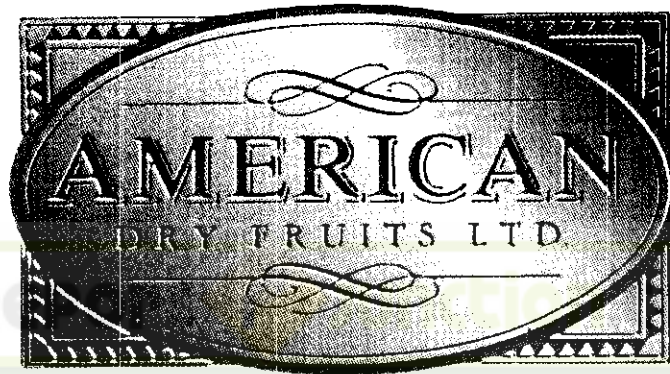


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9TH ANNUAL GENERAL MEETING

*On Friday, 24th September 1999,
at 11.00 a.m.
at Sheth Khushaldas Gokaldas Municipal Town Hall,
Station Road, Nadiad-387 001.*

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

**BOARD OF DIRECTORS**

Shri Hariram J. Thakkar	<i>Chairman</i>
Shri Ramesh H. Thakkar	<i>Managing Director</i>
Shri Kishore H. Thakkar	<i>Joint Managing Director</i>
Shri V. R. Momaya	
Shri Ashok H. Thakkar	<i>Executive Director</i>
Shri S. A. Naik	

SENIOR MANAGEMENT

Shri Bimal R. Thakkar	<i>President</i>
Shri Nagin C. Patel	<i>Vice President (Works)</i>
Shri Nimish K. Thakkar	<i>Vice President</i>
Shri R. Lakshmi Narasimhan	<i>Vice President (Sales & Mkt.)</i>
Shri Bhavesh R. Thakkar	<i>Vice President</i>
Shri Idris Attarwala	<i>Export Manager</i>

COMPANY SECRETARY

Shri Ajay Nadkarni

AUDITORS

D. P. Ghevaria & Co.
Chartered Accountants
K. D. Godbole
Chartered Accountants

SOLICITORS

Thakker & Thakker

BANKERS

State Bank of Hyderabad
Bank of Baroda
State Bank of India

REGISTERED OFFICE

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

**REGISTRARS AND SHARE
TRANSFER AGENTS**

K. R. Financial & Management Services Pvt. Ltd.
103 Omex Apartments
64 Sahar Road, Koldongri, Andheri (East), Mumbai-400 069.

ANNUAL REPORT 1998-99**NOTICE**

NOTICE is hereby given that Ninth Annual General Meeting of the Members of the Company will be held at Sheth Khushaldas Gokaldas Municipal Town Hall, Station Road, Nadiad - 387 001 on Friday the 24th September, 1999 at 11.00 a.m. to transact the following business.

1. To receive, consider and adapt the Audited Balance Sheet as at 31st March, 1999, the Profit and Loss Account for the year ended on the date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Ramesh H. Thakkar who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Kishore H. Thakkar who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment and payment of remuneration, perquisites and benefits to Shri Ramesh H. Thakkar, Managing Director for the period of 3 years with effect from 1st October, 1999 upto 30th September, 2002, as set out in the Explanatory Statement and the draft Agreement to be entered into between the Company of the one part and Shri Ramesh H. Thakkar, Managing Director of the other part, with authority to the Board of Directors to alter or vary the said remuneration and/or perquisites and/or benefits as it may deem fit and as acceptable to Shri Ramesh H. Thakkar, Managing Director within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment made thereafter in that regard."

"RESOLVED FURTHER THAT where in any financial year during his term of office the Company makes no profits or inadequate profits, the Company may pay him remuneration by way of salary and perquisites not exceeding the limits laid down in Section II Part II of the Schedule XIII of the Companies Act, 1956 or any statutory modifications, substitutions or re-enactments thereof, as may be agreed to by the Board of Directors and acceptable to Shri Ramesh H. Thakkar, Managing Director."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered necessary or expedient to give effect to the said Resolution."

6. To consider and if thought fit with or without modifications the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment and payment of remuneration, perquisites and benefits to Shri Kishore H. Thakkar, Joint Managing Director for the period of 3 years with effect from 1st October, 1999 upto 30th September, 2002, as set out in the Explanatory Statement and the draft Agreement to be entered into between the Company of the one part and Shri Kishore H. Thakkar, Joint Managing Director of the other part, with authority to the Board of Directors to alter or vary the said remuneration and/or perquisites and/or benefits as it may deem fit and as acceptable to Shri Kishore H. Thakkar, Joint Managing Director within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment made thereafter in that regard."

"RESOLVED FURTHER THAT where in any financial year during his term of office the Company makes no profits or inadequate profits, the Company may pay him remuneration by way of salary and perquisites not exceeding the limits laid down in Section II Part II of the Schedule XIII of the Companies Act, 1956 or any statutory modifications, substitutions or re-enactments thereof, as may be agreed to by the Board of Directors and acceptable to Shri Kishore H. Thakkar, Joint Managing Director."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered necessary or expedient to give effect to the said Resolution."



7. To consider and if thought fit with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment and payment of remuneration, perquisites and benefits to Shri Ashok H. Thakkar, Executive Director for the period of 3 years with effect from 1st October, 1999 upto 30th September, 2002, as set out in the Explanatory Statement and the draft Agreement to be entered into between the Company of the one part and Shri Ashok H. Thakkar, Executive Director of the other part, with authority to the Board of Directors to alter or vary the said remuneration and/or perquisites and/or benefits as it may deem fit and as acceptable to Shri Ashok H. Thakkar, Executive Director within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment made thereafter in that regard.”

“RESOLVED FURTHER THAT where in any financial year during his term of office the Company makes no profits or inadequate profits, the Company may pay him remuneration by way of salary and perquisites not exceeding the limits laid down in Section II Part II of the Schedule XIII of the Companies Act, 1956 or any statutory modifications, substitutions or re-enactments thereof, as may be agreed to by the Board of Directors and acceptable to Shri Ashok H. Thakkar, Executive Director.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the said Resolution.”

8. To consider and if thought fit with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter) and subject to such approvals, permissions and sanctions, as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist its shares from the Ahmedabad Stock Exchange.”

9. To consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 21 of the Companies Act, 1956 and subject to the approval of the Central Government and as agreed to, by the Board of Directors of the Company, the name of the Company be changed from “American Dry Fruits Ltd.” to “ADF Foods Ltd.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the said Resolution.”

Notes:

- (a) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business under Item Nos. 5 to 9 above is annexed hereto.
- (b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The proxy form duly completed and stamped must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.
- (c) The Register of Members and Transfer Books of the Company will be closed from 17th September, 1999 and will remain closed till 24th September, 1999 (both days inclusive).

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- (d) Shareholders desiring any information as regards the Accounts are requested to write to the Company at least 8 days in advance so as to enable the Management to keep the information ready.
- (e) In terms of the amendment to Section 205A and introduction of Section 205C by the Companies (Amendment) Act, 1999, the amount of dividend remaining unclaimed for a period of seven years from the due date of payment is required to be transferred to the "Investor Education & Protection Fund". Shareholders who have not encashed their dividend warrants pertaining to the year 1994/95 which was declared on 27th September, 1995, are requested to write to the Company's Share Department immediately.
- (f) Members holding shares in identical order of names in more than one folio are requested to write to the Company's Share Department enclosing their share certificate to enable the Company to consolidate their holding in one folio.
- (g) Members are requested to notify the Company immediately of any Change in their Registered Addresses along with the pin code.

By Order of the Board of Directors

AJAY NADKARNI
Company Secretary

Mumbai, August 18, 1999.

Registered Office:

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





ANNEXURE TO THE NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.

Item No. 5 & 6

The Company is presently being managed by Shri Ramesh H. Thakkar, Managing Director and Shri Kishore H. Thakkar, Joint Managing Director subject to the superintendence, control and direction of the Board of Directors.

The appointments of Shri Ramesh H. Thakkar as Managing Director and Shri Kishore H. Thakkar as Joint Managing Director and the remuneration payable to them were approved by the shareholders at the Sixth Annual General Meeting held on 25th September, 1996 for a period of 3 years with effect from 1st October, 1996 in terms of Schedule XIII of the Companies Act, 1956.

It is now proposed to re-appoint Shri Ramesh H. Thakkar as Managing Director and Shri Kishore H. Thakkar as Joint Managing Director on such remuneration in terms of the provisions of Schedule XIII which stipulates obtaining the approval of the shareholders in a general meeting.

- I The terms of remuneration to be paid to Shri Ramesh H. Thakkar, Managing Director and Shri Kishore H. Thakkar, Joint Managing Director are as follows:
- (i) Salary: Rs. 35,000- 5,000 – 45,000
 - (ii) Other Allowance: Rs. 12,000
 - (iii) House Rent Allowance: Rs. 21,000
 - (iv) Medical reimbursement: Expenses incurred for the appointees and their families subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
 - (v) Leave Travel Concession: For the appointees and their families, once in a year incurred in accordance with the rules specified by the Company.
 - (vi) Club fees: Fees of club subject to a maximum of two clubs. This will not include admission and life membership fees.
 - (vii) Personal accident insurance: Premium not to exceed Rs. 4000 per annum.
 - (viii) Contribution to provident fund, superannuation fund, annuity fund.
 - (ix) Gratuity payable at half a month's salary for each completed year of service and encashment of leave at the end of their tenure.
 - (x) Provision of car with driver for use on Company's business and telephone at residence. Use of car with driver and telephone for the purpose shall not be considered as a perquisite. The valuation of personal use of car would be as per Income Tax Rules. Personal long distance calls on telephone shall be billed by the Company to the individual appointee concerned.
 - (xi) The appointees shall be entitled to reimbursement of expenses actually and properly incurred by them for the business of the Company.
- II Minimum Remuneration:
- Wherein any financial year, during the currency of tenure of Shri Ramesh H. Thakkar, Managing Director, and Shri Kishore H. Thakkar, Joint Managing Director the Company has no profit or its profits are inadequate, they may be paid remuneration by way of salary, allowances, and perquisites upto Rs. 87,500/- per month to each of them. They shall also be eligible to the other perquisites, which shall not be included in the computation of the said ceiling on remuneration of Rs. 87,500/- per month and within limits, prescribed under Schedule XIII of the Companies Act, 1956, the same currently being:
- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961
 - (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - (c) encashment of leave at the end of their tenure.

Keeping in view the frequently changing environment, power is also being taken in terms of this Resolution for the Board to effect any variations, alterations or modifications in future in respect of the appointment and remuneration of Shri Ramesh H. Thakkar, Managing Director and Shri Kishore H. Thakkar, Joint Managing Director within the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory modifications, substitutions, or re-enactments thereof, as may be agreed to by the Board of Directors and Shri Ramesh H. Thakkar, Managing Director and Shri Kishore H. Thakkar, Joint Managing Director.



The approval of the Members is, therefore sought to the remuneration and perquisites payable to Shri Ramesh H. Thakkar, Managing Director and Shri Kishore H. Thakkar, Joint Managing Director with authority to the Board of Directors to alter or vary the said terms of appointment and remuneration and perquisites within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments made hereafter in that regards.

Shri Ramesh H. Thakkar and Shri Kishore H. Thakkar as also Shri Hariram J. Thakkar and Shri Ashok H. Thakkar being relatives of Shri Ramesh H. Thakkar and Shri Kishore H. Thakkar are deemed to be concerned or interested in the resolution. The above may be treated as an Abstract as required under section 302 of the Companies Act, 1956.

A draft of the Agreement between the Company and Shri Ramesh H. Thakkar and Shri Kishore H. Thakkar is open for inspection of the members at the Registered Office of the Company between 10.30 a.m. and 1.00 p.m. on all working days of the Company upto and including the day of the meeting.

Item No. 7

At the Sixth Annual General Meeting of the Company held on 25th September, 1996, the shareholders had approved the appointment and remuneration of Shri Ashok H. Thakkar as Executive Director for a period of 3 years with effect from 1st October, 1996 on such remuneration within the provision of Schedule XIII of the Companies Act, 1956.

It is now proposed to re-appoint Shri Ashok H. Thakkar as Executive Director on such remuneration in terms of the provisions of Schedule XIII which stipulates obtaining the approval of the shareholders in a general meeting.

I The terms of remuneration to be paid to Shri Ashok H. Thakkar, Executive Director are as follows:

- (i) Salary: Rs. 30,000- 5000- 40,000
- (ii) Other Allowance: Rs. 12,000
- (iii) House Rent Allowance: Rs. 18,000
- (iv) Medical reimbursement: Expenses incurred for the appointees and their families subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
- (v) Leave Travel Concession: For the appointees and their families, once in a year incurred in accordance with the rules specified by the Company.
- (vi) Club fees: Fees of club subject to a maximum of two clubs. This will not include admission and life membership fees.
- (vii) Personal accident insurance: Premium not to exceed Rs. 4000 per annum.
- (viii) Contribution to provident fund, superannuation fund, annuity fund.
- (ix) Gratuity payable at half a month's salary for each completed year of service and encashment of leave at the end of their tenure.
- (x) Provision of car with driver for use on Company's business and telephone at residence. Use of car with driver and telephone for the purpose shall not be considered as a perquisite. The valuation of personal use of car would be as per Income Tax Rules. Personal long distance calls on telephone shall be billed by the Company to the individual appointee concerned.
- (xi) The appointees shall be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company.

II Minimum Remuneration:

Notwithstanding anything hereinabove stated, wherein any financial year, during the currency of tenure of Shri Ashok H. Thakkar, Executive Director the Company has no profit or its profits are inadequate, he may be paid remuneration by way of salary, allowances, and perquisites upto Rs. 87,500/- per month. They shall also be eligible to the other perquisites, which shall not be included in the computation of the said ceiling on remuneration of Rs. 87,500/- per month and within limits, prescribed under Schedule XIII of the Companies Act, 1956; the same currently being:

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961,



- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 (c) encashment of leave at the end of their tenure.

Keeping in view the frequently changing environment, power is also being taken in terms of this Resolution for the Board to effect any variations, alterations or modifications in future in respect of the appointment and remuneration of Shri Ashok H. Thakkar, Executive Director within the limits specified in Schedule XIII of the Companies Act, 1956 or any statutory modifications, substitutions, or re-enactments thereof, as may be agreed to by the Board of Directors and Shri Ashok H. Thakkar, Executive Director.

The approval of the Members is, therefore sought to the remuneration and perquisites payable to Shri Ashok H. Thakkar, Executive Director with authority to the Board of Directors to alter or vary the said terms of appointment and remuneration and perquisites within the limits specified in Schedule XIII of the Companies Act, 1956 or any amendments made hereafter in that regards.

Shri Ashok H. Thakkar as also Shri Hariram J. Thakkar, Shri Ramesh H. Thakkar and Shri Kishore H. Thakkar being relatives of Shri Ashok H. Thakkar are deemed to be concerned or interested in the resolution. The above may be treated as an Abstract as required under section 302 of the Companies Act, 1956.

A draft of the Agreement between the Company and Shri Ashok H. Thakkar is open for inspection of the members at the Registered Office of the Company between 10.30 a.m. and 1.00 p.m. on all working days of the Company upto and including the day of the meeting.

Item No. 8

Presently the Company's securities are listed on the following 3 Stock Exchanges in India:

- (i) The Stock Exchange, Mumbai
- (ii) The Stock Exchange, Ahmedabad
- (iii) The Stock Exchange, Vadodara

The Stock Exchanges in India with the permission of SEBI are now free to fix the prescribed listing fees unilaterally and it has been observed that the listing fees paid to the Stock Exchanges are disproportionately higher and there is virtually no trading at Ahmedabad Stock Exchange as compared to the other Stock Exchanges.

As a part of its cost reduction measures, the Company has proposed delisting of its securities from the Ahmedabad Stock Exchange and in line with the SEBI regulations for voluntary delisting of the Company's Securities by the Company, member's approval is sought by a Special Resolution for delisting its Securities from the Stock Exchange set out in Resolution No. 8. The proposed delisting is in the interest of the Company and the Board recommends the Resolution for acceptance by the members.

Item 9.

Your Company is in the manufacturing business of various food items like Pickles, Pastes, Chutney, Ready to Eat Food, Canned Vegetables, Spices & Masalas. However, the existing name of the Company does not reflect the exact nature of business done by the Company. Hence it is proposed to change the name of the Company. None of the Directors are interested in this resolution and the Directors recommend the resolution for the acceptance by the Members.

By Order of the Board of Directors

AJAY NADKARNI
 Company Secretary

Mumbai, August 18, 1999.

Registered Office:

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