



# SHARP & TANNAN

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT To the Members of Adani Agrifresh Limited

#### Report on the Financial Statements

We have audited the financial statements of **Adani Agrifresh Limited** (the 'Company'), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### Responsibilities of Management for the 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibilities

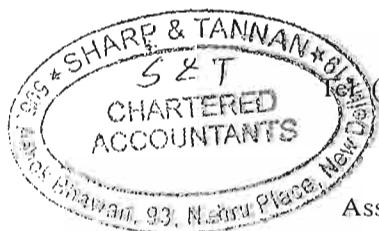
Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the over presentation of the financial statements.

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



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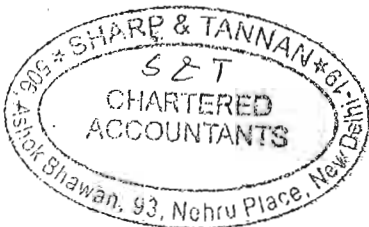
Farook M. Kobla Shreedhar T. Kunte Milind P. Phadke  
Rajkumar Khullar Pavan K. Aggarwal Ashwin B. Chopra  
Associate Offices: Bangalore, Chennai, Goa, Mumbai, Pune & Hyderabad

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its loss and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'**, a Statement on the matters specified in paragraphs 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (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'**;



# SHARP & TANNAN

Chartered Accountants

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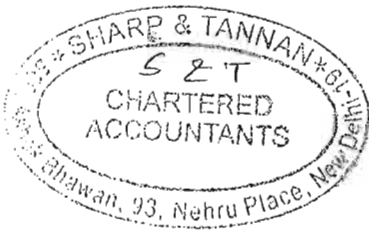
(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (1) the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 32 to the Financial Statements;
- (2) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (3) there are no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company.

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No.000452N  
by the hand of

  
MILIND P. PHADKE  
Partner  
Membership No. 033013

Mumbai, 29<sup>th</sup> April, 2016



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, these fixed assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size of the Company and nature of its assets. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) (a) As explained to us, the inventories of stores & packing material have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. The inventory of traded goods stored in the chambers of Controlled Atmosphere Storage (CAS) have not been physically verified and has been recorded on the basis of the quantities certified by the CAS manager.
- (b) As per the information given to us, the procedures of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records, which were not material, have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, 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 Act. Accordingly, the Paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans given.
- (v) The Company has not accepted any deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) According to the information and explanations given to us, the Paragraph 3(vi) of the Order concerning maintenance of cost records under Section 148(1) is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value





# SHARP & TANNAN

Chartered Accountants

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added tax, cess and any other statutory dues, where applicable, to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and the records examined by us, the particulars of sales tax dues as at 31<sup>st</sup> March, 2016 which have not been deposited on account of a dispute pending, are as under:

Name of the Statute	Nature of the disputed dues	Amount Rupees( In crores )*	Period to which the amount relates	Forum where disputes are pending
The Central Sales Tax Act, 1956, Local Sales Tax Acts and 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.	1.98	2006-07	Additional Excise & Taxation Commissioner (Appeals), Shimla

\*net of pre-deposit paid in getting the stay / appeal admitted)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures.
- (ix) According to the information and explanations given to us, the Company has not raised monies by way of initial public offer or further public offer (including debt instruments). Accordingly, the Paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of such case by management.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid and provided in accordance with the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the Paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, all the transactions with the related parties are in compliance with Sections 177 and 188 of the Act and the relevant details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company had not made any preferential allotment or private placement of shares or fully or partly convertible debentures



# SHARP & TANNAN

Chartered Accountants

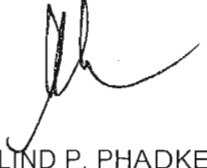
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during the year. Accordingly, the Paragraph 3 (xiv) of the Order is not applicable to the Company.

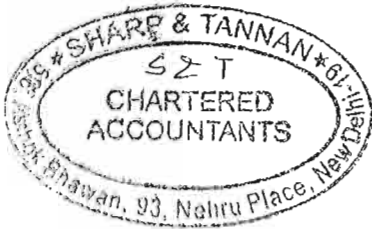
- (xv) According to the information and explanations given to us, the Company had not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, compliance with the provisions of Section 192 of the Act is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 000452N  
by the hand of



MILIND P. PHADKE  
Partner  
Membership No.033013

Mumbai, 29<sup>th</sup> April, 2016



**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) of our report of even date)

We have audited the internal financial controls over financial reporting of **Adani Agrifresh Limited** (the 'Company') as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

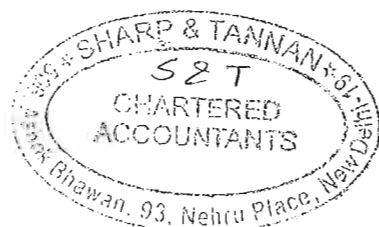
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

**Auditors' Responsibility**

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

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

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



**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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, 2016, 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 issued by the ICAI.

SHARP & TANNAN  
Chartered Accountants  
Firm's Registration No. 000452N  
by the hand of

  
MILIND P. PHADKE  
Partner

Membership No. 033013

Mumbai, 29<sup>th</sup> April, 2016





# ADANI AGRIFRESH LIMITED

## Balance sheet as at 31 March 2016

	Notes	31 March 2016 Rupees	31 March 2015 Rupees
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,025,710,000	1,025,710,000
Reserves and surplus	4	(169,005,067)	(48,987,457)
		<b>856,704,933</b>	<b>976,722,543</b>
<b>Non-current liabilities</b>			
Long-term borrowings	5	140,111,464	144,605,448
Deferred tax liabilities (net)	6	-	-
Other long-term liabilities	7	1,735,223	4,325,568
Long-term provisions	8	3,341,156	3,445,785
		<b>145,187,843</b>	<b>152,376,801</b>
<b>Current liabilities</b>			
Short-term borrowings	5	11,684,358,737	11,529,865,938
Trade payables	9	113,045,888	142,416,672
Other current liabilities	7	77,340,804	360,358,848
Short-term provisions	8	3,544,653	2,830,684
		<b>11,878,290,082</b>	<b>12,035,472,142</b>
<b>TOTAL</b>		<b>12,880,182,858</b>	<b>13,164,571,486</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	1,146,579,850	1,259,240,357
Intangible assets	10	-	199,452
Capital Work in Progress		19,173,014	825,146
Non-current investments	11	149,099,699	149,215,573
Deferred tax assets (net)	6	-	-
Long-term loans and advances	12	203,716,439	131,614,461
Other Non current assets	16	6,032,968	5,566,865
		<b>1,524,601,970</b>	<b>1,546,661,854</b>
<b>Current assets</b>			
Inventories	13	684,195,879	354,610,232
Trade receivables	14	228,355,436	291,714,329
Cash and bank balances	15	37,082,147	75,953,464
Short-term loans and advances	12	10,400,443,333	10,895,096,555
Other current assets	16	5,504,093	535,053
		<b>11,355,580,888</b>	<b>11,617,909,633</b>
<b>TOTAL</b>		<b>12,880,182,858</b>	<b>13,164,571,487</b>

Summary of significant accounting policies

2.1

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

As per our report of even date

For Sharp & Tannan  
Firm Registration No : 000452N  
Chartered Accountants

Milind P Phadke  
Partner  
Membership No.33013



Place : Ahmedabad  
Date : 29th April, 2016

For and on behalf of the Board of Directors of  
Adani Agrifresh Limited

Pranav Adani  
Chairman  
DIN-00008457

Niranjan Jain  
Company Secretary

Place : Ahmedabad  
Date : 29th April, 2016

Atul Chaturvedi  
Director  
DIN-00175355

Sanjay Garge  
Chief Financial Officer



# ADANI AGRIFRESH LIMITED

## Statement of Profit and Loss for the year ended 31 March 2016

	Notes	For the year ended 31 March 2016 Rupees	For the year ended 31 March 2015 Rupees
<b>Income</b>			
Revenue from operations	17	2,224,298,705	2,352,587,683
Other income	18	1,307,292,783	1,279,506,413
<b>Total revenue (I)</b>		<b>3,531,591,488</b>	<b>3,632,094,096</b>
<b>Expenses</b>			
Purchases of traded goods		1,885,631,781	1,925,704,843
Decrease / (Increase) in inventories of finished goods and traded goods	19	(329,011,362)	(167,912,256)
Employee benefits expenses	20	51,195,315	54,315,224
Other expenses	23	447,734,710	401,028,496
<b>Total Expenses (II)</b>		<b>2,055,550,444</b>	<b>2,213,136,307</b>
<b>Profit before interest, tax and depreciation (I)-(II)</b>		<b>1,476,041,044</b>	<b>1,418,957,789</b>
Depreciation and amortisation expenses	22	193,175,824	182,601,021
Finance costs	21	1,382,746,916	1,361,582,462
<b>Profit before tax</b>		<b>(99,881,696)</b>	<b>(125,225,694)</b>
<b>Tax expenses</b>			
Current Tax		-	-
Mat Credit Entitlement		-	-
Deferred tax expenses / (credit)		-	3,203,752
<b>Total tax expenses / (credit)</b>		<b>-</b>	<b>3,203,752</b>
<b>Profit for the year</b>		<b>(99,881,696)</b>	<b>(128,429,446)</b>
<b>Earnings per equity share (Refer Note 28)</b>			
- Basic (Rs) (nominal value of share Rs 10 each)		(2.19)	(2.82)
- Diluted (Rs) (nominal value of share Rs 10 each)		(0.97)	(1.25)

Summary of significant accounting policies

2.1


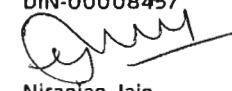
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Sharp & Tannan  
Firm Registration No : 000452N  
Chartered Accountants

Milind P Phadke  
Partner  
Membership No.33013

For and on behalf of the Board of Directors of  
Adani Agrifresh Limited

  
Pranav Adani  
Chairman  
DIN-00008457  
  
Niranjana Jain  
Company Secretary

  
Atul Chaturvedi  
Director  
DIN-00175355  
  
Sanjay Garg  
Chief Financial Officer

Place : Ahmedabad  
Date : 29th April,2016

Place : Ahmedabad  
Date : 29th April,2016



# ADANI AGRIFRESH LIMITED

## Cash flow statement for the year ended 31 March 2016

Particulars	For the year ended 31 March 2016 Rupees	For the year ended 31 March 2015 Rupees
<b>Cash flow from operating activities</b>		
Profit/(Loss) before Tax	(99,881,696)	(125,225,694)
Non cash adjustment to reconcile (loss) before tax to net cash flows		
Depreciation	193,175,824	182,601,021
Liability no longer required to pay	-	(7,505,324)
Provision for Doubtful Debts	(6,232,328)	-
Govt Subsidy trf from Capital reserve (Note 1)	(79,417,914)	-
Profit on sale of fixed assets	(371,878)	(315,547)
(Profit)/Loss from P'ship firm (50% share)	115,874	(684,970)
Loss on Scrap of Assets	-	-
Interest Expense	1,380,235,928	1,359,462,699
Interest Income	(1,305,993,999)	(1,268,740,858)
<b>Operating Profit before working capital changes</b>	<b>81,629,811</b>	<b>139,591,327</b>
<b>Movements in working capital :</b>		
(Decrease) / Increase in trade payables	(29,370,784)	43,682,645
(Decrease) / Increase in long-term provisions	(104,629)	771,191
Increase in short-term provisions	713,969	217,628
(Decrease)/Increase in other liabilities	(2,590,345)	2,795,055
(Decrease)/Increase in other current liabilities	(5,691,271)	39,682,291
Decrease / (Increase) in trade receivables	69,591,219	(140,540,260)
Decrease / (Increase) in inventories	(329,585,647)	(176,908,318)
Decrease in long-term loans and advances	671,199	179,919
(Increase) in short-term loans and advances	(4,276,686)	(8,511,465)
<b>Cash generated from operations</b>	<b>(219,013,161)</b>	<b>(99,039,985)</b>
Direct taxes paid (net of refunds)	(40,517,778)	(60,724,009)
<b>Net cash flow from operating activities (A)</b>	<b>(259,530,939)</b>	<b>(159,763,994)</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(131,646,060)	(210,316,127)
Sale of fixed assets	1,098,804	451,995
Investment in Joint Venture	-	(50,000,000)
Government Subsidy received	59,282,000	-
(Increase) in margin money deposit	(6,032,968)	-
Decrease/(Increase) in loans & advances	498,929,908	(782,791,568)
Interest received	1,301,024,959	1,268,670,632
<b>Net cash flow (used in) investing activities (B)</b>	<b>1,722,656,643</b>	<b>226,014,933</b>
<b>Cash flows from financing activities</b>		
Proceeds / (repayment) from borrowings	149,998,816	936,957,559
Payment of Preference Dividend & Dividend Tax	-	(66,642)
Interest paid	(1,657,562,702)	(1,082,565,185)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(1,507,563,886)</b>	<b>(145,674,268)</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>	<b>(44,438,182)</b>	<b>(79,423,329)</b>
Cash and cash equivalents at the beginning of the year	81,520,329	160,943,659
<b>Cash and cash equivalents at the end of the year</b>	<b>37,082,147</b>	<b>81,520,329</b>
<b>Components of cash and cash equivalents</b>		
With banks-on current account	21,282,147	19,177,929
Margin Money Deposits	15,800,000	21,342,400
Fixed deposits	-	41,000,000
<b>Total cash and cash equivalents (note 15)</b>	<b>37,082,147</b>	<b>81,520,329</b>

Note:1 Amount was received in earlier years. This year a transfer from capital reserve was made, thus a non cash transaction.  
As per our report of even date

For Sharp & Tannan  
Firm Registration No : 000452N  
Chartered Accountants

Millind P Phadke  
Partner  
Membership No.33013

For and on behalf of the Board of Directors of  
Adani Agrifresh Limited

Pranav Adani  
Chairman  
DIN-00008457  
Niranjan Jain  
Company Secretary

Atul Chaturvedi  
Director  
DIN-00175355

Sanjay Gorge  
Chief Financial Officer

Place : Ahmedabad  
Date : 29th April, 2016



Place : Ahmedabad  
Date : 29th April, 2016



# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### 1 Corporate information

ADANI AGRIFRESH 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 Company has set up modern Controlled Atmospheric (CA) storage facilities for storage of apple with European technology at three locations viz. Rewali, Sainj and Rohru in Himachal Pradesh having a combined capacity of 22920 MT (Previous year 20420 MT).

### 2 Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### 2.1 Summary of significant accounting policies

#### a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the 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 adjustment to the carrying amounts of assets or liabilities in future periods.

#### b. Tangible fixed assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

The company has identified major components of fixed assets during the year and depreciation is provided based on the useful life of each such component, if materially different from that of the main assets w.e.f. 1st April, 2015.

#### c. Depreciation on tangible fixed assets

Depreciation on fixed assets is provided on straight line method at the rates specified under Schedule II to the Companies Act, 2013. In respect of fixed assets purchased during the period, depreciation is provided on a pro-rata basis from the date on which such asset is ready to be put to use.

#### d. Impairment of tangible and intangible 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 asset 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.

#### e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. 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.





## ADANI AGRIFRESH LIMITED

### Notes to financial statements for the year ended 31 March 2016

#### f. Leases

Where the Company is the lessee

Leases, where the lesser effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

#### g. Inventories

Inventories are valued as follows:

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

#### h. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

##### Sale of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. The company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

##### 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

##### 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.

#### i. Foreign currency translation

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All exchange differences are recognized as income or as expenses in the period in which they arise except those which are directly relate to fixed assets acquired from outside India, adjusted in the cost of fixed assets upto the date of capitalisation in the period in which they arise.

#### j. 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.





# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### k. Retirement and other employee benefits

- a) Retirement benefits in the form of provident fund is a defined contribution scheme and the contributions to provident fund are charged to the Profit and Loss Account of the year when the contributions are due. There are no other obligations other than the contribution payable to the said fund.
- b) There is defined benefit plan for the company employees, i.e., gratuity. The cost of providing benefits under the plan is determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss. These contributions are covered through Group Gratuity Scheme with Life Insurance Corporation of India.
- c) Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

Accumulated sick leaves and casual leaves are treated as short-term employee benefit, as the company does not have an unconditional right to defer its settlement for 12 months after the reporting date, and the company presents short-term leaves as a current liability in the balance sheet.

### l. Taxes on Income

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

### m. Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

### n. Subsidies

(i). Government Grants and subsidies are recognized when there is virtual certainty that the conditions attached to them will be complied, and grant/subsidy will be received.

(ii). Government grants and subsidies receivable against an expense are deducted from such expense and subsidy/grant receivable against a specific fixed asset is deducted from cost of the relevant fixed asset.

(iii). Government grants of the nature of promoters' contribution are credited to Capital Reserve and treated as a part of shareholders' funds.

### o. Provisions, Contingent Liabilities & Contingent Assets

#### Provisions :

A provision is recognised when the company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current best management estimates.

#### Contingent Liability :

Contingent Liability is disclosed in the case when a present obligation arising from past event means when it is not probable that an outflow of resources will be required to settle the obligation or a possible obligation means unless the probability of outflow of resource is remote.

#### Contingent Assets :

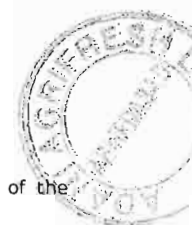
Contingent assets are neither disclosed nor recognized.

### p. Investment

Investment in partnership firm stated at capital contribution alongwith profit and loss share in partnership firm.

#### Events occurring after the balance sheet date

Events occurring after the balance sheet date, where material (if any), are considered upto the date of approval of the accounts by the Board of Directors.



# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### 3. Share capital

	31 March 2016 Rupees	31 March 2015 Rupees
<b>Authorised shares</b>		
50,000,000 equity shares of Rs. 10/- each (Previous year 50,000,000 equity shares of Rs. 10/- each)	500,000,000	500,000,000
56,961,000 preference shares of Rs. 10/- each (Previous year 56,961,000 preference shares of Rs. 10/- each)	569,610,000	569,610,000
<b>Issued, subscribed and fully paid-up shares</b>		
45,610,000 equity shares of Rs. 10/- each fully paid (Previous year 45,610,000 equity shares of Rs. 10/- each)	456,100,000	456,100,000
56,961,000 0.01% Non cumulative optionally convertible preference shares of Rs. 10/- each fully paid (Previous year 56,961,000 preference shares of Rs. 10/- each)	569,610,000	569,610,000
	<b>1,025,710,000</b>	<b>1,025,710,000</b>

#### (i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	31 March 2016		31 March 2015	
	Nos	Rupees	Nos	Rupees
<b>Equity shares</b>				
At the beginning of the year	45,610,000	456,100,000	45,610,000	456,100,000
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	45,610,000	456,100,000	45,610,000	456,100,000
<b>Preference shares</b>				
At the beginning of the year	56,961,000	569,610,000	56,961,000	569,610,000
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	56,961,000	569,610,000	56,961,000	569,610,000

1. There are no amounts due and outstanding to be credited to Investor Education & Protection fund as at 31 March, 2016

#### (ii) Terms / Rights attached to equity & preference shares

##### Equity :

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 ownerships of shares.

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.

##### Preference :

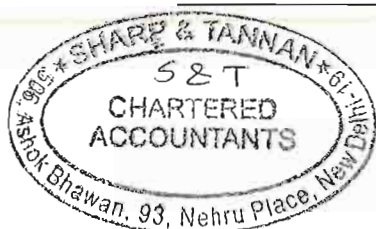
**Redemption :** Unless previously redeemed or converted , the Preference shares will be redeemed at par, without further notice at the end of 10 years from the date of allotment

**Conversion :** The option for conversion of the 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 to 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.

#### (iii) Details of shareholders holding more than 5% shares in company.

	31 March 2016		31 March 2015	
	Nos	% holding	Nos	% holding
<b>Equity Shares of Rs. 10 each fully paid up</b>				
Adani Enterprises Limited & its nominees	45,610,000	100%	45,610,000	100%
	<b>45,610,000</b>	<b>100%</b>	<b>45,610,000</b>	<b>100%</b>
<b>Preference Shares of Rs. 10 each fully paid up</b>				
Adani Enterprises Limited	56,961,000	100%	56,961,000	100%
	<b>56,961,000</b>	<b>100%</b>	<b>56,961,000</b>	<b>100%</b>



# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### 4. Reserves and surplus

	31 March 2016 Rupees	31 March 2015 Rupees
Government Subsidy *		
Balance as per the last financial statements	159,969,630	159,969,630
Add : Received during the year	59,282,000	-
Less : Transfer to Profit & Loss account	(79,417,914)	-
Closing balance	139,833,716	159,969,630
(Deficit) in the statement of profit and loss		
Balance as per the last financial statements	(208,957,087)	(79,220,136)
Less: Adjustment of Depreciation as per Schedule II (Net of Tax)	-	(1,297,824)
Add: Profit/(Loss) for the year	(99,881,696)	(128,429,446)
	(308,838,783)	(208,947,406)
Less : Appropriations		
Proposed Dividend on Preference Shares	-	-
Tax on Preference Shares Dividend	-	9,681
Net (Debit) Balance in the statement of profit and loss	(308,838,783)	(208,957,087)
Total Reserves and surplus	(169,005,067)	(48,987,457)

\* 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 Lacs was received during the year 2007-08 and balance of Rs. 799.80 Lacs have been received during the year 2010-11 both receipts were recognised in the books as Capital Reserve in accordance with Accounting Standard 12 - "Government Grant" Issued by The Institute of Chartered Accountant of India. During the year NOC from UCO Bank has been received, the company has started the treatment of Capital Reserve in line with Accounting Standard 12 "Accounting for Government Grants", notified under Companies (Accounting Standard) Rules, 2006 (as amended).

As per guidelines of Ministry of Food Processing Industries the company is eligible for grant in aid of Rs. 1000 Lacs under the scheme of "Cold Chain, Value addition and Preservation Infrastructure. During the year company has received first and second instalment. Final instalment awaited. Therefore the company has yet to start the treatment of capital reserve in line with Accounting Standard 12 "Accounting for Government Grants" notified under Companies (Accounting Standard) Rules, 2006 (as amended).

### 5. Borrowings

	Long-term		Short-term	
	31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
Term Loan from HDFC Bank (Note 4)	140,111,464	144,605,448	-	-
Cash Credit facility (Note 2)	-	-	452,306,639	168,563,231
Loan from Bank / Financial Institution (Note 3)	-	-	370,000,000	712,500,000
Loan from Related Parties (Note 1)	-	-	10,862,052,098	10,648,802,707
	140,111,464	144,605,448	11,684,358,737	11,529,865,938
The above amount includes				
Secured borrowings	140,111,464	144,605,448	822,306,639	381,063,231
Unsecured borrowings	-	-	10,862,052,098	11,148,802,707

#### Note 1:

Company has taken an unsecured loan of Rs. 1031.40 Cr. from Adani Ports and Special Economic Zone Limited at interest rate of 11.75%. Company has taken an unsecured loan of Rs. 54.81 Cr. from 100% holding company Adani Enterprises Limited at interest rate of 10.50%

#### Note 2:

The company has been sanctioned cash credit facilities from UCO Bank to be used towards working capital requirement of the company against the security of :

**Primary :** First pari passu charge on existing and future current assets of Adani Agrifresh Limited including inventory, spares, book debts, bills and receivables.

**Collateral :** Second pari passu charge on existing and future fixed assets of Adani Agrifresh Limited

#### Note 3:

**HDFC :** The company has been sanctioned short term credit facilities aggregating to Rs 68 Crs to be used towards expenses for running of cold storage which includes Cash Credit/ Working Capital Demand Loan of Rs 60 Crores, non fund based limits (Letters of Credit / Bank Guarantee) of Rs 10 Crs and CMS Intraday and PSR FX limits of Rs 8 Crs . The cash credit/working Capital demand loan of 60 crs are secured as under:

**Primary :** First pari passu charge on existing and future current assets of Adani Agrifresh Limited including inventory, spares, book debts, bills and receivables.

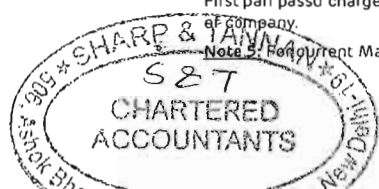
**Collateral :** Second pari passu charge on existing and future fixed assets of Adani Agrifresh Limited

#### Note 4:

**HDFC:** The Company has been sanctioned additional term loan facilities of 9.70 Crs to be used for capital expenditure for increase in controlled atmosphere storage facilities capacity with supporting infrastructure, equipment, vehicles etc. against security of:

First pari passu charge on entire fixed assets of the company and second charge on pari passu basis on the entire present and future current assets

of company.  
Note 5: For current Maturities of Long Term Borrowings refer note-7 "other Liabilities".



# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### 6. Deferred tax assets (net)

	31 March 2016 Rupees	31 March 2015 Rupees
<b>Deferred tax liabilities</b>		
Fixed Assets: Impact of tax depreciation and depreciation / amortisation charged in the financial reporting	112,975,072	131,479,630
<b>Gross deferred tax liabilities</b>	<b>112,975,072</b>	<b>131,479,630</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)	3,217,133	5,001,666
b. Unabsorbed Depreciation/ Business loss under the Income Tax Act, 1961	171,849,044	172,496,823
<b>Gross deferred tax assets</b>	<b>175,066,177</b>	<b>177,498,489</b>
<b>Net deferred tax (liabilities) / assets</b>	<b>62,091,105</b>	<b>46,018,859</b>

In accordance with the Accounting Standard-22, the net deferred tax assets of Rs. 6.21 Crs. has not been recognised because there is no reasonable certainty as to when the assets can be realised.

### 7. Other liabilities

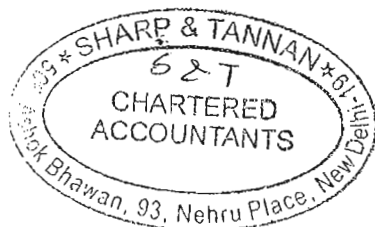
	Long-term		Short-term	
	31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
Current Maturities of Long term debts (Refer note-5)	-	-	38,582,471	33,370,487
Advances from customers	-	-	3,337,334	1,326,743
Interest accrued but not due	-	-	3,793,682	281,120,456
Other payables				
- Security deposits	-	-	710,829	10,296,812
- Retention money	1,735,223	4,325,568	-	-
- Other statutory liabilities	-	-	30,916,488	34,244,350
	<b>1,735,223</b>	<b>4,325,568</b>	<b>77,340,804</b>	<b>360,358,848</b>

### 8. Provisions

	Long-term		Short-term	
	31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
Provision for employee benefits	-	-	1,889,259	1,699,166
Provision for gratuity (Refer Note 24)	-	-	1,655,394	1,131,518
Provision for leave benefits	3,341,156	3,445,785	-	-
Proposed preference dividend	-	-	-	-
	<b>3,341,156</b>	<b>3,445,785</b>	<b>3,544,653</b>	<b>2,830,684</b>

### 9. Trade Payables

	31 March 2016 Rupees	31 March 2015 Rupees
Trade payables (Refer Note 27 for MSMED)	113,045,888	142,416,672
	<b>113,045,888</b>	<b>142,416,672</b>





ADANI AGRIFRESH LIMITED

Notes to financial statements for the year ended 31 March 2016

10. Fixed assets

All amounts are in Rupees

Particulars	Gross block (at cost)			Depreciation			Net block			
	As at 1 April, 2015	Additions during the year	Deductions during the year	As at 31 March 2016	As at 1 April, 2015	Provided for the year	Transfer to Retained Earning	Deductions during the year	As at 31 March 2016	As at 31 March, 2015
(i) Tangible assets										
Freehold land	58,001,136	-	-	58,001,136	-	-	-	-	58,001,136	58,001,136
Buildings	271,349,539	-	-	271,349,539	58,249,989	8,489,064	-	-	66,739,053	213,099,550
D G Set	14,513,275	-	-	14,513,275	6,702,475	1,123,523	-	-	7,825,998	7,810,800
Material Handling Equipment	576,045,759	55,709,526	1,522,046	630,233,239	291,537,699	89,950,776	-	795,120	380,693,355	284,508,060
Plant and Machinery	978,460,545	22,795,153	-	1,001,255,698	352,688,956	71,350,236	-	-	424,039,192	625,771,589
Furniture and fixtures	10,659,838	558,781	-	11,218,619	6,437,566	1,055,430	-	-	7,492,996	4,222,271
Electric Installation	118,015,796	445,194	-	118,460,990	60,023,430	19,525,474	-	-	79,548,904	57,992,365
Office Equipments	4,645,016	238,802	-	4,883,818	3,525,599	241,656	-	-	3,767,255	1,119,417
Computers	9,902,516	1,295,336	-	11,197,852	9,079,078	401,463	-	-	9,480,541	823,438
Bicycle	1,851	-	-	1,851	1,850	-	-	-	1,850	1
Vehicles	7,217,208	-	-	7,217,208	1,325,481	838,750	-	-	2,164,231	5,891,727
Total (i)	2,048,812,479	81,042,792	1,522,046	2,128,333,225	789,572,123	192,976,372	-	795,120	981,753,375	1,259,240,356
Previous Year (i)	1,823,816,593	225,256,075	260,189	2,048,812,479	605,328,741	182,401,021	1,966,103	123,741	789,572,123	
(ii) Intangible assets										
Computer software	2,197,000	-	-	2,197,000	2,197,000	-	-	-	2,197,000	-
Dedicated Power Line	1,000,000	-	-	1,000,000	800,548	199,452	-	-	1,000,000	199,452
Total (ii)	3,197,000	-	-	3,197,000	2,997,548	199,452	-	-	3,197,000	199,452
Previous Year (ii)	3,197,000	-	-	3,197,000	2,797,548	200,000	-	-	2,997,548	
Total (i) + (ii)	2,052,009,479	81,042,792	1,522,046	2,131,530,225	792,569,671	193,175,824	-	795,120	984,950,375	1,259,439,808
Previous Year (i) + (ii)	1,827,013,593	225,256,075	260,189	2,052,009,479	608,126,289	182,601,021	1,966,103	123,741	792,569,671	1,259,439,808





# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### 11. Non current Investments

	31 March 2016 Rupees	31 March 2015 Rupees
<b>Trade Investments (Valued at Cost)</b>		
<b>a) In Partnership Firm</b>		
50% share in partnership firm Vishakha Industries (Includes share of profit for the year Rs.9,06,254 /- (31st March,15 : Rs. 7,58,099/-)	99,099,699	99,215,573
<b>b) In Associates-Unquoted Equity Instruments</b>		
146,685(Previous Year 1,46,685) fully paid up equity share of Vishakha Industries Pvt Limited of Rs. 10/- each.	50,000,000	50,000,000
	<b>149,099,699</b>	<b>149,215,573</b>

Details of investment in partnership firm : Vishakha Industries

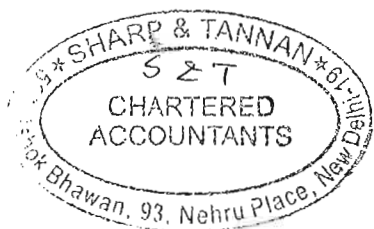
Name of the partner	Share In Profits		Capital Employed	
	31 March 2016 %	31 March 2015 %	31 March 2016 %	31 March 2015 %
Adani Agrifresh Limited	50	50	99,099,699	99,215,573
Jigish N Doshi	35	35	71,439,787	71,520,900
Umesh N Doshi	10	10	19,819,942	19,843,117
Bhadresh N Doshi	5	5	9,909,972	9,921,560
<b>Total Capital Employed</b>			<b>200,269,400</b>	<b>200,501,150</b>

### 12. Loans and advances

	Non-current		Current	
	31 March 2016 Rupees	31 March 2015 Rupees	31 March 2016 Rupees	31 March 2015 Rupees
<b>Security deposits</b>				
Unsecured, considered good	-	370,625	6,045,125	1,058,100
<b>Advances recoverable in cash or kind</b>				
Unsecured, considered good	-	60,000	34,788,765	35,073,638
<b>Other loans and advances</b>				
Loan to related party	-	-	10,356,635,023	10,855,564,931
Capital advance	33,294,336	1,038,937	-	-
Prepaid expenses	960,329	1,200,903	2,974,420	3,399,886
Advance Income tax	111,039,257	70,521,479	-	-
Mat credit entitlement	58,422,517	58,422,517	-	-
	<b>203,716,439</b>	<b>131,614,461</b>	<b>10,400,443,333</b>	<b>10,895,096,555</b>

### 13. Inventories (valued at lower of cost and net realisable value)

	31 March 2016 Rupees	31 March 2015 Rupees
Finished goods	639,743,701	310,732,339
Chemical & Fuel, and stores & spares	15,347,237	13,736,466
Packing Material	29,104,941	30,141,427
	<b>684,195,879</b>	<b>354,610,232</b>



# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### 14. Trade receivables

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Rupees	Rupees	Rupees	Rupees
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered doubtful	-	-	523,145	6,755,473
	-	-	523,145	6,755,473
Less : Provision for doubtful debts	-	-	523,145	6,755,473
	-	-	-	-
Other receivables				
Secured considered Good				
(Secured to the extent of Security Deposit & Bank Guarantees)			64,300,000	45,237,334
Unsecured, considered good	-	-	164,055,436	246,476,995
	-	-	228,355,436	291,714,329
	-	-	228,355,436	291,714,329

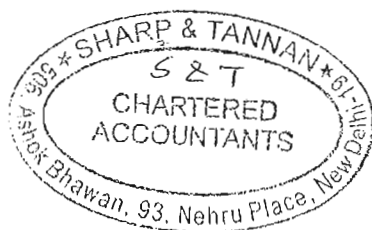
### 15. Cash and bank balances

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Rupees	Rupees	Rupees	Rupees
Cash and cash equivalents				
Cash on hand			-	-
Balance with banks				
- In current accounts	-	-	21,282,147	19,177,929
Other bank balances				
Fixed deposits	-	-	-	41,000,000
Margin Money Deposits *	-	-	15,800,000	15,775,535
	-	-	37,082,147	75,953,464

\* Given as margin money against bank guarantee.

### 16. Other assets

	Non-current		Current	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	Rupees	Rupees	Rupees	Rupees
Fixed deposit with bank with original maturity of more than 12 months ( Margin money against bank guarantee)	6,032,968	5,566,865	-	-
Interest accrued but not due on - Fixed deposits	-	-	196,195	396,354
- Others	-	-	5,307,898	138,699
	6,032,968	5,566,865	5,504,093	535,053



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# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### 17. Revenue from operations

	For the year ended 31 March 2016 Rupees	For the year ended 31 March 2015 Rupees
<b>Sale of products (net of discounts)</b>		
Traded goods	2,141,693,768	2,350,480,641
<b>Other operating revenue</b>		
Insurance claim received	2,974,259	1,868,781
Export Incentives	-	238,261
Government Subsidy Trf from Capital Reserve	79,417,914	-
Sale of Scrap	212,764	-
	<b>2,224,298,705</b>	<b>2,352,587,683</b>

### 18. Other income

	For the year ended 31 March 2016 Rupees	For the year ended 31 March 2015 Rupees
<b>Interest Income on</b>		
- Bank deposits	3,063,207	10,091,351
- Others	1,302,930,792	1,258,649,507
Profit on sale of fixed assets	371,878	315,547
Interest on Income Tax Refund	-	653,748
Profit from Partnership firm (50% share)	-	684,970
Exchange differences (net)	916,466	1,565,898
Other non-operating income	10,440	7,545,392
	<b>1,307,292,783</b>	<b>1,279,506,413</b>

### 19. Decrease / (Increase) in inventories of finished goods and traded goods

	For the year ended 31 March 2016 Rupees	For the year ended 31 March 2015 Rupees
<b>Inventories at the end of the year</b>		
-Traded goods	639,743,701	310,732,339
<b>Net closing stock [A]</b>	<b>639,743,701</b>	<b>310,732,339</b>
<b>Inventories at the beginning of the year</b>		
-Traded goods	310,732,339	142,820,083
<b>Net closing stock [B]</b>	<b>310,732,339</b>	<b>142,820,083</b>
<b>Decrease / (Increase) in inventories [B-A]</b>	<b>(329,011,362)</b>	<b>(167,912,256)</b>

### 20. Employee benefit expense

	For the year ended 31 March 2016 Rupees	For the year ended 31 March 2015 Rupees
Salaries, wages and bonus	44,677,666	47,922,870
Contribution to provident and other funds	2,388,778	2,262,326
Gratuity expense (Refer Note 24)	1,249,573	1,745,879
Staff welfare expenses	2,879,298	2,384,149
	<b>51,195,315</b>	<b>54,315,224</b>



# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### 21. Finance costs

	For the year ended 31 March 2016 Rupees	For the year ended 31 March 2015 Rupees
Interest expense - Bank	74,831,165	166,958,186
- Others	1,305,404,763	1,192,504,513
Bank charges	2,510,988	2,119,763
	<b>1,382,746,916</b>	<b>1,361,582,462</b>

### 22. Depreciation and amortisation expenses

	For the year ended 31 March 2016 Rupees	For the year ended 31 March 2015 Rupees
Depreciation on tangible assets	192,976,372	182,401,021
Amortisation of intangible assets	199,452	200,000
	<b>193,175,824</b>	<b>182,601,021</b>

### 23. Other expenses

	For the year ended 31 March 2016 Rupees	For the year ended 31 March 2015 Rupees
Consumption of stores and spares	6,018,978	13,670,044
Consumption of chemicals	836,465	241,104
Consumption of packing materials	124,087,351	120,705,609
Power and fuel	30,126,299	24,892,564
Contract labour	27,927,128	32,086,126
Rent	32,810,165	18,816,863
Rates and taxes	6,500	5,267
Insurance	4,062,848	4,128,186
Repairs and maintenance		
- Plant and machinery	6,433,903	2,461,542
- Buildings	4,180,785	2,121,803
- Others	19,202,090	3,455,055
Security expenses	5,632,918	5,490,485
Travelling and conveyance	7,542,185	8,790,315
Communication expenses	633,728	823,269
Printing and stationery	926,009	602,684
Legal and professional fees	8,158,263	7,339,387
(Write back) / provision for doubtful debts	(6,232,328)	-
Payment to auditors (Note A)	287,500	430,566
Tax Audit Fees	69,000	-
CSR Expenses	200,000	2,900,000
Directors Sitting Fees	137,400	-
Loss from Partnership firm (50% share)	115,874	-
Miscellaneous expenses	2,316,486	2,857,697
Freight outward and distribution expenses	170,659,433	148,208,414
Brokerage / commission	1,595,729	1,001,517
	<b>447,734,710</b>	<b>401,028,495</b>
<b>A. Payment to Auditors</b>		
As Auditors		
(i) Audit fees	287,500	280,900
(ii) Tax audit fees	-	112,360
(iii) Reimbursement of Expenses	-	37,306
	<b>287,500</b>	<b>430,566</b>



## ADANI AGRIFRESH LIMITED

### Notes to financial statements for the year ended 31 March 2016

#### 24. 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 2016 Rupees	31 March 2015 Rupees
Current service cost	894,317	600,918
Add: Interest cost on benefit obligation	459,672	384,741
Less: Expected return on plan assets	(323,449)	(264,824)
Add: Net actuarial loss recognized in the year	219,033	1,025,044
<b>Net benefit expense</b>	<b>1,249,573</b>	<b>1,745,879</b>

##### Amount recognised in the Balance Sheet

##### Details of Provision for gratuity

Particulars	31 March 2016 Rupees	31 March 2015 Rupees
Defined benefit obligation	7,318,447	5,733,675
Less: Fair value of plan assets	5,429,188	4,034,509
<b>Amount recognised in the Balance Sheet</b>	<b>1,889,259</b>	<b>1,699,166</b>

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

Particulars	31 March 2016 Rupees	31 March 2015 Rupees
Opening defined benefit obligation	5,733,675	4,101,716
Add: Interest cost	459,673	384,741
Add: Current service cost	894,317	600,918
Less: Benefits paid	(49,634)	(450,500)
Add: Actuarial loss on obligation	280,416	1,096,800
<b>Closing defined benefit obligation</b>	<b>7,318,447</b>	<b>5,733,675</b>

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

Particulars	31 March 2016 Rupees	31 March 2015 Rupees
Fair value of assets at the beginning of the year	4,034,509	3,043,952
Add: Acquisition adjustment	-	-
Add: Expected return on plan assets	323,449	264,824
Add: Contribution by employer	1,059,480	1,096,978
Less: Benefits paid	(49,634)	(443,001)
Add: Actuarial gain / (loss) on plan assets	61,384	71,756
<b>Fair value of assets at the end of the year</b>	<b>5,429,188</b>	<b>4,034,509</b>

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

Particulars	31 March 2016	31 March 2015
Discount rate	7.90%	8.00%
Rate of increase in compensation	8.50%	8.50%
Employee turnover	2%	2%

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 2016	31 March 2015
Defined benefit obligation	1,889,259	1,699,166
Experience adjustments on plan liabilities - loss	280,416	1,096,800





# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### 25. Related party disclosures

Holding Company	Adani Enterprises Limited
Associate Companies / Firms (where transaction exists)	Adani Wilmar Limited Vishakha Industries Vishakha Industries Pvt. Limited
Key Management Personnel	Pranav Adani Atul Chaturvedi A.S. Ramanujam Sanjay Garge Niranjan Jain
Enterprises over which key managerial personnel of the Holding company can exercise significant influence and with whom transactions entered during the year	Adani Ports & Special Economic Zone Limited Adani Transmission Limited Adani Power Limited

Particulars	2015-16 Rupees	2014-15 Rupees
<b>Purchase of goods</b>		
Vishakha Industries	-	4,599,215
Adani Wilmar Limited	-	26,353,888
<b>Purchase of assets</b>		
Vishakha Industries	51,348,600	74,944,228
<b>Other expenses</b>		
Adani Ports & Special Economic Zone Limited		
- Interest	1,254,554,567	1,192,498,018
Adani Enterprises Limited		
- Guest House Rent	-	31,200
- Professional Fees	3,021,803	2,589,476
- Interest	50,779,554	-
Vishakha Industries		
- Repair & Maintenance	15,886,253	8,598,201
<b>Remuneration</b>		
A.S. Ramanujam	7,644,604	7,930,176
<b>Interest Income</b>		
Adani Enterprises Limited	-	1,214,047,452
Adani Transmission Limited	507,613,244	28,405,479
Adani Power Limited	790,006,315	16,042,466
Vishakha Industries	5,311,233	154,110
<b>Loan Received (Net)</b>		
Adani Ports & Special Economic Zone Limited	-	1,120,705,612
Adani Enterprises Limited	548,087,675	-
<b>Loan Given (Net)</b>		
Adani Power Limited	7,952,627,179	-
Adani Transmission Limited	-	10,825,564,931
Vishakha Industries	20,000,000	30,000,000
<b>Repayment of Loan (Net)</b>		
Adani Enterprises Limited	-	96,070,695
Adani Ports & Special Economic Zone Limited	334,838,284	-
<b>Loan Received back (Net)</b>		
Adani Enterprises Limited	-	10,072,773,363
Adani Transmission Limited	8,471,557,088	-
<b>Capital Contribution</b>		
Vishakha Industries Private Limited	-	50,000,000
<b>Balance (payable) / receivable outstanding (Loan) as at year end</b>		
Adani Ports & Special Economic Zone Limited(Including Interest Payable)	(10,313,964,423)	(10,921,345,311)
Adani Enterprises Limited	(548,087,675)	-
Adani Transmission Limited	2,354,007,844	10,825,564,931
Adani Power Limited	7,952,627,179	-
Vishakha Industries (Including interest Receivable)	55,307,898	30,138,699
<b>Balance (payable) / receivable outstanding as at year end</b>		
Adani Enterprises Limited	(737,391)	(577,213)
Vishakha Industries	-	776,392



## ADANI AGRIFRESH LIMITED

### Notes to financial statements for the year ended 31 March 2016

#### 26. Segment reporting

Segments have been identified in line with Accounting Standard 17 "Segment Reporting" 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 AS-17 "Segment Reporting" are not applicable.

27. Management represents that, based on the information available, the Company has not been informed by any supplier of being covered under the Micro, Small and Medium Enterprises Development Act, 2006. As a result, no interest provision or payments have been made by the Company to such suppliers, if any and no related disclosures are made in these accounts.

#### 28. Earnings per share (EPS)

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

Particulars	31 March 2016 Amount	31 March 2015 Amount
<b>Basic</b>		
Net Profit for calculation of basic EPS as per statement of profit and loss (A)	(99,881,696)	(128,429,446)
Calculation of weighted average number of equity shares in calculating basic EPS		
- Number of equity shares at the beginning of the period (B)	45,610,000	45,610,000
- Number of equity shares of Rs 10 each fully paid Issued during the period (C)	-	-
- Number of equity shares at the end of the period (B+C)	45,610,000	45,610,000
- Weighted average number of equity shares in calculating basic EPS - (D)	45,610,000	45,610,000
Earning Per Share - Basic (A/D)	(2.19)	(2.82)
<b>Diluted</b>		
Net Profit for calculation of diluted EPS as per statement of profit and loss (A)	(99,881,696)	(128,429,446)
Calculation of weighted average number of equity shares in calculating diluted EPS		
- Number of preference shares at the beginning of the period (B)	56,961,000	56,961,000
- Number of preference shares of Rs 10 each fully paid Issued during the period (C)	-	-
- Number of preference shares at the end of the period (B+C)	56,961,000	56,961,000
- Weighted average number of preference shares in calculating diluted EPS - (D)	56,961,000	56,961,000
- Weighted average number of equity shares in calculating basic EPS as above (E)	45,610,000	45,610,000
- Total Weighted average number of shares in calculating diluted EPS (F = D + E)	102,571,000	102,571,000
Earning Per Share - Diluted (A/F)	(0.97)	(1.25)

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# ADANI AGRIFRESH LIMITED

## Notes to financial statements for the year ended 31 March 2016

### 29. Unhedged foreign currency exposures are as under :

The foreign currency exposure of the company as at the reporting date that have not been hedged by a derivative instrument or otherwise are given below:

Currency	Amount Foreign Currency As at 31 March 2016	Amount INR As at 31 March 2016	Amount Foreign Currency As at 31 March 2016	Amount INR As at 31 March 2015
Purpose				
Payable - USD	44,030	2,917,208	120,291	7,518,156
Payable - EURO	2,300	173,439	9,830	660,485
Advance to Vendor - USD	148,578	9,891,147	157,773	9,860,813
Advance to Vendor - EURO	2,300	179,247	24,937	1,675,517

### 30. Value of Imports calculated on CIF basis (accrual basis)

Particulars	31 March 2016 Rupees	31 March 2015 Rupees
Stores , Consumables and Packing Material	14,782,987	15,817,965
Imported Fruits	448,025,448	456,739,751
Capital Item	6,537,347	32,489,665
	<b>469,345,782</b>	<b>505,047,381</b>

### 31. Expenditure in Foreign Currency

Particulars	31 March 2016 Rupees	31 March 2015 Rupees
Freight	-	30,950
Service Charges & others	45,268	-
	<b>45,268</b>	<b>30,950</b>

### 32. Contingent Liabilities not provided for

Particulars	31 March 2016 Rupees	31 March 2015 Rupees
Bank Guarantee favouring customs pending for Export Obligation	39,265,971	38,840,371
Sales Tax	19,850,389	19,850,389
Income Tax	937,850	36,150,470

### 33. Estimated amount of contract remaining to be executed on capital account(net of advance) and not provided for as on 31st March,16 : Rs.841,66,931 /- (As at 31st March,15 : Rs. 95,95,888/-).

### 34. CORPORATE SOCIAL RESPONSIBILITY EXPENSES

- Gross amount required to be spent by the company during the year : Rs. 2,45,440/-
- Actual Spent during the year : Rs. 2,00,000/-
- Amount unspent-(to be spent in subsequent year) : Rs. 45,440/-
- Amount spent during the year on:

Particulars	In Cash	Yet to be paid In Cash	Total
(i) Construction/acquisition of any asset	-	-	-
(ii) Other Purpose	200,000	-	200,000

### 35 Previous year's figures have been re-grouped / re-classified wherever necessary.

For Sharp & Tannan  
Firm Registration No : 000452N  
Chartered Accountants

Milind P Phadke  
Partner  
Membership No.33013

For and on behalf of the Board of Directors of  
Adani Agrifresh Limited

Pranav Adani  
Chairman  
DIN-00008457

Niranjan Jain  
Company Secretary

Atul Chaturvedi  
Director  
DIN-00175355

Sanjay Gerga  
Chief Financial Officer

Place : Ahmedabad  
Date : 29th April,2016

Place : Ahmedabad  
Date : 29th April,2016

