



PUSHING BOUNDARIES

Annual Report 2020-21



About ADF Foods

ADF Foods (ADF) is a leading manufacturer of prepared ethnic food, offering ready-to-eat (RTE) items, ready-to-cook (RTC) items, sauces, pickles, pastes, dips, milk drinks and frozen foods under its 7 Flagship brands.

7

Brands

180+

Distributors

~28,000

MTPA capacity

400+

SKU

55+

Countries

3

State-of-the-art
Facilities



Brands and Products

Our continued focus has been on creating innovative products that are suitable for a wide variety of consumers across countries, our 7 brands help us in serving the wide spectrum of consumer preferences.



Flagship brand primarily targeted at Indian diaspora worldwide

Frozen snacks, frozen breads, frozen vegetables, RTE, meal accompaniments, pastes, sauces, spices, milk drinks
300+ products across categories

USA, Canada, UK and APAC



Premium brand targeted at Arabic diaspora

Meal accompaniments, cooking pastes

Middle East



Primarily targeted at Non-Indian consumers

RTE, meal accompaniments, condiment pastes, cooking sauces

Germany and USA



AEROPLANE

Economy brand

Meal accompaniments, cooking pastes, curry powder

Middle East



Non-GMO, all natural, vegan, vegetarian

Meatless meatballs

USA



Organic, made with USDA certified organic ingredients

Hand rolled burritos

USA



Primarily targeting urban Indian customers

Meal accompaniments, dipping sauces, cooking pastes, ready to cook instant masala mix

Primarily targeting urban Indian customers

State of the art manufacturing units

ADF has an annual capacity of ~28,000 MT distributed across 2 owned plants in Nadiad, Gujarat and Nasik, Maharashtra and 1 leased facility at Surat, Gujarat.

Nadiad, Gujarat

Total Built up factory area

15,000

Sqm

Frozen Foods (Samosas, Vegetables, Snacks, Parathas, etc)

Meal Accompaniments (Pickles, Chutneys, Pastes, Sauces)

Ready to Eat Curries & Canned Vegetables



Nasik, Maharashtra

Total Built up factory area

10,100

Sqm

Totally automated spices processing unit by Buhler, Germany

Meal Accompaniments (Pickles, Chutneys, Pastes, Sauces)

Ready to Eat Curries & Spices



Surat, Gujarat

Leased facility with a capacity of

1,950

MTPA

Frozen Food (Breads, Snacks etc)

Ready to Eat Curries



With global accreditations that demonstrate highest levels of safety, quality and regulatory standards



Global Distribution Network

Our broad distribution network is the cornerstone of our competitive advantage and helps us satisfy consumers across the globe.

Broadening distribution network



Product development and marketing initiatives during the year

New product launches in FY21



Frozen vegetables - Red chilli, chopped methi leaves, coconut slices, amla (gooseberry) slices



Frozen snacks - Three new variants of Kathi rolls - Gobi 65, Hot & Sour and Soya Chaap



Ambient range - Dipping Souces with a new variant called Twisty Tamarind

Branding and advertising engagements in overseas markets



Ashoka was the Associate Sponsor of IPL 2020 for the US and Canada markets on willow TV



BIG BOSS Sponsorship on Colors TV



Sponsorship of Tarak Mehta ka Ooltah Chashma on Sony SAB



Sponsorship on Aajtak & India Today News Channels

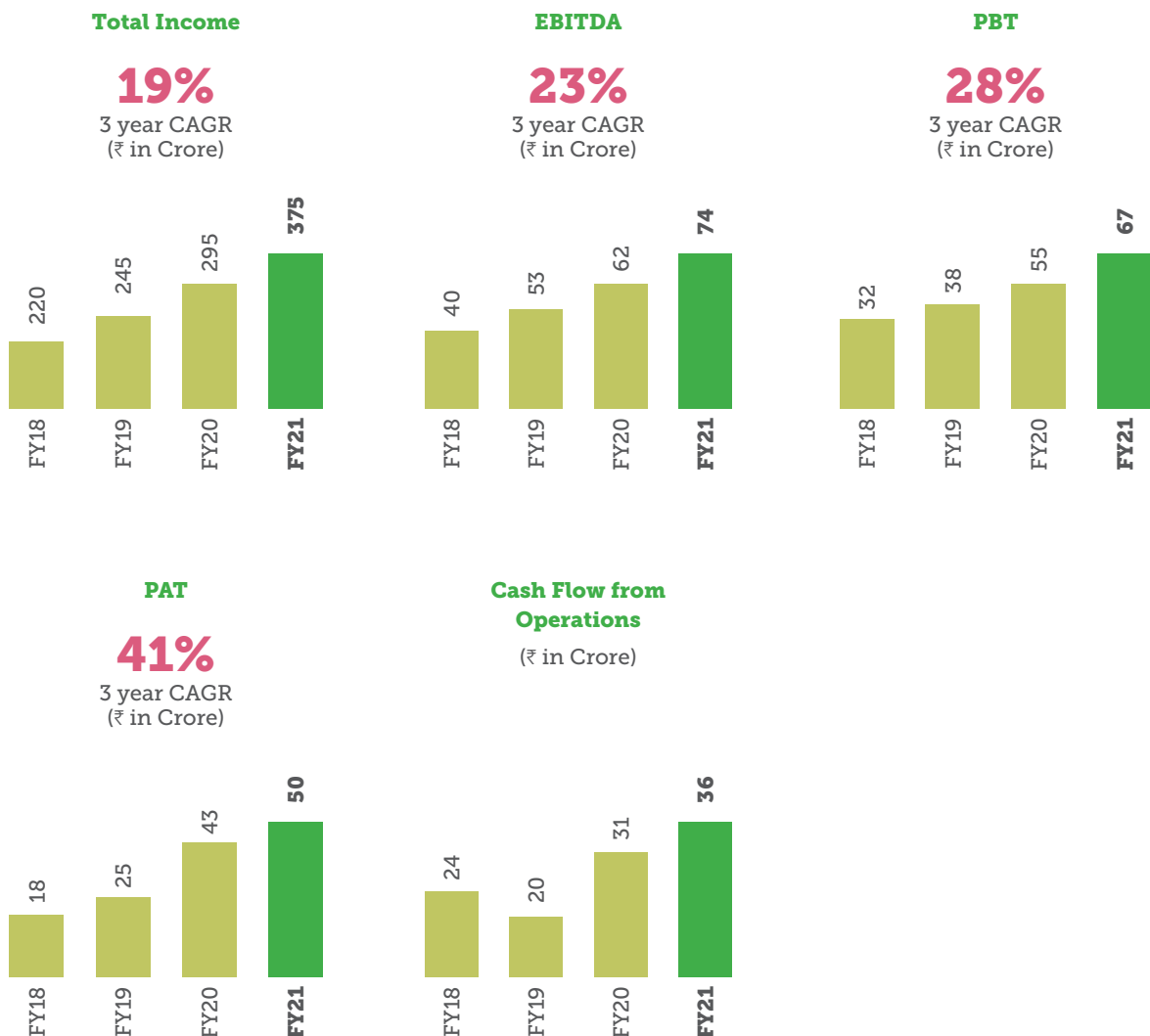
Instore promotions and displays



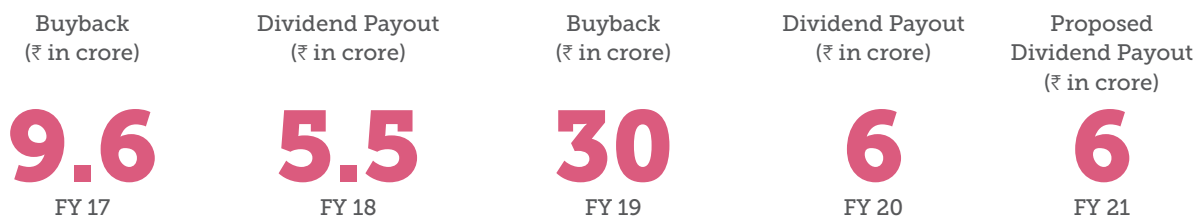
Instore displays

Robust financial performance

Consolidated Financial Performance



Giving back to shareholders



Chairman's Message



I am pleased to inform you that in spite of numerous challenges faced during the pandemic-struck financial year 2020-21, your Company has achieved remarkable growth.

Dear Shareholders,

I am addressing you at a time when India and many other parts of the world are in the grip of the second or even the third waves of the pandemic. Our Nation has reopened economy in a phased manner. I pray and hope that the situation normalizes sooner than later and you and your families remain in good health.

I am pleased to inform you that in spite of numerous challenges faced during the pandemic-struck financial year 2020-21, your Company has achieved remarkable growth. After the initial impact from lockdown-related disruptions, the Company returned to a growth trajectory over the next nine months, and ended the year with increased turnover & profitability. The array of quality products, strong brand reputation, and robust distribution network have helped the Company to reach consumers across the globe. We are committed to satisfying the ever changing tastes and preferences of our consumers by offering them with a wide variety of convenient, accessible, and healthy food options. In line with our strategy of continuous product development and innovation, we have launched several product variants in our frozen vegetables, frozen snacks, and ambient ranges.

I am extremely happy with the performance the company has delivered this year, and I look back at the year 2020-21 with a sense of achievement.

Chairman's Message

On a standalone basis, total income for the year stood at ₹ 241 crores as against ₹ 204 crore resulting in 18% increase year-on-year. Operating profit was ₹ 56 crores in FY 21, up by 17% year-on-year. We reported a PAT of ₹ 37 crores, up by 16% year-on-year. On a consolidated basis, total income grew at 27% to reach ₹ 375 crores. Operating profit for the period stood at ₹ 74 crores, compared to ₹ 63 crores in FY20, up by 18% year-on-year, while maintaining a consistent margin of 20%. Consolidated PAT was ₹ 50 crores with a PAT margin of 13%. Our cash conversion remains strong with a cash and bank balance (including investments) of ₹ 81.3 crores as on 31st March 2021.

This year we saw robust demand across all our product categories. To cater to the growing demand, we have taken additional manufacturing facility in Surat, Gujarat on lease. The facility will help increase production of frozen breads, snacks, and ready to eat products. The new facility became operational towards the end of the financial year, and is expected to increase our production capacity by 1,950 metric tonnes (MT) per annum.

Our Agency Distribution segment saw good offtake during the year and has supplemented our overall business very well, contributing ₹ 76 crores of revenue during the year. We have added new products to our product basket and have expanded distribution to the UK market as well. We continue to see

good traction from this segment going ahead.

We leased a warehouse as a distribution center to ensure uninterrupted supply of food products. The warehouse has 66,000 sq ft of area on leasehold basis and is located in New Jersey, US. This center will enable us to fulfill orders efficiently and effectively, and further strengthen our distribution process in the US market.

Further, we are entering FY 2022 with capacity expansion plans through Greenfield and brownfield investments. Our proposed greenfield project in Gujarat, with an estimated capex outlay of ₹ 60 crores, will help increase capacities for Frozen foods, Ready to eat foods, and Condiment categories with the potential to add 9,840 metric tonnes (MT) per annum in Phase 1. We have already acquired a land parcel of approx. 6 acres and expect to commercialize and start production in next 12 to 18 months.

We, at ADF, strongly value all our stakeholders and community and have consistently given back to our shareholders. We have announced a final dividend for the FY 2020-21, subject to shareholder approval, of ₹ 3 per share (30%) on equity shares of face value ₹ 10 each.

Over the years, our core focus has remained on developing a strong consumer base and a robust global distribution network, and we will

continue to focus on developing the same. With the strength of our product portfolio, strong industry demand drivers, resilient business model, and strong balance sheet with zero debt, we are excited to embark on new opportunities.

I would like to take this moment to thank and show my gratitude to all our employees for their dedication and continued support, and to all our stakeholders and consumers for their continued trust in us.

Best Wishes

Bimal Thakkar

Chairman, Managing Director
& CEO



COMPANY INFORMATION

BOARD OF DIRECTORS	Mr. Bimal R. Thakkar Mr. Jay M. Mehta Mr. Viren A. Merchant Mr. Ravinder Kumar Jain Mr. Chandir G. Gidwani Ms. Deepa Misra Harris	Chairman, Managing Director & CEO Director Director Director Director Director
SENIOR MANAGEMENT	Mr. Devang Gandhi Mr. Shardul Doshi Mr. Balbir Singh Mr. Maneck Katpitia	COO CFO Vice President - Manufacturing Vice President - International Operations & Supply Chain
COMPANY SECRETARY & COMPLIANCE OFFICER	Ms. Shalaka Ovalekar	
COUNTRY MANAGERS	Mr. Upinder Thakur Mr. Bharat Sareen Mr. Apurva Patel Mr. Michael Ryan Mr. John Campbell Mr. Masud Sethi Mr. Savio Almeida	UK UK USA USA USA Canada GCC, Levant Countries, Asia Pacific & Africa
STATUTORY AUDITORS	M/s. Kalyaniwalla & Mistry LLP Chartered Accountants	
INTERNAL AUDITORS	M/s. RMJ & Associates LLP, Mumbai	
SOLICITORS	M/s. D S K Legal	
BANKERS	State Bank of India Bank of Baroda HDFC Bank Ltd.	
REGISTERED OFFICE	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	
CORPORATE IDENTITY NUMBER [CIN]	L15400GJ1990PLC014265	
CORPORATE OFFICE	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	
REGISTRAR AND SHARE TRANSFER AGENTS	LINK INTIME INDIA PRIVATE LIMITED (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	

CONTENTS

Company Information	1
Notice	2
Directors' Report	22
Annual Report on Corporate Social Responsibility (CSR) Activities	49
Corporate Social Responsibility (CSR) Policy	55
Management Discussion and Analysis Report	63
Report on Corporate Governance & Auditor's Certificate thereon	70
Business Responsibility Report	108
Independent Auditors' Report on Standalone Financial Statements	117
Standalone Balance Sheet	126
Standalone Profit & Loss Account	127
Standalone Cash Flow Statement	128
Standalone Statement of Changes in Equity	130
Notes on Standalone Financial Statements including Notes on Significant Accounting Policies	131
Independent Auditor's Report on the Consolidated Financial Statements	178
Consolidated Balance Sheet	186
Consolidated Profit & Loss Account	187
Consolidated Cash Flow Statement	188
Consolidated Statement of Changes in Equity	190
Notes on Consolidated Financial Statements including Notes on Significant Accounting Policies	191
Form AOC - 1	240

31st Annual General Meeting

Friday, September 24, 2021 at 11:00 a.m.

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