

# *From Strength to Strength*

*Celebrating 30 years of ADF*



Annual Report 2019-2020

# #WeCare

As the world continues to battle against the outbreak of COVID-19, ADF Foods Ltd. remains committed to the safety & well-being of the society. Ensuring the supply of our products globally is our top priority. According to the Centres for Disease Control, there is no evidence linking to the spread of COVID-19 to food. Nevertheless, we are taking active measures & precautions to minimise the risk & spread of the virus. Make nutrition and health your priority.

## STAY SAFE, STAY HEALTHY

### Plant Operations with Safety Measures



- Strict adherence to Social Distancing norms at the manufacturing plants and in transport vehicles
- Regular cleaning and disinfection of factory premises and machines
- Personal Protection Equipment (masks, gloves, headgears) to the staff and workers

## Initiatives across the Globe

- Distributed Badamazza milk drink to frontline policemen and the less fortunate in Nadiad, Gujarat
- Distributed Ashoka Badamazaa drink and cooked meals to the health workers at JFK Hospital, USA
- Collaborated with UK's - 'Inspired by HOPE' team, a non-profit organization and distributed our Ashoka Ready meals





7

Flagship Brands

26,000

Total Installed  
Capacity  
(TPA)

50+

Countries

95%

Revenue Share  
from Export

180+

Distributors

# COMPANY SNAPSHOTS

ADF is the leading manufacturer and exporter of processed food across the globe with product offering across all categories such as ready-to-eat and ready to cook food, frozen food, condiment powders, cooking pastes, flavored milk and meal accompaniments like pickles, chutneys and sauces.

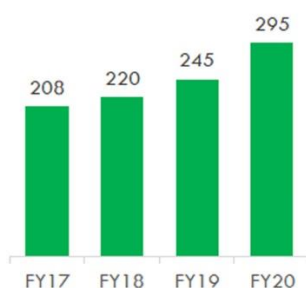


AEROPLANE

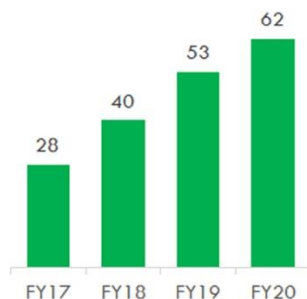


## Consolidated Financial Performance

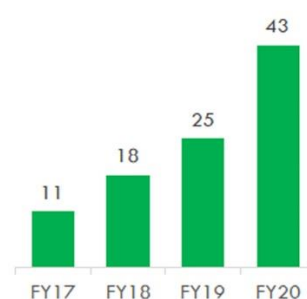
Total Income (Rs Cr)



EBITDA (Rs Cr)



PAT (Rs Cr)



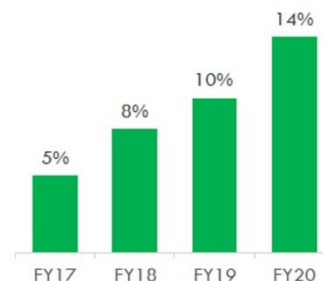
Cash Flow from  
Operations (Rs Cr)



EBITDA Margin (%)



PAT Margin (%)



## New Product launches in FY 2020

Bullet Naan (Masala Naan),  
Tandoori Lachha Naan,  
Malaysian style Plain Paratha



Veg Spring Rolls,  
Cheese Samosa,  
Vegetable Samosa



Dipping Sauces with a new variant  
called Chatpata Achari Dipping Sauce  
under the ambient range, and new  
variants of chutney



'Khana Is Ready' is an online marketing campaign launched by us in February, 2020. Currently, the campaign is being run on facebook and will be used across all media shortly. This initiative aims at making people's meals simpler, healthier, and more convenient.

Follow us on:





# Chairman's message

Dear Shareholders,

I hope you and your family are safe and well.

We are enduring the most extraordinary times that none of us could have predicted at the start of this year. We pray and hope that the situation normalizes, sooner than later.

Commenting on the results, I am extremely happy with the company's performance in the last year, and we look back at the year 2019-20 with a sense of accomplishment and gratitude. On a consolidated basis, total income grew at 20% to reach ₹ 295 crores. Operating profit for the period was ₹ 62 crores, compared to ₹ 53 crores in FY19, up by 18% year-on-year, with robust margin of 21%. Consolidated PAT stood at ₹ 43 crores with PAT margin of 14.5%. On a standalone basis, total income for the year stood at ₹ 204 crores. Operating profit was ₹ 48 crores with margin of 23.4%. We reported profit after tax of ₹ 31 crores. Our cash conversion continues to be strong with a cash and bank balance (including investments) of ₹ 54 crore as on 31st March 2020.

Our last quarter was, by no means, undisturbed. The Company took the maintenance shutdown of its Nadiad factory for 7 days. In addition, as you are aware, towards the end of the year, operations were impacted due to the COVID-19 Pandemic which led to shut down of both manufacturing facilities at Nadiad and Nasik with effect from 24th March 2020. In the absence of these events, our performance would have presumably been much better.

We started off FY20 with considerable enthusiasm and drive. We continued to widen our product range with focus on premium products. The Company has also entered into a new business segment wherein it acts as a distribution agent of food products for a Fortune 500 FMCG global firm in the US and UK markets. This new vertical gives us a wider product portfolio to offer the retailers who stock our products as well as it enables us to use the retail network of the FMCG major for our own products. This vertical contributed ₹ 32 crores to revenues in FY20. We are confident that this business would supplement our core business very well going forward.

Our team continues to be our biggest asset. We have strengthened the senior management team with the appointment of Mr. Devang Gandhi as Chief Operating Officer. We have also made valuable additions to our Board of Directors by appointing Mr. Chandir Gidwani and Ms. Deepa Harris as independent directors and I welcome the new members to the ADF family and look forward to their guidance and inputs.



**Bimal Thakkar**  
Chairman

We at ADF truly believe in giving back to all our stakeholders and the larger community. The two interim dividends declared during the F.Y. 2019-20 bring the total dividend to ₹ 3 per share (30%) on equity shares of face value ₹ 10/- each.

Your Company strives to improve the lives of millions around the world through our CSR efforts. We undertook various CSR activities such as education aid for physically challenged students, financial aid towards medical treatment for the underprivileged, and food expenses for those in need. In addition, we helped bolster women empowerment through the establishment of vocational training centres and the supply of women hygiene products.

We are also taking initiatives on the environmental sustainability front. We have moved towards zero discharge in both our factories and are installing solar power panels at both factories for captive power consumption.

The new year has its set of issues and is challenging. However, we remain committed and resolute in our work. In the medium run, we will focus on scaling up our operations to maximize the availability of our products to meet consumer needs, while following the health and safety guidelines provided by the government authorities. With the strength of our product portfolio, strong industry demand drivers, resilient business model, and strong financials, we are determined to emerge stronger.

As we navigate these uncertain times together, we look ahead to your continued support. I hope that you and your family remain safe and well in these difficult times.

**Best wishes**

**Bimal Thakkar**  
Chairman

## COMPANY INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. Bimal R. Thakkar	Chairman, Managing Director & CEO
	Mr. Jay M. Mehta	Director
	Mr. Viren A. Merchant	Director
	Mr. Ravinder Kumar Jain	Director
	Mr. Naresh L. Kothari	Director
	Mr. Chandir G. Gidwani	Director
<b>SENIOR MANAGEMENT</b>	Ms. Deepa Misra Harris	Director
	Mr. Devang Gandhi	COO
	Mr. Anish Jhaveri	CFO
	Mr. Shardul Doshi	Vice President - Finance
	Mr. Raj Roop Singh	Vice President - Manufacturing
	Mr. Maneek Katpitia	Vice President - International Operations & Supply Chain
<b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>	Ms. Shalaka Ovalekar	
<b>COUNTRY MANAGERS</b>	Mr. Upinder Thakur	UK
	Mr. Bharat Sareen	UK
	Mr. Apurva Patel	USA
	Mr. Masud Sethi	Canada
	Mr. Savio Almeida	GCC, Levant Countries, Asia Pacific & Africa
<b>STATUTORY AUDITORS</b>	M/s. Kalyaniwalla & Mistry LLP	
	Chartered Accountants	
<b>INTERNAL AUDITORS</b>	M/s. RMJ & Associates LLP, Mumbai	
<b>SOLICITORS</b>	M/s. D S K Legal	
<b>BANKERS</b>	State Bank of India	
	Bank of Baroda	
	HDFC Bank Ltd.	
<b>REGISTERED OFFICE</b>	83/86, G.I.D.C Industrial Estate, Nadiad - 387 001, Gujarat, India Tel.: 0268-2551381 / 2 Fax: 0268-2565068 E-mail: nadiadfactory@adf-foods.com	
<b>CORPORATE IDENTITY NUMBER [CIN]</b>	L15400GJ1990PLC014265	
<b>CORPORATE OFFICE</b>	Marathon Innova, B2 - G01, Ground Floor, G. K. Road, Lower Parel, Mumbai - 400 013. Tel.: 022-6141 5555 Fax: 022-6141 5577 E-mail: info@adf-foods.com Website: www.adf-foods.com	
<b>REGISTRAR AND SHARE TRANSFER AGENTS</b>	<b>LINK INTIME INDIA PRIVATE LIMITED</b> (Formerly known as Intime Spectrum Registry Limited) C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400 083, India Tel: 022-49186270 , Fax: 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in website: www.linkintime.co.in	

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## 30<sup>th</sup> Annual General Meeting

Wednesday, 5<sup>th</sup> August, 2020 at 11.00 a.m.

Through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

## NOTICE OF THE 30<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **Thirtieth Annual General Meeting** of the Members of **ADF FOODS LIMITED** will be held through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") on Wednesday, August 5, 2020 at 11:00 a.m. to transact the following business:

### ORDINARY BUSINESS

- (1) To receive, consider and adopt the Audited Financial Statements of the Company, namely:
  - a) The Audited Standalone and Consolidated Balance Sheet as at 31<sup>st</sup> March, 2020;
  - b) The Audited Standalone and Consolidated Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2020;
  - c) The Audited Standalone and Consolidated Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2020;
  - d) Notes annexed to, or forming part of, the documents referred to in (a) to (c) above and the Reports of the Board of Directors and Auditors thereon.
- (2) To confirm the payment of the first interim dividend of ₹ 1.50/- per equity share and second interim dividend of ₹ 1.50/- per equity share aggregating to ₹ 3/- per equity share of ₹ 10/- each for the Financial Year 2019-20.
- (3) To appoint a Director in place of Mr. Jay M. Mehta (DIN: 00152072), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

- (4) To consider and, if thought fit, to pass with or without modification/s, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 16, 25 & 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Chandir G. Gidwani (DIN: 00011916), who was appointed as an Additional Director in the category of 'Non-Executive Independent Director' with effect from February 7, 2020 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Non-Executive Independent Director of the Company for a period upto February 6, 2025, not liable to retire by rotation."

- (5) To consider and, if thought fit, to pass with or without modification/s, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149,152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 16, 25 & 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Ms. Deepa Misra Harris (DIN: 00064912), who was appointed as an Additional Director in the category of 'Non-Executive Independent Director' with effect from March 25, 2020 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting be and is hereby appointed as a Non-Executive Independent Director of the Company for a period upto March 24, 2025, not liable to retire by rotation."



## NOTES

1. **In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC or OAVM without the physical presence of the Members at a common venue. In compliance with the relevant provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and these aforesaid MCA Circulars, the AGM of the Company is being held through VC/OAVM.**
2. **A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or more proxies to attend and vote instead of himself/ herself and such proxies need not be Members of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**  
  
**Institutional/ Corporate Shareholders (i.e. other than individuals/ HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to [scrutinizer@adf-foods.com](mailto:scrutinizer@adf-foods.com) with a copy marked to the Company at [csasst@adf-foods.com](mailto:csasst@adf-foods.com) and to its RTA at [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in).**
3. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. At the Twenty-Ninth AGM held on September 25, 2019, the Members approved the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants, Mumbai (Registration No. 104607W/W100166) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the AGM to be held for the Financial Year 2023-24. The requirement to place the matter relating to appointment of Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of Statutory Auditors at the Thirtieth AGM.
5. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 relating to ordinary/ special business to be transacted at the Meeting is annexed hereto.
6. The relevant details of Directors seeking appointment under Item No. 4 and 5 of the Notice, as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereafter referred as the SEBI LODR Regulations, 2015) and Secretarial Standards 2 are also annexed.
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 30<sup>th</sup> July, 2020 to Wednesday, 5<sup>th</sup> August, 2020 (both days inclusive).
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM i.e. August 5, 2020. Members seeking to inspect such documents can send an e-mail to [csasst@adf-foods.com](mailto:csasst@adf-foods.com).



9. The Securities and Exchange Board of India (SEBI) and Reserve Bank of India (RBI) have advised all listed companies to mandatorily 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 details for crediting the future dividend payment directly to their respective bank accounts. The Company shall be able to co-ordinate with the bankers only on receipt of necessary information. The Members holding shares in electronic form may instruct their Depository Participants (DPs) accordingly.
10. Members are hereby informed that dividends for the Financial Years 2012-13, 2013-14, 2014-15, 2016-17 and 2019-20 (two Interim Dividends) remaining unpaid or unclaimed over a period of seven years from the date of transfer of such dividends to the respective Unpaid Dividend Account(s) of the Company have to be transferred by the Company to the Investor Education and Protection Fund (IEPF). During the year under review, dividend pertaining to the financial year 2011-12 (Final) amounting to ₹ 10,11,704/- which remained unpaid or unclaimed for a period of 7 consecutive years were transferred by the Company to the Investor Education and Protection Fund.

The following are the details of dividends declared by the Company and their respective due dates of transfer to IEPF, which remain unencashed /unclaimed.

Year	Type of Dividend	Dividend per share	Date of Declaration	Due date for transfer to IEPF
2012-13	Final	₹ 1.50	31 <sup>st</sup> July, 2013	31 <sup>st</sup> August, 2020
2013-14	Final	₹ 1.50	24 <sup>th</sup> September, 2014	24 <sup>th</sup> October, 2021
2014-15	Final	₹ 1.50	30 <sup>th</sup> September, 2015	30 <sup>th</sup> October, 2022
2016-17	Final	₹ 2.50	23 <sup>rd</sup> August, 2017	23 <sup>rd</sup> September, 2024
2019-20 (1 <sup>st</sup> Interim)	Interim	₹ 1.50	11 <sup>th</sup> November, 2019	17 <sup>th</sup> December, 2026
2019-20 (2 <sup>nd</sup> Interim)	Interim	₹ 1.50	7 <sup>th</sup> February, 2020	14 <sup>th</sup> March, 2027

The Members are requested to encash their Dividend Warrants for these years, if not already done.

In view of the outbreak of COVID-19 pandemic in India, the Company is unable to send individual notices to those shareholders who have not claimed their dividend for seven (7) consecutive years or more in accordance with the IEPF Rules. However, once the normalcy returns, the Company shall arrange to send letters to the Members whose dividend amounts from the year 2012-13 remained unpaid/ unclaimed as per the Company's records requesting such shareholders to claim the same before being transferred to the IEPF Authority. The Company has uploaded the details of such Members and their shares due for transfer to the IEPF Authority on its website [www.adf-foods.com](http://www.adf-foods.com) under the heading "IEPF Transfer List" to enable such Members to verify the details of their unencashed dividends and the shares liable to be transferred to the IEPF Authority.

Members are requested to note that no claim shall lie against the Company in respect of any shares/ dividend so transferred to the IEPF Authority.

As per Section 124(5) of the Companies Act, 2013, the Company has transferred the shares of those shareholders whose dividend remained to be encashed/claimed for seven consecutive years or more. The details of such shareholders have been uploaded on the Company's website under the heading "IEPF Transfer List".

11. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios along with relevant share certificates to the Company's Registrar & Transfer Agents.
12. Members holding shares in physical form are requested to notify/ send the following to the Company's Registrar and Share Transfer Agents to facilitate better service:
  - any change in their address/ mandate/ bank details
  - particulars of their bank account in case the same have not been sent earlier, and
  - share certificate(s) held in multiple accounts in identical names or joint accounts in the same order of names for consolidation of such shareholdings into one account.

13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents.
14. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
15. Members who would like to ask any questions on the Financial Statements are requested to send their questions through email on [co\\_secretary@adf-foods.com](mailto:co_secretary@adf-foods.com) at least 10 days before the Annual General Meeting to enable the Company to answer their queries satisfactorily.
16. Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the Depository Participants ('DP') for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
17. **Shareholders who have not got their e-mail address registered or wish to update a fresh e-mail address may do so by submitting the attached E-mail Registration-Cum Consent Form duly filled and signed alongwith a self-attested scanned copy of their PAN Card and AADHAAR Card to the Company at the e-mail address [csasst@adf-foods.com](mailto:csasst@adf-foods.com) consenting to send the Annual Report and other documents in electronic form.**
18. Pursuant to the provisions of Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 36 of the SEBI LODR Regulations, 2015, as amended, electronic copy of the Notice and Annual Report 2019-20 is being sent to the Members whose e-mail IDs are registered with the Company/ Depository Participant(s) (in case of shares held in demat form) or with Link Intime India Private Limited (in case of shares held in physical form).  
  
As per the MCA General Circular 20/2020 dated 5<sup>th</sup> May, 2020, the Annual Report 2019-20 will be sent through electronic mode to only those Members whose e-mail IDs are registered with the Registrar and Share Transfer Agent of the Company/ Depository Participant.  
  
Members may also note that the Notice of the 30<sup>th</sup> Annual General Meeting and the Annual Report 2019-20 will be available on the Company's website [www.adf-foods.com](http://www.adf-foods.com); websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.
19. Nomination facility for shares is available for Members. For Members holding shares in physical form, the prescribed form can be obtained from the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited having address at C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (W), Mumbai - 400 083. For Members holding shares in electronic form, you are requested to approach your Depository Participant (DP) for the same.
20. To support the 'Green Initiative' Members who have not registered their e-mail addresses are requested to register their e-mail IDs with M/s. Link Intime India Private Limited for receiving the Annual Report and other communications through electronic mode pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended.
21. Since the AGM will be held through VC/OAVM, the Route map of the Venue of the AGM is not annexed to this Notice.