

ADF FOODS LTD

19TH ANNUAL REPORT 2008 - 2009



You are with a Winner.



Dear Shareholder,

I am pleased to inform you that this has been another year blessed with success. Your Company was recently awarded the Best FMCG (Fast Moving Consumer Goods) Company in the Agri Business Sector Award (SME Sector) and Best Overall Exporter of the Year Award (SME Sector) at the DHL - CNBC INTERNATIONAL AWARDS FOR 2008-09.

During the financial year 2008-09, the sales turnover and net profit after tax rose to Rs. 95.84 crores and Rs. 9.80 crores respectively as compared to the Rs. 89.20 crores and Rs. 7.85 crores in the previous year representing a 24.76% increase in profit after tax.

The Company is currently expanding the Nadiad Factory and we expect to start commercial production by July 2009.

We have continued being one of the most innovative brands in the Ethnic Indian Food Category. Last year we launched over a dozen products under the ASHOKA banner which were enthusiastically received in all markets.

The year 2008-09 saw a lot of turbulence in the global economy which affected most companies world over including your company as well and the year ahead looks challenging. However, your Company will make every endeavour not only to sail through these difficult times, but emerge winners.

With Best Compliments



Ramesh H Thakkar
Chairman



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BOARD OF DIRECTORS

BOARD OF DIRECTORS	Mr. Ramesh H. Thakkar Mr. Ashok H. Thakkar Mr. Bimal R. Thakkar Mr. D. E. Udawadia Mr. Nipun C. Shah Mr. Yasir J. Varawala Mr. Vikram S. Munshi Mr. Jay M. Mehta Mr. Viren A. Merchant Mr. Ravinder Kumar Jain Mr. Bhavesh R. Thakkar	Chairman Vice-Chairman Managing Director Director Director Director Director Director Director Director Executive Director
SENIOR MANAGEMENT	Mr. Nagin C. Patel Mr. Dhiren Shah Mr. Dilip S. Golwala Mr. Dinesh Jaiswal	Vice President (Works) Chief Financial Officer Senior Manager- Finance & Accounts Factory Manager (Nashik)
COMPANY SECRETARY	Ms. Aparna Bhat	
COUNTRY MANAGERS	Mr. Steve Pezzack UK- Food Service Mr. Upinder Thakur- Ethnic Division- UK & Europe Mr. Vimal Bhalla- North America Mr. Deepankar Gautam- Middle East & Asia Pacific	
STATUTORY AUDITORS	M/s. D.P. Ghevaria & Co. Chartered Accountants M/s. V.P. Thacker & Co. Chartered Accountants	
INTERNAL AUDITORS	M/s. Suresh Gandhi & Associates, Surat M/s. Govilkar & Associates, Nashik	
SOLICITORS	M/s. Udawadia & Udeshi M/s. DSK Legal	
BANKERS	State Bank of Hyderabad Bank of Baroda State Bank of India	
REGISTERED OFFICE	83/86 GIDC Industrial Estate, Nadiad- 387 001, Gujarat, India Tel.: 0268-2551381 / 2 Fax. : 0268-2565068 E-mail: nadiadfactory@adf-foods.com	
CORPORATE OFFICE	3 rd Floor, Acme Industrial Estate, Sewree Bunder Road, Sewree (East) Mumbai- 400 015, India Tel.:022-6141 5555 Fax.:022-6662 7373, 022-24137373 E-mail.: info@adf-foods.com website: www.adf-foods.com	
REGISTRAR AND SHARE TRANSFER AGENTS	LINK INTIME (INDIA) PRIVATE LIMITED (Formerly known as Intime Spectrum Registry Limited) C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai- 400 078, India Tel.: 022-25963838, Fax.: 022-25946969 203, Davar House, 197/199 D.N.Road, Mumbai- 400 001, Tel.: 022-2269 4127 E-mail.: helpline@linkintime.co.in website : www.linkintime.co.in	

CONTENTS

Board of Directors.....	1
Notice	2-7
Director's Report	8-12
Management Discussion and Analysis Report	13-15
Report on Corporate Governance	16-26
Auditor's Report.....	27-29
Balance Sheet	30
Profit and Loss Account.....	31
Schedule 1 to 11 to the Balance Sheet	32-36
Schedule 12 to 16 to the Profit and Loss Account.....	37-39
Schedule 17 - Significant Accounting Policies And Notes Forming Part of The Balance Sheet And P & L Account.....	39-47
Segment Reporting.....	48-49
Cash Flow Statment	50
Balance Sheet abstract	51
Financial Statements of ADF Foods UK Limited	52-58
Financial Statements of Power Brands (Foods) Private Limited	59-67
Financial Statements of ADF Foods (Mauritius) Limited	68-75
Statement pursuant to section 212	76
Auditor's Report on the Consolidated Financial Statement.....	76
Consolidated Balance Sheet	77
Consolidated Profit and Loss Account.....	78
Consolidated Schedule 1 to 13 to the Balance Sheet	79-83
Consolidated Schedule 14 to 20 to the Profit and Loss Account.....	84-86
Schedule 21 - Consolidated Significant Accounting Policies And Notes Forming Part of The Balance Sheet And P & L Account.....	87-95
Consolidated Segment Reporting.....	96-97
Cash Flow Statment	98
Attendance Slip/Proxy Form	
ECS Form	

19th Annual General Meeting

Wednesday, 17th June 2009 at 2.00 p.m.

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

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

ADF FOODS LTD.**NOTICE OF THE 19TH ANNUAL GENERAL MEETING**

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

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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



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

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

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the issue or allotment of aforesaid Securities and listing thereof with the stock exchange(s) as appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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

NOTES

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 Saturday 6th June 2009 to Wednesday 17th June 2009 (both days inclusive)
4. The dividend, if any, which may be declared, shall be payable on or before 15th July 2009 to those Members of the Company whose names appear:-
 - a) as Beneficial Owners as at the close of the business hours on Friday 5th June 2009 as per the list to be furnished by National Securities Depository Ltd. and Central Depository Services (India) Ltd. in respect of the shares held in electronic form; and
 - b) as Members in the Register of Members of the Company as on Friday 5th June 2009 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, interim and final dividend for 2006-07 and 2007-08 remaining unpaid or unclaimed over a period of seven years from the date of transfer of such dividends to the respective Unpaid Dividend Account of the Company, have to be transferred by the Company to the Investor Education and Protection Fund pursuant to Section 205A and 205C of the Companies Act, 1956. Members are requested to encash their Dividend Warrants for these years, if not already done after getting them revalidated from the Company.
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.

ADF FOODS LTD.

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.

Apama Bhat
Company Secretary

Regd. Office :

83/86 GIDC Industrial Estate, Nadiad 387001, Gujarat

Mumbai, 15th May 2009

ANNEXURE TO NOTICE DATED 15TH MAY 2009

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

1) Mr. Jay Mehta

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

Other Directorships

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

Committee Memberships

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

2) Mr. Nipun C. Shah

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

Other Directorships

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

Committee Memberships

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



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

ITEM NO. 6

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

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

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

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

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

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

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

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

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

ITEM NO. 7

Issue and Allotment of Warrants on Preferential Basis

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

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

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

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

ADF FOODS LTD.**(ii) The price at which the allotment is proposed:**

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

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

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

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

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

(iv) Conversion of Warrants:

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

*as on date of this notice

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

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

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

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

By order of the Board.
For ADF FOODS LTD.

Aparna Bhat
Company Secretary

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

ADF FOODS LTD.**DIRECTORS' REPORT**

Dear Shareholders,

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

FINANCIAL RESULTS

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

Rs. in Lakhs

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

FINANCIAL PERFORMANCE

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

WARRANTS

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

DIVIDEND

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