

# ADF FOODS LTD.

## 22nd Annual Report 2011-2012



**0% Transfat. 0% Cholesterol. 100% Health.**  
**Made in Extra Virgin Olive Oil.**

**ADF**  
**SOUL™**  
Dil Ki Khwaish Bhi. Dil Ka Khayaal Bhi.



## From The Chairman's Desk

Dear Shareholders,

At the outset, I would like to extend a word of appreciation to you for the continued support over the years, leading to your Company's continuous growth and success.

During the previous year, the Company's U.S. subsidiary acquired substantial assets of Elena's Food Specialties Inc., a U.S. based manufacturer and marketer of organic and natural food products. Elena's business broke even in the very first year, through the implementation of various cost control measures, efficient business operations and rationalization of the product range. I am optimistic about our U.S. Subsidiary's business growth and I am hopeful that it would start contributing to the Company's bottom line from here on.

The Company also introduced certain Ethnic Indian wraps in the U.S., under its brand 'ADF SOUL', made in the U.S. Facility. These products are now listed and sold at major supermarkets and natural grocery chains all across USA.

Internationally, we have a strong foothold in over 45 countries and the Company's business targets not only the Indian population abroad, but also the mainstream consumers from across the globe. We foresee excellent growth prospects in the ethnic food industry internationally, and shall continue to spread our business worldwide.

The Company's domestic business is spreading pan India. Having received a very encouraging response in Mumbai and Pune, the Company expanded its product distribution channels to Gujarat and Madhya Pradesh. It also saw a remarkable growth in the supermarket business. There has been an addition of new products such as Kesar Mango Pulp, Pizza Sauces and Pasta Sauces, all under the umbrella brand of 'ADF SOUL'.

To keep up with the growing popularity, the Company strengthened its distribution network and also increased the sales force with a focus on rolling out aggressive strategies for its domestic business, in order to establish a strong position in the growing processed foods industry in India.

With the 'always improving' lifestyle amongst the strong Indian Middle Class, the demand for Ready-to-Eat foods and convenience foods is poised to show a robust growth in packaged foods. In order to embrace this opportunity, the Company plans to expand further and reach out to all major cities by the end of this year, by adding many exciting products to its current range. This year, a major thrust and emphasis is planned for 'ADF SOUL' through advertising and promotional support in the domestic market.

It is a privilege for me to announce that even this year, the Board has recommended a 15% dividend in appreciation of your continuous support towards our growth.

The financial year 2011-12 has been a challenging year, due to economic uncertainty across the globe and steep food inflation. But despite these factors, the Company managed to sustain its market position through concerted efforts and a better product mix. To achieve all that the Company has, it takes discipline, focus and an enjoyable work culture. The Company has, time and again, proved that with its performance-driven work culture and passion for a higher level of productivity, greater heights and milestones can be achieved.

With complete belief in doing better in the coming year, I once again want to thank all the stakeholders personally for sharing this very belief. Together we will ensure that your Company experiences further growth in the years to come.

With warm regards,

Ramesh H. Thakkar  
Chairman

## BOARD OF DIRECTORS

|                           |                         |                    |
|---------------------------|-------------------------|--------------------|
| <b>BOARD OF DIRECTORS</b> | Mr. Ramesh H. Thakkar   | Chairman           |
|                           | Mr. Ashok H. Thakkar    | Vice-Chairman      |
|                           | Mr. Bimal R. Thakkar    | Managing Director  |
|                           | Mr. Bhavesh R. Thakkar  | Executive Director |
|                           | Mr. Nipun C. Shah       | Director           |
|                           | Mr. Yasir J. Varawala   | Director           |
|                           | Mr. Vikram S. Munshi    | Director           |
|                           | Mr. Jay M. Mehta        | Director           |
|                           | Mr. Viren A. Merchant   | Director           |
|                           | Mr. Ravinder Kumar Jain | Director           |

|                          |                      |                                      |
|--------------------------|----------------------|--------------------------------------|
| <b>SENIOR MANAGEMENT</b> | Mr. Dilip S. Golwala | General Manager - Finance & Accounts |
|                          | Mr. Dinesh Jaiswal   | General Manager - Works (Nashik)     |
|                          | Mr. R. R. Singh      | General Manager - Works (Nadiad)     |
|                          | Mr. Vinayak Vetekar  | National Sales Manager               |

**COMPANY SECRETARY** Ms. Shalaka Ovalekar

|                         |                    |                               |
|-------------------------|--------------------|-------------------------------|
| <b>COUNTRY MANAGERS</b> | Mr. Steve Pezzack  | Food Service –UK              |
|                         | Mr. Upinder Thakur | Ethnic Division- UK & Europe  |
|                         | Mr. Amresh Sawant  | Ethnic Division – UK & Europe |
|                         | Mr. Vimal Bhalla   | North America                 |
|                         | Mr. Prashant Patil | Asia Pacific & Africa         |

**STATUTORY AUDITORS** M/s D. P. Ghevaria & Co.  
Chartered Accountants  
M/s. B S R & Co.  
Chartered Accountants

**INTERNAL AUDITORS** M/s. Suresh Gandhi & Associates, Surat  
M/s. Pipalia Singhal & Associates

**SOLICITORS** M/s. Legasis Partners, Mumbai  
**BANKERS** State Bank Of Hyderabad  
Bank Of Baroda

**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** Sadhana House, Unit 2 B, 2<sup>nd</sup> Floor,  
570 PB. Road, Worli, Mumbai 400 018, India  
Tel.:022-6141 5555  
Fax: 022-6141 5577  
E-mail.: info@adf-foods.com  
website: www.adf-foods.com

**REGISTRAR AND SHARE** LINK INTIME (INDIA) PRIVATE LIMITED  
**TRANSFER AGENTS** (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  
E-mail.: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
website : [www.linkintime.co.in](http://www.linkintime.co.in)

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### 22<sup>nd</sup> Annual General Meeting

Wednesday, 8<sup>th</sup> August, 2012 at 2.00 PM.

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 22<sup>ND</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **Twenty Second Annual General Meeting** of **ADF FOODS LIMITED** will be held at Sheth Khushaldas Gokaldas Patel Municipal Town Hall, Nadiad 387 001, Gujarat on Wednesday, 8<sup>th</sup> August, 2012 at 2.00 P.M to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2012 and the Profit and Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares for the year ended 31<sup>st</sup> March 2012.
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. Vikram Munshi who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Mr. Jay Mehta who retires by rotation and being eligible offers himself for re-appointment.
6. To appoint Auditors and to authorise the Board of Directors to fix their remuneration and in this regard 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 applicable provisions of the Companies Act, 1956, M/s. D. P. Ghevaria & Co. Chartered Accountants (Registration No. 103176W) and M/s. B S R & Co., Chartered Accountants (Registration no. 101248W) be and are hereby appointed as Statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration to be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS

7. 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 (1B) of the Companies Act, 1956 read with Directors (Office or Place of Profit) Rules, 2011 and other applicable provisions, if any, or any statutory modification(s) or re-enactments thereof 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 re-appointment of Mr. Mishal A Thakkar as Manager (Operations), for a further period of 3 years with effect from 17<sup>th</sup> June, 2012 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, Chairman, Mr. Ashok H. Thakkar, Vice-Chairman, Mr. Bimal R. Thakkar, Managing Director, Mr. Bhavesh R. Thakkar, Executive Director, and Ms. Shalaka Ovalekar, Company Secretary of the Company be and are hereby authorized to execute any statement, declaration, undertaking and do all such acts, deeds and things as are necessary to give effect to the aforesaid resolution”.

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

**“RESOLVED THAT** in partial modification of Ordinary Resolution passed at the Annual General Meeting held on 15th July, 2011 in respect of appointment Mr. Ramesh H. Thakkar as Chairman and pursuant to recommendation of Remuneration Committee and pursuant to provision of section 198, 269 and 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment for the time being in force) & pursuant to Article No. 116 of Articles of Association of the Company, and subject to such further approval of applicable Authority(ies), if any, as may be required, the members of the Company do hereby approve the variation in the terms of remuneration payable to Mr. Ramesh H. Thakkar , from 1st June 2012 till the remaining of his term upto 30th September, 2014 in the manner as set out in detail in the Explanatory Statement attached to this notice convening the 22<sup>nd</sup> Annual General Meeting.

**RESOLVED FURTHER THAT** the draft supplementary agreement to be entered into between the Company and Mr. Ramesh H. Thakkar as tabled at the meeting and initialed by the Chairman for the purpose of identification be and is hereby approved with authority to the Board Of Directors to alter or vary the said remuneration and / or perquisites as it may deem fit and as may be acceptable to Mr. Ramesh H. Thakkar within the limits specified under Schedule XIII of the Companies Act, 1956 or any other statutory modification or re-enactment thereof.

**RESOLVED FURTHER THAT** if in any financial year during the currency of the tenure of Mr. Ramesh H. Thakkar, Chairman , if the Company has no profits or its profits are inadequate unless otherwise approved by Central Government, the remuneration to be paid to Mr. Ramesh H. Thakkar, Chairman shall be as per monetary ceiling prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 or as may be modified from time to time or such monetary limits as may be prescribed by the Central Government from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** in partial modification of Ordinary Resolution passed at the Annual General Meeting held on 15<sup>th</sup> July, 2011 in respect of appointment Mr. Ashok H. Thakkar as Vice Chairman and pursuant to recommendation of Remuneration Committee and pursuant to provision of section 198, 269 and 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment for the time being in force) & pursuant to Article No. 116 of Articles of Association of the Company, and subject to such further approval of applicable Authority(ies), if any, as may be required, the members of the Company do hereby approve the variation in the terms of remuneration payable to Mr. Ashok H. Thakkar , from 1<sup>st</sup> June 2012 till the remaining of his term upto 30<sup>th</sup> September, 2014 in the manner as set out in detail in the Explanatory Statement attached to this notice convening the 22nd Annual General Meeting.

**RESOLVED FURTHER THAT** the draft supplementary agreement to be entered into between the Company and Mr. Ashok H. Thakkar as tabled at the meeting and initialed by the Chairman for the purpose of identification be and is hereby approved with authority to the Board Of Directors to alter or vary the said remuneration and / or perquisites as it may deem fit and as may be acceptable to Mr. Ashok H. Thakkar within the limits specified under Schedule XIII of the Companies Act, 1956 or any other statutory modification or re-enactment thereof.

**RESOLVED FURTHER THAT** if in any financial year during the currency of the tenure of Mr. Ashok H. Thakkar, Vice Chairman , if the Company has no profits or its profits are inadequate unless otherwise approved by Central Government, the remuneration to be paid to Mr. Ashok H. Thakkar, Vice Chairman shall be as per monetary ceiling prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 or as may be modified from time to time or such monetary limits as may be prescribed by the Central Government from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution.”

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

**“RESOLVED THAT** in partial modification of Ordinary Resolution passed at the Annual General Meeting held on 15<sup>th</sup> July, 2011 in respect of appointment Mr. Bimal R. Thakkar as Managing Director and pursuant to recommendation of Remuneration Committee and pursuant to provision of section 198, 269 and 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment for the time being in force) & pursuant to Article No. 116 of Articles of Association of the Company, and subject to such further approval of applicable Authority(ies), if any, as may be required, the members of the Company do hereby approve the variation in the terms of remuneration payable to Mr. Bimal R. Thakkar , from 1<sup>st</sup> June 2012 till the remaining of his term upto 30<sup>th</sup> September, 2014 in the manner as set out in detail in the Explanatory Statement attached to this notice convening the 22nd Annual General Meeting.



**RESOLVED FURTHER THAT** the draft supplementary agreement to be entered into between the Company and Mr. Bimal R. Thakkar as tabled at the meeting and initialed by the Chairman for the purpose of identification be and is hereby approved with authority to the Board Of Directors to alter or vary the said remuneration and / or perquisites as it may deem fit and as may be acceptable to Mr. Bimal R. Thakkar within the limits specified under Schedule XIII of the Companies Act, 1956 or any other statutory modification or re-enactment thereof.

**RESOLVED FURTHER THAT** if in any financial year during the currency of the tenure of Mr. Bimal R Thakkar, Managing Director, if the Company has no profits or its profits are inadequate, unless otherwise approved by Central Government, the remuneration to be paid to Mr. Bimal R Thakkar, Managing Director shall be as per monetary ceiling prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 or as may be modified from time to time or such monetary limits as may be prescribed by the Central Government from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** in partial modification of Ordinary Resolution passed at the Annual General Meeting held on 15<sup>th</sup> July, 2011 in respect of appointment Mr. Bhavesh R. Thakkar as Executive Director and pursuant to recommendation of Remuneration Committee and pursuant to provision of section 198, 269 and 309 read with schedule XIII of the Companies Act, 1956 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment for the time being in force) & pursuant to Article No. 116 of Articles of Association of the Company, and subject to such further approval of applicable Authority(ies), if any, as may be required, the members of the Company do hereby approve the variation in the terms of remuneration payable to Mr. Bhavesh R. Thakkar , from 1<sup>st</sup> June 2012 till the remaining of his term upto 30<sup>th</sup> September, 2014 in the manner as set out in detail in the Explanatory Statement attached to this notice convening the 22nd Annual General Meeting.

**RESOLVED FURTHER THAT** the draft supplementary agreement to be entered into between the Company and Mr. Bhavesh R. Thakkar as tabled at the meeting and initialed by the Chairman for the purpose of identification be and is hereby approved with authority to the Board Of Directors to alter or vary the said remuneration and / or perquisites as it may deem fit and as may be acceptable to Mr. Bhavesh R. Thakkar within the limits specified under Schedule XIII of the Companies Act, 1956 or any other statutory modification or re-enactment thereof.

**RESOLVED FURTHER THAT** if in any financial year during the currency of the tenure of Mr. Bhavesh R Thakkar, Executive Director, if the Company has no profits or its profits are inadequate, unless otherwise approved by Central Government, the remuneration to be paid to Mr. Bhavesh R Thakkar, Executive Director shall be as per monetary ceiling prescribed in Section II of Part II of Schedule XIII of the Companies Act, 1956 or as may be modified from time to time or such monetary limits as may be prescribed by the Central Government from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary or expedient to give effect to this 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, 28<sup>th</sup> July, 2012 to Wednesday, 8<sup>th</sup> August, 2012 (both days inclusive)

4. The dividend, if any, which may be declared, shall be payable on or before Monday, 3<sup>rd</sup> September, 2012 to those Members of the Company whose names appear:-
  - a) as Beneficial Owners as at the close of the business hours on Friday, 27<sup>th</sup> July, 2012 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, 27<sup>th</sup> July, 2012 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 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 their bankers only on receipt of necessary information. The Members holding shares in electronic form may instruct their DPs accordingly.
6. Members are hereby informed that dividends for the Financial Year 2004-05, 2005-06, 2006-07 (Interim), 2006-07 (Final), 2007-08 (Interim), 2007-08 (Final), 2008-09, 2009-10 and 2010-11 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 (IEPF) pursuant to Sections 205A and 205C of the Companies Act, 1956.

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    |
|---------|------------------|--------------------|---------------------------------|----------------------------------|
| 2004-05 | Final            | Re. 1              | 3 <sup>rd</sup> November 2005   | 5 <sup>th</sup> December, 2012   |
| 2005-06 | Final            | Re. 1              | 16 <sup>th</sup> August 2006    | 14 <sup>th</sup> September, 2013 |
| 2006-07 | Interim          | Re. 1              | 21 <sup>st</sup> March 2007     | 21 <sup>st</sup> April, 2014     |
| 2006-07 | Final            | Re. 1              | 29 <sup>th</sup> September 2007 | 30 <sup>th</sup> October, 2014   |
| 2007-08 | Interim          | Re. 1              | 30 <sup>th</sup> November 2007  | 29 <sup>th</sup> December, 2014  |
| 2007-08 | Final            | Re. 1              | 9 <sup>th</sup> June 2008       | 09 <sup>th</sup> July, 2015      |
| 2008-09 | Final            | Rs. 1.50           | 17 <sup>th</sup> June 2009      | 16 <sup>th</sup> July, 2016      |
| 2009-10 | Final            | Rs. 1.50           | 28 <sup>th</sup> July 2010      | 28 <sup>th</sup> August, 2017    |
| 2010-11 | Final            | Rs. 1.50           | 15 <sup>th</sup> July 2011      | 17 <sup>th</sup> August, 2018    |

It may be noted that after the transfer of the said amount to IEPF, no claims in this respect shall lie against IEPF or the Company.

In view of the above the members are requested to encash their Dividend Warrants for these years, if not already done before the due date for the transfer to IEPF.

As per the recent notification issued by the Ministry of Corporate Affairs, henceforth the Company shall display on its Website the list of Shareholders whose dividend has been determined as unpaid/ unclaimed pertaining to various Dividend accounts maintained by the Company from the Financial Year 2004-05 onwards. The said list shall be updated every year upto the date of Annual General Meeting and be uploaded on the Company's website within 90 days.

7. Members holding shares in the same set of names under different ledger folios are requested to apply for consolidation of such folios alongwith 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. 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 the 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 & Transfer Agents.

10. 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.
11. 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**

**Shalaka Ovalekar**  
**Company Secretary**

**Regd. Office :**  
83/86 GIDC Industrial Estate,  
Nadiad 387001, Gujarat  
Mumbai, 29<sup>th</sup> May, 2012

**ANNEXURE TO NOTICE DATED 29TH MAY, 2012**

Pursuant to Clause 49 of the listing Agreement with the Stock exchanges, following information is furnished about the Directors proposed to be re-appointed :

**(1) Mr. Nipun C. Shah**

Mr. Nipun Shah (age 49) 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 covers Management Consultancy, Portfolio Management, Taxation and Auditing. He is a senior partner in Shah & Nair Associates, Chartered Accountants.

Presently, Mr. Nipun Shah holds 54,450 equity shares of Rs. 10/- each of the Company.

His directorships and committee memberships of other companies, as on date, are as follows :

| Company                               | Position | Committee Memberships |          |
|---------------------------------------|----------|-----------------------|----------|
|                                       |          | Committee             | Position |
| ADF Foods (India) Limited             | Director | Nil                   | Nil      |
| Power Brands (Foods) Pvt. Ltd.        | Director | Audit Committee       | Member   |
| Jush Investment Private Limited       | Director | Nil                   | Nil      |
| Nagarwalla Estates Private Limited    | Director | Nil                   | Nil      |
| Noshil Estates Private Limited        | Director | Nil                   | Nil      |
| Crowe Horwath (India) Private Limited | Director | Nil                   | Nil      |

**(2) Mr. Vikram S. Munshi**

Mr. Vikram Munshi (age 37) is a commerce graduate. He is the Managing Director of Shamvik Glasstech Pvt. Ltd., pioneer in the packing industry. He has been successful in promoting his Company's products in Latin America, Middle East and C.I.S. countries. He has an overall experience of 15 years. He has an expertise in the field of Business Management.

Presently, Mr. Munshi holds 99,315 equity shares of Rs. 10/- each of the Company.

His directorships and committee memberships of other companies, as on date, are as follows :

| Company                            | Position | Committee Memberships |          |
|------------------------------------|----------|-----------------------|----------|
|                                    |          | Committee             | Position |
| Shamvik Containers Private Limited | Director | Nil                   | Nil      |
| Shamvik Glasstech Private Limited  | Director | Nil                   | Nil      |
| K P Electricals Private Limited    | Director | Nil                   | Nil      |
| Colrige Limited                    | Director | Nil                   | Nil      |



|   |          |     |     |
|---|----------|-----|-----|
| General Can Private Limited                         | Director | Nil | Nil |
| General Glass Company Limited                       | Director | Nil | Nil |
| Ainamid Engineering and Metal Works Private Limited | Director | Nil | Nil |
| New Millenium Hospitality Limited                   | Director | Nil | Nil |
| Alco Tubes Private Limited                          | Director | Nil | Nil |
| Colrige International Private Limited               | Director | Nil | Nil |
| India Containers Limited                            | Director | Nil | Nil |
| Jyoti Records Manufacturing Company Limited         | Director | Nil | Nil |

### (3) Mr. Jay Mehta

Mr. Jay Mehta (age 51) is an Engineering Graduate from Columbia University with a MBA from IMD, Lausanne, Switzerland. Mr. Mehta is the Executive Vice Chairman of Gujarat Sidhee Cement Limited and Saurashtra Cement Limited and is on the Board of various other private and public limited companies.

Presently, Mr. Jay Mehta holds 50,000 equity shares of Rs. 10/- each, of the Company.

His directorships and committee memberships of other companies, as on date, are as follows :

| Company                                  | Position | Committee Memberships                            |          |
|--|----------|--|----------|
|  |          | Committee  | Position |
| Saurashtra Cement Limited                | Director | Share Transfer and Investor Grievances Committee | Chairman |
| Gujarat Sidhee Cement Limited            | Director | Share Transfer and Investor Grievances Committee | Chairman |
| Pranay Holdings Limited                  | Director | Nil  | Nil      |
| Prachit Holdings Limited                 | Director | Nil  | Nil      |
| Ria Holdings Limited                     | Director | Nil  | Nil      |
| Reeti Investment Limited                 | Director | Nil  | Nil      |
| Mehta Private Limited                    | Director | Nil  | Nil      |
| Agrima Consultants International Limited | Director | Nil  | Nil      |
| Sujata Motors (India) Private Limited    | Director | Nil  | Nil      |
| Villa Trading Company Private Limited    | Director | Nil  | Nil      |
| Galaxy Technologies Private Limited      | Director | Nil  | Nil      |
| Omna Exports Private Limited             | Director | Nil  | Nil      |
| Arclightz & Films Private Limited        | Director | Nil  | Nil      |
| Concorde Cement (Private) Limited        | Director | Nil  | Nil      |
| Good Karma Hospitality Pvt. Ltd.         | Director | Nil  | Nil      |
| Knight Riders Sports Pvt. Limited        | Director | Nil  | Nil      |
| UB Qool Futuretech Pvt. Ltd.             | Director | Nil  | Nil      |

By order of the Board  
**For ADF FOODS LTD**

**Shalaka Ovalekar**  
**Company Secretary**

#### Regd. Office :

83/86 GIDC Industrial Estate,  
 Nadiad 387001, Gujarat

Mumbai, 29<sup>th</sup> May, 2012

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange read with Section 173 (2) of the Companies Act, 1956, the following explanatory statement sets out all material facts relating to Item No. 7 to 11 of the Notice.

**Item No. 7 :**

Mr. Mishal A. Thakkar was appointed as Manager (Operations) in the Company for a period of three years from 17<sup>th</sup> June, 2009. The said appointment was approved by the members in the Annual General Meeting held on 17<sup>th</sup> June, 2009 and also by the Central Government.

Mr. Mishal A Thakkar holds a Business Management Degree from the University of Central Lancashire, UK and joined the company as a Trainee Officer in February 2007. Currently he is holding the position of Manager (Operations) since June 2009. His job profile includes the processing and managing orders & their dispatch, sourcing and importing material and dealing with international Vendors.

At the meeting of Board Of Directors of the Company held on 29<sup>th</sup> May, 2012 it was decided to renew employment agreement of Mr. Mishal Thakkar as Manager (Operations) for a further period of three years with effect from 17<sup>th</sup> June, 2012. As Mr. Mishal A. Thakkar is the son of Mr. Ashok H. Thakkar, Vice Chairman of the Company, his appointment is subject to approval of the members by way of a special resolution under Section 314 of the Companies Act, 1956. However the approval of the Central Government would not be required as the remuneration proposed to be payable to Mr. Mishal A. Thakkar is within the ceiling limits prescribed under Section 314 (1B) of the Companies Act, 1956 and Director's Relative (Office or Place of Profit) Rules, 2011.

**The material terms of draft agreement between the Company and Mr. Mishal A. Thakkar as referred to in the resolution at item no. 7 of the notice are as under :**

1. Monthly basic Salary in the range of Rs. 38,200- 5,000- Rs. 43,200- 5,500- Rs. 48,700;
2. House Rent Allowance: 40 % of Basic Salary;
3. Leave Travel Allowance for himself and his family in accordance with the rules of the Company subject to a ceiling of half months basic salary in a year;
4. Reimbursement of Medical expenses incurred by him and his family subject to a ceiling of half months basic salary in a year;
5. Ex- gratia to be given at the time of Diwali after completion of the financial year subject to a ceiling of one month's basic salary;
6. Contribution to the Company's Provident Fund in accordance with the rules of the Funds;
7. Gratuity payable in accordance with Company's scheme;
8. Provision of a car for use on Company's business and other perquisites not exceeding Rs. 2,400/- per month;
9. Reimbursement of expenses actually and properly incurred by him for the business of the Company and the same shall not be considered as perquisite.

The aggregate monetary value of such salary, allowance and perquisites being limited to Rs. 66,900/- per month for the first year of employment term; Rs. 75,300/- per month for the second year of employment term; Rs. 84,600/- per month for the third year of employment term.

The above material terms of the draft agreement with Mr. Mishal A. Thakkar may be treated as an abstract as required under Section 302 of the Companies Act, 1956.

Copies of the aforesaid draft agreement will be available for inspection by the members at the registered office of the Company on any working day (except Saturday) between 11.00 a.m. to 2.00 p.m.

Mr. Ramesh H. Thakkar, Mr. Ashok H. Thakkar , Mr. Bimal R. Thakkar and Mr. Bhavesh R. Thakkar are interested in the resolution , they being related to Mr. Mishal A. Thakkar.