

BOARD OF DIRECTORS

BOARD OF DIRECTORS	Mr. Ramesh H. Thakkar Mr. Ashok H. Thakkar Mr. Bimal R. Thakkar Mr. Bhavesh R. Thakkar Mr. D. E. Udwadia Mr. Nipun C. Shah Mr. Yasir J. Varawala Mr. Vikram S. Munshi Mr. Jay M. Mehta Mr. Viren A. Merchant Mr. Ravinder Kumar Jain	Chairman Vice-Chairman Managing Director Executive Director Director Director Director Director Director Director Director
SENIOR MANAGEMENT	Mr. Nagin C. Patel Mr. Dilip S. Golwala Mr. Dinesh Jaiswal Mr. R. R. Singh	Vice- President (Works) General Manager- Finance & Accounts General Manager - Works (Nashik) General Manager - Works (Nadiad)
COMPANY SECRETARY	Mr. Amit Bathia	
COUNTRY MANAGERS	Mr. Steve Pezzack UK- Food Service Mr. Upinder Thakur- Ethnic Division- UK & Europe Mr. Vimal Bhalla- North America Mr. Vishal Gautam- GCC	
STATUTORY AUDITORS	M/s. D.P. Ghevaria & Co. Chartered Accountants M/s. V.P. Thacker & Co. Chartered Accountants	
INTERNAL AUDITORS	M/s. Suresh Gandhi & Associates, Surat M/s. Govilkar & Associates, Nasik	
SOLICITORS	M/s. Udwadia & Udeshi M/s. DSK Legal	
BANKERS	State Bank of Hyderabad Bank of Baroda State Bank of India	
REGISTERED OFFICE	83/86 GIDC Industrial Estate, Nadiad- 387 001, Gujarat, India Tel.: 0268-2551381 / 2 Fax. : 0268-2565068 E-mail: nadiadfactory@adf-foods.com	
CORPORATE OFFICE	3 rd Floor, Acme Industrial Estate, Sewree Bunder Road, Sewree (East) Mumbai- 400 015, India Tel.:022-6141 5555 Fax.:022-6141 5577, 022-24137373 E-mail: info@adf-foods.com website: www.adf-foods.com	
REGISTRAR AND SHARE TRANSFER AGENTS	LINK INTIME (INDIA) PRIVATE LIMITED (Formerly known as Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai- 400 078, India Tel.: 022-25963838, Fax.: 022-25946969 203, Davar House, 197/199 D.N.Road, Mumbai- 400 001, Tel.: 022-2269 4127 E-mail: rnt.helpdesk@linkintime.co.in website : www.linkintime.co.in	

CONTENTS	
Board of Directors	1
Notice	2-5
Director's Report	6-10
Management Discussion and Analysis Report	11-13
Report on Corporate Governance.....	14-26
Auditor's Report	27-29
Balance Sheet	30
Profit & Loss Account.....	31
Schedule I to I to the Balance Sheet	32-36
Schedule 12 to 16 to the Profit & Loss Account	37-38
Schedule 17- Significant Accounting Policies and Notes forming part of the Balance Sheet and P& L Account	39-48
Segment Reporting.....	49-50
Cash Flow Statement	51
Balance Sheet abstract.....	52
Financial Statements of ADF Foods UK Ltd	53-59
Financial Statements of ADF Foods (Mauritius) Ltd	60-70
Financial Statements of Power Brands (Foods) Private Limited...	71-79
Financial Statements of ADF Foods (India) Ltd	80-90
Statement Pursuant to Section-212.....	91
Auditor's Report on the Consolidated Financial Statement	91
Consolidated Balance Sheet	92
Consolidated Profit & Loss Account	93
Consolidated Schedule 1 to 12 to the Balance Sheet.....	94-98
Consolidated Schedule 13 to 19 to the Porfit and Loss Account .	99-101
Significant Accounting policies and Notes forming part of the Consolidated Accounts.....	102-111
Consolidated Segment Reporting.....	112-113
Consolidated Cash Flow Statement	114
Attendance Slip/Proxy Form	

20th Annual General Meeting

Wednesday, 28th July 2010 at 2.00 p.m.

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

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

NOTICE OF THE 20TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Twentieth Annual General Meeting** of **ADF FOODS LIMITED** will be held at Sheth Khushaldas Gokaldas Patel Municipal Town Hall, Nadiad 387 001, Gujarat on **Wednesday, 28th July 2010 at 2.00 P.M.** to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on that date alongwith the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31st March 2010.
3. To appoint a Director in place of Mr. Viren Merchant who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. D E Udwardia who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Statutory Auditors and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

6. To consider and approve the increase in Inter-corporate Investment limits upto Rs. 150 Crores

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

“RESOLVED THAT pursuant to the provisions of section 372A of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and in accordance with the provisions of Articles of Association of the Company and subject to further approval of statutory and other authorities as may be necessary and subject to such terms, conditions, stipulation, alterations and modifications, if any, as may be prescribed and specified by such authorities while granting such approvals and which be agreed by the Board of Directors of the Company (hereinafter referred to as the ‘Board’ which expression shall include a Committee of directors or Managing Director or Whole-time Director or any of the Director(s) or Officer(s) of the Company duly authorized by the Company in this behalf), the consent of the Company be and is hereby accorded to the Board of directors of the Company for acquisition of businesses and/or Companies and/or Assets and/or make investment in excess of the 60% of the aggregate of the paid-up share capital and free reserves and/or upto 100% of the aggregate of free reserves of the Company as per the limits prescribed under section 372A in India and/or abroad as they may in their absolute discretion deem beneficial and in the interest of the Company subject to the maximum aggregate amount not exceeding Rs. 150 crores (Rupees One Hundred and Fifty Crores Only) at any time together with the existing investments.

RESOLVED FURTHER THAT the Board of directors of the Company be and is hereby authorised to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for giving effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred, to any committee of Directors or Managing Director or Whole-time Director or any of the Director(s) or Officer(s) of the Company to give effect to this aforesaid resolution.”

NOTES

1. **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself/ herself and such proxies need not be members. In order to be valid, proxy forms duly complete in all respects, should be lodged with the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.**
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to special business to be transacted at the meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 17th July 2010 to 28th July 2010 (both days inclusive)

4. The dividend, if any, which may be declared, shall be payable on or before 24th August 2010 to those Members of the Company whose names appear:-
 - a) as Beneficial Owners as at the close of the business hours on Friday, 16th July 2010 as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. in respect of the shares held in electronic form; and'
 - b) as Members in the Register of Members of the Company as on Friday, 16th July 2010 in respect of shares held in physical form.
5. The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatory use the Electronic Clearing Services (ECS) mandate facility wherever possible for payment of dividend to the Members. In view of this stipulation, the Company has implemented the ECS facility. Members holding shares in physical form are requested to provide the Company with ECS mandate enclosed in the annual report for crediting the future dividend payment directly to the respective bank accounts. The Company shall be able to co-ordinate with the bankers only on receipt of necessary information. Please note that the ECS mandate should be signed by all the Members, as per the specimen signature recorded with the Company. The Members holding shares in electronic form may instruct their DP accordingly.
6. Members are hereby informed that dividends for the Financial Year 2003-04, 2004-05, 2005-06, 2006-07 (Interim), 2006-07 (Final), 2007-08 (Interim), 2007-08 (Final) and 2008-09 remaining unpaid or unclaimed over a period of seven years from the date of transfer of such dividends to the respective Unpaid Dividend Account of the Company have to be transferred by the Company to the Investor Education and Protection Fund pursuant to Section 205A and 205C of the Companies Act, 1956. Members are requested to encash their Dividend Warrants for these years, if not already done after getting them revalidated from the Company.
7. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios and send relevant share certificates to the Company's Registrar & Transfer Agents.
8. Members holding shares in physical form are requested to send the change in address/status, if any, immediately to the Company's Registrar & Transfer Agents.
9. Members who would like to ask any questions on the accounts are requested to send their questions to the Registered Office of the Company atleast 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
10. The Members or proxies are requested to bring the attendance slip duly filled in and signed for attending the meeting. They are also requested to bring their copies of Annual report to the Annual General Meeting.

By order of the Board
For ADF FOODS LTD

Amit Bathia
Company Secretary

Regd. Office :
83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat
Mumbai, 20th May 2010

ANNEXURE TO NOTICE DATED 20TH MAY 2010

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

1) Mr. Viren Merchant

Mr. Viren Merchant has an experience of over 15 years and has an expertise in Business Management. He is the Vice-Chairman & C.E.O of ZYG Pharma Pvt. Ltd., a leading manufacturer of Dermatological Creams, Ointments, Lotions and solutions manufactured in Technical Collaboration with Schering Plough Corporation, U. S. A. He is also the Vice-Chairman & C. E. O. of Encore Healthcare Pvt. Ltd., a leading manufacturer of tablets, capsules and syrups.

Other Directorships

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

2) Mr. D E Udwadia

Mr. D. E. Udwadia is a Solicitor and Advocate of the Bombay High Court and a Solicitor of the Supreme Court of England. Previously, he was a partner of M/s. Crawford Bayley & Co. Presently, he is a partner of M/s. Udwadia & Udeshi, Solicitors & Advocates. He holds directorships in 20 other companies. Mr. D E Udwadia does not hold any shares in the company.

Other Directorships

- ABB Limited
- AstraZeneca Pharma India Limited
- The Bombay Burmah Trading Corporation Limited
- Conservation Corporation of India Private Limited
- Development Credit Bank Limited
- Eureka Forbes Limited
- Habasit Lakoka Private Limited
- ITD Cementation India Limited
- JM Financial & Investment Consultancy Services Private Limited
- JM Financial Trustee Company Private Limited
- JM Financial Consultants Private Limited
- JM Financial Limited
- MPS Limited
- Mechanalysis (India) Limited
- Nitesh Estates Limited
- Quantum Advisors Private Limited
- Rossi Gearmotors (India) Private Limited
- R & P Management Communications Pvt. Ltd.
- Wyeth Limited
- WABCO-TVS (India) Limited

Committee Memberships

- ABB Limited – Audit Committee & Shareholders’ Grievance Committee
- AstraZeneca Pharma India Limited- Audit Committee
- The Bombay Burmah Trading Corp. Limited - Audit Committee
- Development Credit Bank Limited - Audit Committee
- ITD Cementation India Limited - Audit Committee
- MPS Limited - Audit Committee
- Nitesh Estates Ltd. – Audit Committee
- Wyeth Limited - Audit Committee
- WABCO- TVS (India) Limited – Audit Committee

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

ITEM NO. 6

Your Company proposes to acquire businesses, companies and assets in India and abroad for the purpose of expansion. The desired investment may exceed the limits prescribed in section 372A of the Companies Act, 1956.

Section 372A of the Companies Act, 1956 requires approval of the shareholders by way of a special resolution for investment in other body corporate beyond the limits specified in the said section.

The special resolution set out at item no. 6 of the accompanying notice is recommended by the Board for the approval of shareholders.

None of the directors of the Company are interested or concerned in the resolution.

By order of the Board
For ADF FOODS LTD

Amit Bathia
Company Secretary

Regd. Office :

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

Mumbai, 20th May 2010

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twentieth Annual Report together with the Audited Financial Statement for the year ended 31st March 2010.

FINANCIAL RESULTS

The performance of the Company for the financial year ended 31st March 2010 is summarized below:

	Rs. in Lakhs	
Particulars	2009-10	2008-09
Net sales/Income from operation	10,168.54	9,584.23
Other Income	775.55	382.77
Total Income	10,944.09	9,967.00
Add: Increase/ (Decrease) in Stock in trade	(309.90)	218.05
	10,634.10	10,185.05
Less: Total expenditure		
Manufacturing & Other Expenses	8,072.40	8,249.74
Depreciation	418.65	393.69
Financial Expenses	181.06	219.90
Profit (+)/Loss (-) before tax	1,962.08	1,321.72
Provision for taxation	336.90	269.76
Deferred tax Assets / (Liabilities)	44.23	32.41
Net Profit (+) / Loss (-)	1,580.95	1,019.55
Prior Period Expenses/ Tax (Net off)	17.76	39.70
Net Profit(+) / Loss(-)	1,563.19	979.85
Balance brought forward	2,276.59	1655.91
Dividend declared/ paid	300.00	265.11
Tax on dividend	50.97	45.06
Transfer to General Reserve	78.16	49.00
Balance Carried to the Balance Sheet	3,410.65	2276.59
EPS (Basic)	8.33	5.54
EPS (Diluted)	8.33	5.11

FINANCIAL PERFORMANCE

During the year under review, your Company has recorded a turnover of Rs. 101.68 Crores as against Rs. 95.84 Crores in the previous year. The Net profit (after tax and extra ordinary items) for the financial year ended 31st March 2010 increased to Rs. 15.63 Crores from Rs. 9.80 Crores in the previous year representing an increase of 59.49 % profit after tax.

WARRANTS

The Company had allotted 15,00,000 Convertible Warrants of Rs. 70/- each (Rs. 7.00 per warrant paid on allotment) on preferential basis to Promoters/Directors, their friends and relatives on 24th December 2007. None of the subscribers of the warrants had exercised their option and the same expired on 23rd June 2009. Rs. 1,05,00,000 received on allotment of warrants was credited to Capital Reserve Account.

The Company had allotted 23,26,110 Convertible warrants of Rs. 32/- each (Rs. 8.00 per warrant paid on allotment) on preferential basis to Promoters/Directors, their friends and relatives on 29th July 2009. Of the above, 8,20,222 warrants were converted on 11th September 2009 and balance warrants 15,05,888 were converted on 27th October 2009. The balance amount of Rs. 24 per warrant was duly received before exercise of warrants.

DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 1.50/- per share (i.e. @15%) for the year ended 31st March 2010. The dividend payout, if approved, will result in outflow of Rs. 350.97 Lakhs inclusive of Rs. 50.97 Lakhs on account of Dividend Distribution Tax.

BUSINESS DEVELOPMENT

During the year under review, your Company has entered the domestic market through its wholly owned Subsidiary ADF Foods (India) Ltd and launched a range of products under the brand "ADF SOUL". The initial product range which has been launched is the range of healthy Indian pickles made with Virgin Olive Oil, traditional pickles and select ready-to-eat recipes. The range has been initially introduced in Mumbai and Pune. The products are being sold in traditional grocery stores and also in some leading Supermarkets. The company is currently in the process of securing listing with the other Supermarket chains and also increasing its penetration in the traditional grocery outlets. The initial response for the products has been very encouraging and the Company is focusing on building its distribution network and expects to be pan India within next 2 years.

Despite global recession and economic slowdown last year your Company's sales have increased for all its brands during the financial year ended 31st March 2010. Your Company has been widening its customer base and has also added new products to marginalize the impact of economic slowdown.

'TRULY INDIAN' Brand has been launched in Germany during the latter part of this financial year and the initial response has been positive. The company also obtained new listings in US Supermarkets and is poised to grow the main stream side of the business through TRULY INDIAN. Your Company continues to promote Indian Food Culture world over and takes pride in being an innovator in the Ethnic Indian Food Category.

Even though globally many countries are still struggling under the pressures of economic slowdown, we are cautiously optimistic and hope to grow the business in the new financial year. In addition to organic growth your company is also looking at growing its business through inorganic means and is scouting for businesses which have a strong distribution network in the mainstream markets in the ethnic foods space where there is synergy with its existing product line.

TECHNOLOGY AND QUALITY

Your Company is committed to deliver highest quality of products by continuous improvement in terms of product quality and achieving customer satisfaction and delight. Your Company has already obtained various quality certifications such as the Internationally recognized BRC (British Retail Consortium) Global Standard – Foods, ISO 22000/ HACCP & ISO 9001:2000 certifications for its plants located at Nadiad, Gujarat and Nashik, Maharashtra.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for the year under review;
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) that the Directors have prepared the accounts for the financial year ended 31st March 2010 on a 'going concern' basis.

CORPORATE GOVERNANCE

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

DIRECTORS

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

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Viren Merchant and Mr. Darius E. Udawadia, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for reappointment.

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

AUDITORS AND THEIR REPORT

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

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

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

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

PARTICULARS OF EMPLOYEES

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

SUBSIDIARY COMPANY

At the beginning of the year the Company had three subsidiaries namely: 'ADF Foods UK Ltd' (ADF UK), 'ADF Foods (Mauritius) Limited' (ADF M) and 'Power Brands (Foods) Pvt. Ltd.' (PBFPL).

On 7th December 2009 your Company set up a Wholly Owned Subsidiary viz. ADF Foods (India) Ltd (ADFIL). The certificate of commencement of Business was received for the same on 9th January 2010.

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

CONSOLIDATED ACCOUNTS

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

DEPOSIT

Your Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 during the financial year 2009-10.

EMPLOYEE RELATIONS

The Employee relations continue to be cordial at all the divisions of the Company. Your Directors place on record their deep appreciation for exemplary contribution of the employees at all levels. Their dedicated efforts and enthusiasm have been integral to your Company's impressive growth.

ACKNOWLEDGEMENTS

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

For and on Behalf of the Board of Directors

Ramesh H Thakkar
Chairman

Registered Office:

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

Mumbai, 20th May 2010

ANNEXURE TO DIRECTORS' REPORT

Information under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors Report for the year ended 31st March, 2010

A. Conservation of Energy

The Company has been continuously attempting to create a conscious awareness against excessive consumption and wastage at all levels. The Company is taking all possible steps to conserve energy. Maximum efforts for this purpose will continue.

FORM A

Form for disclosure of particulars with respect to Conservation of Energy

(A) Power and fuel Consumption:

	2009-10	2008-09
1) Electricity		
a) Purchased Units (KWH)	26,96,872	30,81,637
Total Amount (Rs)	16,076,351	15,945,943
Average Rate/Unit (Rs)	5.96	5.17
b) Own Generation		
i) Through Diesel Generator	-	-
Units (KWH)	-	-
Units/Lt. of Diesel	-	-
Cost/ Unit (Rs)	-	-
ii) Through Steam Turbine / Generator		
2) Agro waste		
Quantity (kgs)	535,720	1,458,641
Total Amount (Rs)	2,012,245	4,942,172
Average rate/ KL (Rs)	3.76	3.39
3) Fuel Furnace Oil + Light Diesel		
Quantity (K.L)	959,175	296,658
Total Amount (Rs)	11,274,940	9,022,893
Average rate/ KL (Rs)	11.75	30.42
4) Others/Internal Generation	N.A	N.A.

(B) Consumption per unit of production

Products (With details) Unit	Since the company manufactures several items viz. Pickles, chutneys, pastes and other food stuffs having regard to other books maintained by the company, it is impracticable to apportion the utilities.
Electricity	
Furnace Oil	
Agro Waste	
Coal (specify quality)	

B. Technology Absorption

FORM B

Form for disclosure of particulars with respect to absorption

Research and development (R&D)

1. Specific areas in which R&D carried out by the company:

- Development of new recipes
- Development of new products
- Improvement in quality
- Better packaging
- Standardization in packaging

2. Benefits derived as a result of the above R&D:

Benefits comprise of improved customer satisfaction, introduction of new brands, introduction of new products, meeting world class quality norms, enhancement of exports, reduced costs on packaging.

3. Future plan of action:

The Company will continue its efforts to develop new products, new recipes, reduce costs, improve technology and produce quality products.

4. Expenditure on R&D:

(In Rs.)

	2009-10	2008-09
(a) Capital	90,415	46,600
(b) Recurring	573,257	567,764
(c) Total	663,672	614,364
(d) Total R&D Expenditure as a percentage of total turnover	0.0685%	0.0634%

Technology Absorption, Adaptation and Innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

The Company upgraded its technology at Nadiad by installing an automatic pickle pouch filling machine.

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

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

C. Foreign Exchange Earnings and outgo:

1. The company has maintained its focus on development of exports both in ethnic and mainstream markets. The Company is earning net foreign exchange on year-to-year basis. Company's sales are in multiple currencies like \$, £, €, etc.

2. Total Foreign Exchange used and earned:

Rs (in lakh)

	2009-10	2008-09
Total Foreign Exchange Earned	8,741.34	8,368.91
Total Foreign Exchange Used	1,139.90	1,085.96

For and on Behalf of the Board of Directors

Ramesh H Thakkar
Chairman

Bimal R Thakkar
Managing Director

Registered Office: 83/86, G.I.D.C Industrial Estate, Nadiad – 387 001, Gujarat
Mumbai, 20th May 2010