
<b>Loan Given</b>		
Vishakha Industries	578.78	70.28
<b>Repayment of Loan</b>		
Adani Enterprises Limited	-	1,350.00
Adani Power Limited (Including Interest accrued)	-	2.77
<b>Conversion of Preference Shares into Equity Shares</b>		
Adani Enterprises Limited	5,696.10	-
<b>On account of Employee Liability Transfer</b>		
Adani Enterprises Limited	1.21	-
Adani Agri Logistics Limited	3.16	-
<b>Balance (payable) / receivable outstanding (Loan) as at year end</b>		
Adani Enterprises Limited (Including Interest)	(16,661.86)	(14,096.97)
Vishakha Industries	1,318.65	739.87
<b>Balance (payable) / receivable outstanding as at year end</b>		
Adani Enterprises Limited	1.21	(19.13)
Adani Ports and Special Economic Zone Limited	(6.48)	-
Adani Transmission Limited	7.20	-
Adani Wilmar Limited	-	5.93
Vishakha Industries	-	4.27

## 37 Segment reporting

Segments have been identified in line with Ind AS - 108 "Operating Segments" taking into account the value of products as well as different risk and return of these segments.

**Primary segment - Business segment:**

During the current year the Company is mainly engaged in the trading of fruits of different varieties and other reverse marketing products, that are subject to same risk and returns and hence the company has only one business segment viz. "Sales of Fruits" as the primary segment.

**Secondary segment - Geographic segment:**

The geographic segments identified as secondary segments are "Domestic Market" and "Export Market". Since the company's sales being in the Domestic market only hence the disclosure requirement of Ind AS - 108 "Operating Segment" are not applicable.

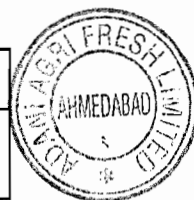
## 38

Ind AS 115 Revenue from contracts with customers was issued on 28th March, 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exception, to all revenue arising from contracts with its customers. Under Ind AS 115, revenue is recognised when a customer obtains control of goods or services. The company has adopted Ind AS 115 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application i.e. 1st April, 2018. The adoption of the standard did not have any material impact on the financial statements of the company. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information.

**Contract balances :**

(a) The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	31/03/2020 ₹ In Lakhs	31/03/2019 ₹ In Lakhs
Trade receivables (refer note 9)	1,890.84	3,047.99
Contract assets	-	-
Contract liabilities	-	-



## Notes to financial statements for the year ended 31st March, 2020

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the Customer. The contract liabilities primarily relate to the advance consideration received from the customers.

(b) Significant changes in contract assets and liabilities during the period.

Particulars	31/03/2020 ₹ In Lakhs	31/03/2019 ₹ In Lakhs
Contract assets reclassified to receivables	-	-

Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price :

Particulars	31/03/2020 ₹ In Lakhs	31/03/2019 ₹ In Lakhs
Revenue as per contracted price	33,019.86	16,840.00
Adjustments : Discount	-	-
<b>Revenue from contract with customers</b>	<b>33,019.86</b>	<b>16,840.00</b>

## 39 Earnings per share (EPS)

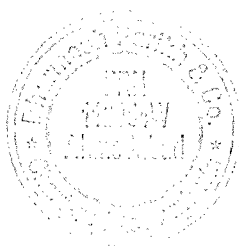
The following reflects the profit and share data used in the basic and diluted EPS computations:

Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
<b>Basic</b>		
Net Profit/(Loss) for calculation of basic EPS as per statement of profit and loss (A)	(1,705.10)	(1,493.27)
Calculation of weighted average number of equity shares in calculating basic EPS		
- Number of equity shares at the beginning of the year (B)	45,610,000	45,610,000
- Number of equity shares of Rs 10 each fully paid converted during the year (C)	56,961,000	-
- Number of equity shares at the end of the year (B+C)	102,571,000	45,610,000
- Weighted average number of equity shares in calculating basic EPS (D)	102,571,000	45,610,000
<b>Earning Per Share - Basic (A/D)</b>	<b>(1.66)</b>	<b>(3.27)</b>
<b>Diluted</b>		
Net Profit/(Loss) for calculation of diluted EPS as per statement of profit and loss (A)	(1,705.10)	(1,493.27)
Calculation of weighted average number of equity shares in calculating diluted EPS		
- Number of preference shares at the beginning of the year (B)	56,961,000	56,961,000
- Number of preference shares of Rs 10 each fully converted during the year (C)	56,961,000	-
- Number of preference shares at the end of the year (B-C)	-	56,961,000
- Weighted average number of preference shares in calculating diluted EPS (D)	-	56,961,000
- Weighted average number of equity shares in calculating basic EPS as above (E)	102,571,000	45,610,000
- Total Weighted average number of shares in calculating diluted EPS (F = D + E)	102,571,000	102,571,000
<b>Earning Per Share - Diluted (A/F)</b>	<b>(1.66)</b>	<b>(1.46)</b>

## 40 Income Tax Expenses

This note presents the reconciliation of Income Tax charged as per the Tax Rate specified in Income Tax Act, 1961 & the actual provision made in the Financial Statements as at 31-March-20 & 31-March-19 with breakup of differences in Profit as per the Financial Statements & as per Income Tax Act, 1961.

Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
<b>Statement of profit and loss / Other Comprehensive Income</b>		
Current Tax	-	-
Deferred Tax	-	-
	-	-



## Notes to financial statements for the year ended 31st March, 2020

<b>Reconciliation</b>		
Profit before tax	(1,705.01)	(1,493.27)
Applicable tax rate	<b>26.00%</b>	<b>26.00%</b>
<b>Tax on book profit as per applicable Tax Rate</b>	(443.30)	(388.25)
<b>Tax Effect of :</b>		
Tax Adjustments of earlier years	13.11	2.82
Exempt Income	-	(0.70)
Expenses not allowed for tax purposes	152.59	152.70
Others	277.61	233.43
<b>Total Tax Expense as per P&amp;L</b>	<b>0.00</b>	<b>0.00</b>

41 **Contingent Liabilities Not Provided For**

Particulars	31 March 2020 ₹ In Lakhs	31 March 2019 ₹ In Lakhs
Bank Guarantee favouring customs pending for Export Obligation	388.40	388.40
Bank Guarantee favouring Himachal Pradesh State Electricity Board	4.26	4.26
Sales Tax	198.50	198.50
Income Tax	-	5.57

42 Estimated amount of contract remaining to be executed on capital account (net of advance) and not provided for as on 31st March, 2020 : ₹ 361.36 Lakhs (As at 31st March, 2019 : ₹ 429.78 Lakhs).

43 The Company has accumulated losses of ₹ 11,641 Lakhs as at the balance sheet date, which have resulted in erosion of the Company's net worth. The Company has no intention to discontinue the business. Further the Company has been able to meet its obligation in the ordinary course of business by continuing financial support from parent Company.

44 **Transition to Ind AS 116 Leases**

The Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified Ind AS 116 Leases ('Ind AS 116') which replaces the existing lease standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for recognition, measurement, presentation and disclosure of leases for both lessees and lessors.

Effective 1st April, 2019, the Company has adopted Ind AS 116 – Leases and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. The Company has recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

The Company has elected below practical expedients on transition to Ind AS 116:

- (i) Applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- (ii) Excluded the initial direct costs from the measurement of right of use asset at the date of initial application.
- (iii) The Company has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standards to its leases, prospectively, applying the standards on initial application without making any adjustment to opening balance of retained earnings.
- (iv) The weighted average incremental borrowing rate applied to lease liabilities as at 1st April, 2019 is 8.50%.

**The movement in Lease liabilities during the year ended 31st March, 2020**

Particulars	31 March 2020 ₹ In Lakhs
<b>Opening Balance</b>	-
Additions during the year (on adoption of Ind AS 116)	26.74
Finance costs incurred during the year	0.85
Payments of Lease Liabilities	18.64
<b>Balance as at 31st March, 2020</b>	<b>8.96</b>



## The carrying value of the Rights-of-use and depreciation charged during the year

Particulars	31 March 2020 ₹ In Lakhs
<b><u>Gross Carrying Value :</u></b>	
Opening Balance	-
Addition to the Right of Use Asset on adoption to Ind AS 116	26.74
Deductions during the year	-
<b>Closing Balance of Right of use assets (A)</b>	<b>26.74</b>
<b><u>Accumulated Depreciation :</u></b>	
Opening Balance	-
Depreciation charged for the year	17.89
Deductions of accumulated depreciation	-
<b>Closing value of Accumulated Depreciation (B)</b>	<b>17.89</b>
<b>Net Balance of Right of use assets (A - B)</b>	<b>8.85</b>

## Balances of Lease Liabilities

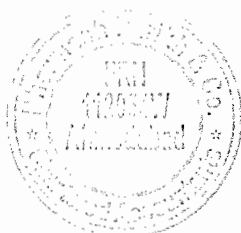
Particulars	31 March 2020 ₹ In Lakhs
Non Current Lease Liability	-
Current Lease Liability	8.96
<b>Total Lease Liability</b>	<b>8.96</b>

- 45 Due to outbreak of Covid-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of Covid-19 and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due and compliance with the debt covenants, as applicable.
- 46 Previous year's figures have been re-grouped / re-classified wherever necessary.

**For Dharmesh Parikh & Co.**  
Chartered Accountants  
Firm Registration No. 112054W

For and on behalf of the Board of Directors of  
**Adani Agri Fresh Limited**

Chirag Shah  
**Partner**  
Membership No. 122510



Pranav Adani  
**Chairman**  
DIN - 00008457

Basanta Kumar Nayak  
**Whole Time Director**  
DIN - 08187071

Niranjan Jain  
**Company Secretary**

Sanjay Garge  
**Chief Financial Officer**

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2020

Place : Ahmedabad  
Date : 4<sup>th</sup> May, 2020



**FORM AOC-1 PART "B" : Associates and Joint Ventures**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lakhs)

Sr. No.	Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Extend of holding %	Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Network attributable to Shareholding as per latest audited Balance Sheet	Profit /(Loss) for the year	
			No. of Shares	Amount of Investment in Associates/Joint Ventures					Considered in Consolidation	Not Considered in Consolidation
1	Vishakha Industries Pvt. Ltd.	31-Mar-19	146,685	500.00	50%	Note-A	Note-B	241.92	1.06	-

**Note:**

A. There is significant influence due to percentage (%) of shareholding.

B. Companies (Accounts) Amendment Rules, 2014 provides exemption from preparation of consolidated financial statement by an intermediate wholly-owned subsidiary. Consolidated financial statement are prepared by Adani Enterprises Limited (i.e. 100% holding company of Adani Agrifresh Limited).

**For and on behalf of the Board of Directors of  
Adani Agri Fresh Limited**

Pranav Adani  
**Chairman**  
DIN - 000008457

Basanta Kumar Nayak  
**Whole Time Director**  
DIN - 08187071

Niranjan Jain  
**Company Secretary**

Sanjay Garge  
**Chief Financial Officer**

**Place :** Ahmedabad

**Date :** 4<sup>th</sup> May, 2020

