



November 20, 2020

**DCS-CRD**

**BSE Limited**

Phiroze Jeejeeboy Towers  
Dalal Street  
Mumbai - 400 001

**DCS-CRD**

**National Stock Exchange of India Limited**

Exchange Plaza  
Bandra - Kurla Complex, Bandra (E)  
Mumbai - 400 051

**Scrip Code: 519183**

**Symbol: ADFFOODS**

Dear Sir/Madam,

**Sub: Submission of Postal Ballot Notice**

We wish to inform that ADF Foods Limited ("the Company") is seeking consent of the Members of the Company to consider and pass the following Special Resolution by way of remote electronic voting (E-Voting):

*"To vary terms and conditions of appointment in respect of payment of remuneration to Mr. Bimal Thakkar, Chairman, Managing Director & CEO w.e.f. October 1, 2020 till the remaining tenure of his employment term i.e. till September 30, 2023."*

In this regard, please find enclosed herewith the Postal Ballot Notice dated November 09, 2020 together with the Explanatory Statement.

The copy of the said Postal Ballot Notice has been uploaded on the website of the Company at [www.adf-foods.com](http://www.adf-foods.com)

In accordance with applicable laws, the said Notice is being sent electronically to all the Members whose names appear in the Register of Members/ List of Beneficial Owners and whose e-mail IDs are registered with the Company/ Link Intime India Private Limited ("RTA")/ Depositories as on Friday, November 13, 2020 ("cut-off date"). The same is also available on the website of the Company's RTA, Link Intime India Private Limited i.e. at <https://instavote.linkintime.co.in>

The remote e-voting period shall commence on Saturday, November 21, 2020 (9:00 a.m. IST) and conclude on Sunday, December 20, 2020 (5:00 p.m. IST).

The results of the e-voting shall be declared on or before Tuesday, December 22, 2020.

Request you to kindly take the same on your record.

Yours faithfully,

**For ADF Foods Limited**

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

**Encl: A/a**

**Regd Off:** 83/86, G.I.D.C Industrial Estate, Nadiad - 387 001, India. Tel.: +91 268 2551381/82 Fax: +91 268 2565068  
Email: [nadiadfactory@adf-foods.com](mailto:nadiadfactory@adf-foods.com) CIN: L15400GJ1990PLC014265

**Corp. Off:** Marathon Innova, B2, G01, Ground Floor, G. K. Road, Lower Parel, Mumbai 400 013. INDIA.  
Tel.: +91 22 6141 5555, Fax: +91 22 6141 5577, Email: [info@adf-foods.com](mailto:info@adf-foods.com), Web: [www.adf-foods.com](http://www.adf-foods.com)





**CIN: L15400GJ1990PLC014265**

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

Tel: +91 268 2551381/82, Fax: +91 268 2565068

E-mail: info@adf-foods.com, Website: www.adf-foods.com

## **NOTICE OF POSTAL BALLOT**

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and the MCA Circulars (as defined below)]

To  
The Members of ADF Foods Limited,

NOTICE is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, ('the Act'), read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), Secretarial Standard issued by Institute of Company Secretaries of India on General Meetings ('SS-2'), (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof for the time being in force), and other applicable laws and regulations, to seek the approval of the Members of ADF Foods Limited ('the Company'), by way of postal ballot including remote electronic voting ('E-voting') for the resolution appended herein below.

In view of the pandemic situation of COVID-19 and pursuant to the guidelines and notification issued by the Ministry of Home Affairs, Government of India and in light of circulars issued by the Ministry of Corporate Affairs (the 'MCA') vide its General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020 and General Circular No. 33/2020 dated September 28, 2020 (the 'MCA Circulars') and pursuant to Section 110 of the Act and the Rules made thereunder, it is proposed to pass the resolutions as per this Postal Ballot Notice. In terms of said Section of the Act and the Rules, a company may, and in case of resolutions relating to such business as the Central Government may, by notification, declare to be conducted only by Postal Ballot, shall, get any resolution (other than Ordinary Business and any Business in respect of which Directors or Auditors have right to be heard at any meeting) passed by means of Postal Ballot, instead of transacting the business in general meeting of the Company.

In terms of the aforesaid MCA Circulars, in view of the current extraordinary circumstances due to COVID-19 pandemic requiring social distancing, companies are advised to take all decisions requiring Members' approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of Postal Ballot/ E-voting in accordance with the provisions of the Act and the Rules made thereunder, without holding a general meeting that requires physical presence of Members at a common venue. The MCA has clarified that for Companies that are required to provide E-voting facility under the Act, while they are transacting any business(es) only by Postal Ballot upto December 31, 2020, the requirements provided in Rule 20 of the Rules as well as the framework provided in the MCA Circulars will be applicable mutatis mutandis. Further, the Company will send Postal Ballot Notice by e-mail to all its Members who have registered their e-mail addresses with the Company, its Registrars and Transfer Agents or Depository Participants and the communication of assent/ dissent of the Members will only take place through the E-voting system. This Postal Ballot is accordingly being initiated in compliance with the above MCA Circulars.

The Board has appointed Mr. Bimal Thakkar, Chairman, Managing Director & CEO (DIN: 00087404) and Ms. Shalaka Ovalekar, Company Secretary and Compliance Officer (ACS 15274) of the Company as the person(s) responsible for severally conducting the entire postal ballot process.

In compliance with the requirements of the MCA Circulars, hard copies of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot.

You are requested to peruse the following proposed Resolution along with the Explanatory Statement and thereafter record your assent or dissent by means of E-Voting system only provided by the Company.

### **Special Business:**

**TO VARY TERMS AND CONDITIONS OF APPOINTMENT IN RESPECT OF PAYMENT OF REMUNERATION TO MR. BIMAL THAKKAR W.E.F. OCTOBER 1, 2020 TILL THE REMAINING TENURE OF HIS EMPLOYMENT TERM I.E. TILL SEPTEMBER 30, 2023.**

To consider and, if thought fit, to give, assent or dissent, to the following resolution proposed to be passed as a Special Resolution:

**"RESOLVED THAT** in partial modification of Special Resolution passed at the Annual General Meeting held on September 15, 2018 in respect of appointment of Mr. Bimal R. Thakkar (DIN: 00087404) as Chairman, Managing Director and CEO and in supersession of the Special Resolution passed at the Annual General Meeting held on September 25, 2019 in respect of structural changes in his

## ADF FOODS LTD.

---

remuneration, pursuant to the provisions of Section 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and the rules made thereunder and Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), (including any statutory modifications or amendments thereto or re-enactments or substitutions made thereof for time being in force) and pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee by their Resolutions dated November 9, 2020, the consent of the Members be and is hereby accorded for variation in remuneration payable to Mr. Bimal Thakkar, Chairman, Managing Director and CEO of the Company with effect from October 1, 2020 for the remaining period of his tenure upto September 30, 2023 as the Chairman, Managing Director and Chief Executive Officer, mentioned hereunder:

- 1) Mr. Bimal Thakkar shall be entitled to receive as commission upto 5% of the Consolidated Net Profit Before Tax of the Company in any financial year. Such commission will be calculated based on the consolidated audited financial statements of the Company for the relevant financial year and will be paid by the Company and/or by its overseas Subsidiary/ Subsidiaries, in combination; Provided that the overall remuneration payable by the Company to its Directors including Managing Director, Whole Time Director and Manager together in respect of any financial year shall be within the limits as laid down under Section 197 of the Companies Act, 2013.
- 2) An on account payment equivalent to Rs. 25,00,000/- (Rupees Twenty Five Lakhs only) will be made on monthly basis. The same shall be adjusted against the commission payable as stated in Point Number 1.
- 3) Reimbursement of expenses: Reimbursement of the expenses including but not limited to the following expenses actually and properly incurred for the business of the Company and will not be considered as perquisite:
  - i) Actual expenses incurred for the Company's business including travel, stay and other related expenses incurred in India and abroad;
  - ii) Provision of two cars with drivers for use on Company's business;
  - iii) Telephone for official purpose at actuals;
  - iv) Expenses incurred in respect of books and periodicals at actual against submission of supporting/s;
  - v) Subscription or reimbursement of club fees on actual basis.

**RESOLVED FURTHER THAT** all other terms and conditions of Mr. Bimal Thakkar's appointment shall remain in force as per the Special Resolution passed by the Shareholders in the Annual General Meeting held on September 15, 2018.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the tenure of Mr. Bimal Thakkar, the above remuneration be paid as minimum remuneration.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to alter, vary and modify the aforesaid managerial remuneration for the period stated above including commission, on account monthly payment and re-imburement of expenses payable to Mr. Bimal Thakkar in such manner as may be agreed to between the Board and Mr. Bimal Thakkar provided that the overall maximum managerial remuneration payable by the Company to its Directors including Managing Director, Whole Time Director and Manager together in respect of any financial year shall be within the limits as laid down under Section 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps and do all other acts, deeds and things as may be necessary or desirable to give effect to this Resolution."

### NOTES:

1. An Explanatory Statement pursuant to Section 102 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, setting out the material facts and reasons for the Resolution in respect of the business set out above is annexed hereto. A copy of the Postal Ballot Notice is also available on the Company's website [www.adf-foods.com](http://www.adf-foods.com), on Company's Registrar and Share Transfer Agent ('RTA') viz. Link Intime India Private Limited ('LIPL') E-voting website: <https://instavote.linkintime.co.in> and will be uploaded on the websites of the Stock Exchanges i.e. BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) on which the Company's shares are listed.
2. The Portal for E-voting will remain open for the Members for exercising their voting from Saturday, November 21, 2020 at 09:00 a.m. India Standard Time ('IST') till Sunday, December, 20, 2020 at 05:00 p.m. (IST) both days inclusive. The E-voting needs to be exercised by 05:00 p.m. (IST) on December 20, 2020. Please note that E-voting module will be disabled for voting by RTA Link Intime India Private Limited after the said date and time. During this period, the Members of the Company holding shares either in physical form or dematerialized form, as on Friday, November 13, 2020 ('cut-off date'), may cast their vote electronically. Once vote on a Resolution is cast by the member, he/ she shall not be allowed to change it subsequently or cast the vote again. The shareholders are requested to read carefully the e-voting instructions given in the notes forming part of the Postal Ballot Notice before logging into the e-voting link.

3. The Resolution, if passed by the requisite majority, shall be deemed to have been passed on the last date specified for E-voting i.e. Sunday, December 20, 2020. Further, Resolution passed by the Members through E-voting is deemed to have been passed effectively at a general meeting.
4. The Postal Ballot Notice is being sent by e-mail to all the Members, whose name appears on the Register of Members/ List of Beneficial Owners maintained by the Depositories as on cut-off date i.e. Friday, November 13, 2020 and who have registered their e-mail addresses in respect of electronic holdings with the Depositories through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited. Each Member's voting rights shall be in proportion to his/ her share of the Paid-up Equity Share Capital of the Company as on cut-off date, which will only be considered for voting.
5. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
6. The Board of Directors has appointed Mr. Sanjay S. Risbud (Membership No. 13774 and C. P. No. 5117) Proprietor of M/s. S. S. Risbud & Co., Practicing Company Secretaries, as Scrutinizer to conduct the Postal Ballot through remote E-voting process in a fair and transparent manner.
7. The Scrutinizer shall prepare Scrutinizer's Report on the total votes cast in favour or against or abstained, if any. The Scrutinizer will submit his report to the Chairman or any person authorized by him, after completion of scrutiny of votes received through E-voting. The results of the Postal Ballot will be announced on or before Tuesday, December 22, 2020. The results along with the Scrutinizer's Report shall be placed on the website of the Company and Link Intime India Pvt. Ltd. immediately after declaration of results by the Chairman or person authorized by him in writing. The results would be communicated to BSE Limited and National Stock Exchange of India Limited. The results will also be displayed on the Notice Board of the Company at its Registered Office and the Corporate Office.
8. As required by Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars and the SEBI Listing Regulations, the details pertaining to this Postal Ballot will be published in one English national daily newspaper circulating throughout India (in English language) and one Gujarati daily newspaper circulating in Nadiad, where the Company's Registered Office is situated (in vernacular language i.e. Gujarati).

To support the "Green Initiative" Members who have not registered their e-mail addresses so far are requested to register their e-mail address with the Company's RTA or the Depository Participants, in respect of shares held in physical/ electronic mode respectively.

9. In compliance with the provisions of Section 108, 110 and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder, Regulation 44 of the SEBI Listing Regulations, SS-2 and the provisions of the Ministry of Corporate Affairs Circulars, and any amendments thereto, the Company is providing facility for voting by E-voting to all the Members to enable them to cast their votes electronically on the item mentioned in the Notice. For this purpose, the Company has engaged the services of its RTA viz. Link Intime India Private Limited and have made necessary arrangements with RTA to facilitate E-voting. In terms of the General Circular No. 14/2020 dated April 08, 2020 read with General Circular No. 17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs, Government of India (the 'MCA Circulars'), voting can be done only by E-voting. As the E-voting does not require a person to attend to a meeting physically, the Members are strongly advised to use the E-voting procedure by themselves and not through any other person/ proxies. The detailed procedure with respect to E-voting is as follows.

#### 10. Voting through electronic means:

The instructions and other information relating to E-voting are as under:

##### **A. In case a Member receiving an e-mail from Link Intime India Private Limited [for Members whose e-mail IDs are registered with the Company/ Depository Participant(s)]:**

1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
  - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID.
  - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID.
  - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No. + Folio Number registered with the Company.

5. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section, register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with Depository Participant or in the Company record are requested to use the sequence number which is shared in the mail sent by LI IPL indicated in the PAN Field.
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with Depository Participant or in the Company record for the said demat account or folio number in dd/mm/yyyy format.
Or	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio number. Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the Depository Participants or Company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/ or voted on an earlier voting of any company, then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

Incase shareholder is having valid e-mail address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/ her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details, etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the Resolution contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting. Cast your vote by selecting appropriate option i.e. Favour/Against as desired.  
Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.
8. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
10. Once you confirm your vote on the Resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

**B. In case of Members of the Company have not registered their e-mail address:**

On account of threat posed by COVID-19 and in terms of the MCA Circulars, the Company will send Postal Ballot Notice in electronic form only and hard copies of Postal Ballot Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot. Accordingly, the communication of the assent or dissent of the Members would take place through the E-voting system only. Therefore, those Members who have not yet registered their e-mail address are requested to get their e-mail addresses registered **on or before 5:00 p.m. (IST) on Sunday, December 13, 2020** by following the procedure given below:

1. In light of the MCA Circulars, Members who have not registered their e-mail address and in consequence could not receive the E-voting notice may temporarily get their e-mail registered with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, by following the registration process as mentioned below:

**Electronic folios:**

- (a) Visit the link [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html)
- (b) Select the Company Name i.e. ADF Foods Limited.
- (c) Shareholder to enter DPID-CLID / Folio No. and PAN.
- (d) Shareholder to enter the E-mail id and Mobile No.
- (e) System check the authenticity of the Client Id and PAN and send the different OTPs to Mobile and E-mail to Validate.
- (f) Shareholder to enter the OTPs received by SMS and E-mail to complete the validation process. (OTPs will be valid for 5 min. Only).
- (g) System confirms the E-mail id for the limited purpose of serviced Postal Ballot Notice.
- (h) System will send the Notice and Procedure for E-voting to the e-mail given by Shareholder.

**Physical folios:**

- (a) Visit the link [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html)
- (b) Select the Company Name i.e. ADF Foods Limited.
- (c) Shareholder to enter Physical Folio No. and PAN.
- (d) If PAN is not available in the records, shareholder to enter one of the Certificate No.
- (e) Shareholder to enter the E-mail id and Mobile No.
- (f) System check the authenticity of the Folio No. and PAN/ Certificate No. and send the different OTPs to Mobile and e-mail to Validate.
- (g) Shareholder to enter the OTPs received by SMS and E-mail to complete the validation process. (OTPs will be valid for 5 min. Only).
- (h) If PAN is not available in the records, system will prompt to upload the duly signed scan copy of the PAN.
- (i) System confirm the registration of E-mail id.
- (j) System will send the Notice and Procedure for E-voting to the E-mail given by Shareholder.

Post successful registration of the E-mail, the Shareholder would get soft copy of the Notice and the Procedure for E-voting along with the User ID and the Password to enable E-voting for this Postal Ballot. In case of any queries, Shareholder may write to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in)

2. It is clarified that for permanent registration of E-mail address, the Members are however requested to register their E-mail address, in respect of electronic holdings with the Depository through the concerned Depository Participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, by following due procedure.
3. Those Members who have already registered their e-mail address are requested to keep their e-mail addresses validated with their Depository Participants/ the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited to enable servicing of notices/ documents/ Annual Reports electronically to their e-mail address.

In case of any query/ grievance pertaining to E-voting, please visit Help & FAQ's section of <https://instavote.linkintime.co.in> or contact Mr. Rajiv Ranjan, Assistant Vice President – e-voting at Link Intime India Private Limited [Unit: ADF Foods Limited], C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083, India, e-mail: [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in), Contact No.: 022-49186000.

## ADF FOODS LTD.

---

### ❖ General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian/ Mutual Fund/ Corporate Body'.
- They are also required to upload a scanned certified true copy of the Board Resolution/ authority letter/ power of attorney, etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the 'Custodian/ Mutual Fund/ Corporate Body' login for the Scrutinizer to verify the same.
- During the voting period, shareholders can login any number of time till they have voted on the Resolution(s) for a particular "Event".
- Shareholders holding multiple folios/ demat account shall choose the voting process separately for each of the folios/ demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an e-mail to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call on 022-49186000.

A copy of this Notice has been placed on the website of the Company and the website of Link Intime India Pvt. Ltd.

- The voting period begins on Saturday, November 21, 2020 and ends on Sunday, December 20, 2020. During this period, Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, November 13, 2020 may cast their vote electronically. The e-voting module shall be disabled by Link Intime India Pvt. Ltd. for voting thereafter.

Mumbai, November 09, 2020

#### **Regd. Office:**

83/86, GIDC Industrial Estate, Nadiad 387 001, Gujarat

Tel.: 0268-2551381/2, Fax: 0268-2565068

E-mail: [info@adf-foods.com](mailto:info@adf-foods.com)

Website: [www.adf-foods.com](http://www.adf-foods.com)

CIN: L15400GJ1990PLC014265

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

**Shalaka Ovalekar**  
**Company Secretary**  
**Membership No: ACS 15274**



**STATEMENT SETTING OUT MATERIAL FACTS (EXPLANATORY STATEMENT)  
PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**TO VARY TERMS AND CONDITIONS OF APPOINTMENT IN RESPECT OF PAYMENT OF REMUNERATION TO MR. BIMAL THAKKAR W.E.F. OCTOBER 1, 2020 TILL THE REMAINING TENURE OF HIS EMPLOYMENT TERM I.E. TILL SEPTEMBER 30, 2023.**

As per the provisions of Section 197 of the Companies Act, 2013, the remuneration payable to any one Managing Director; or Whole Time Director or Manager in respect of any financial year shall not exceed 5% of the net profits of the company (standalone basis) computed in the manner as laid down under Section 198 of the Companies Act, 2013.

Section 197 of the Companies Act, 2013 further provides that the overall managerial remuneration payable by a company to all Directors (including Managing Director, Whole Time Director or Manager together) in respect of any financial year shall not exceed 11% of the net profits of that company (standalone basis) for that financial year computed in the manner laid down in Section 198 of the Companies Act, 2013.

However, a company may, by passing a Special Resolution in a general meeting, pay managerial remuneration in excess of the individual limit of 5% as stated above.

Currently, Mr. Bimal Thakkar, the Chairman, Managing Director and CEO of the Company, is drawing remuneration by way of a commission from ADF Foods Limited and/or its overseas Subsidiary/ Subsidiaries within the statutory ceiling of 5% of net profit of the Company (standalone) for that financial year computed in the manner laid down in Section 198 of the Companies Act, 2013.

The current employment term of Mr. Bimal Thakkar is for a period of 5 years w.e.f. October 1, 2018.

It is proposed to pay remuneration to Mr. Bimal Thakkar upto 5% of the Consolidated Net Profit Before Tax of the Company in any financial year instead of 5% of Standalone Net Profit of the Company for that financial year computed in the manner laid down in Section 198 of the Companies Act, 2013.

Provided that the overall managerial remuneration payable by the Company to its Directors including Managing Director, Whole Time Director and Manager together in respect of any financial year shall be as per limits stated under Section 197 of the Companies Act, 2013.

The proposed revision in remuneration of Mr. Bimal Thakkar will be effective from October 1, 2020 till the remaining tenure of his agreement i.e. till September 30, 2023.

The said revision has been recommended by the Nomination and Remuneration Committee and the approved by the Audit Committee and the Board of Directors of the Company in their Meetings held on November 09, 2020.

**The existing remuneration structure of Mr. Bimal Thakkar is as under:**

- 1) Commission based on percentage of Profit Before Tax of ADF Foods Limited and/ or commission based on percentage of Net Sales of the overseas Subsidiary/ Subsidiaries i.e. ADF Holdings (USA) Limited or ADF Foods UK Limited shall be paid to Mr. Bimal Thakkar in compliance with the applicable laws.

The commission will be calculated based on the audited financial statements of the relevant Financial Year.

Provided that the annual gross remuneration payable to Mr. Bimal Thakkar shall not exceed overall ceiling of individual limit of Managerial remuneration of 5% of standalone profit of the Company for that financial year computed in the manner laid down in Section 198 of the Companies Act, 2013.

- 2) An on account payment equivalent to Rs. 10,00,000/- (Rupees Ten Lakhs only) will be made on monthly basis. The same shall be adjusted against the commission payable as stated in Point Number 1.
- 3) Reimbursement of expenses: Reimbursement of the expenses including but not limited to the following expenses actually and properly incurred by him for the business of the Company and will not be considered as perquisite:
  - i) Actual expenses incurred for the Company's business by self including travel, hotel and other related expenses for himself incurred in India and abroad;
  - ii) Provision of two cars with drivers for use on Company's business;
  - iii) Telephone at residence for official purpose;
  - iv) Expenses incurred in respect of books and periodicals at actual against submission of supporting/s;
  - v) Subscription or reimbursement of club fees on actual basis.



## ADF FOODS LTD.

### The rationale for the proposed revision in the remuneration structure of Mr. Bimal Thakkar is as under:

The Company is on growth trajectory under the leadership of Mr. Bimal Thakkar as the Chairman, Managing Director and CEO of the Company. He plays a key role in scaling up the Company's operations and giving strategic guidance and directions to the Management to ensure that the Company achieves its mission and objectives. Mr. Thakkar is working relentlessly towards increasing the Company's international business and also the business of all the overseas Subsidiaries which are now accounting for a significant part of the Company's overall business. Hence, it will be appropriate that his compensation is linked with the performance of the overseas Subsidiaries as well.

### The proposed revised remuneration of Mr. Bimal Thakkar reads as under:

- 1) Mr. Bimal Thakkar shall be entitled to receive as commission upto 5% of the Consolidated Net Profit Before Tax of the Company in any financial year. Such commission will be calculated based on the Consolidated Audited Financial Statements of the Company for the relevant financial year and will be paid by the Company and/ or by its overseas Subsidiary/ Subsidiaries, in combination;

Provided that the overall managerial remuneration payable by the Company to its Directors including Managing Director, Whole Time Director and Manager together in respect of any financial year shall be within the limits as laid down under Section 197 of the Companies Act, 2013.

- 2) An on account payment equivalent to Rs. 25,00,000/- (Rupees Twenty Five Lakhs only) will be made on monthly basis. The same shall be adjusted against the commission payable as stated in Point Number 1.
- 3) Reimbursement of expenses: Reimbursement of the expenses including but not limited to the following expenses actually and properly incurred for the business of the Company and will not be considered as perquisite:
  - i) Actual expenses incurred for the Company's business including travel, stay and other related expenses incurred in India and abroad;
  - ii) Provision of two cars with drivers for use on Company's business;
  - iii) Telephone for official purpose at actuals;
  - iv) Expenses incurred in respect of books and periodicals at actual against submission of supporting/s;
  - v) Subscription or reimbursement of club fees on actual basis.

The other prevailing appointment terms of Mr. Bimal Thakkar as stated in Special Resolution of the Shareholders dated September 15, 2018 shall remain unchanged.

The proposed revision in remuneration payable to Mr. Bimal Thakkar will exceed the statutory ceiling of 5% of standalone net profit of the Company for that financial year computed in the manner laid down in Section 198 of the Companies Act, 2013 and also the limits mentioned under Regulation 17(6)(e) of SEBI Listing Regulations. Hence, the Member's approval by way of Special Resolution is being sought.

Accordingly, the following disclosures are given pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013:

#### I. General Information

(1)	Nature of industry	Food Manufacturing
(2)	Date or expected date of commencement of commercial production	The commercial production started from the date of incorporation of the Company on August 27, 1990.
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4)	Financial performance based on given indicators	Performance for F.Y. 2019-20 (standalone): Revenue from operations : Rs. 18,208.81 lakhs Profit After Tax : Rs. 3,147.15 Lakhs Dividend : Rs. 3/- per share EPS : Rs. 15.72
(5)	Foreign investments or collaborations, if any.	The Company has three overseas Subsidiaries viz. ADF Foods UK Limited, ADF Holding (USA) Limited and ADF Foods (USA) Limited. Apart from this, the Company has no other foreign investments/ collaborations.

## II. Information about the appointee

(1)	Background details	Mr. Bimal Thakkar is having more than 35 years of experience in domestic and export food industry. He has played an instrumental role in developing Brands and new products, tapping new markets, international acquisitions, setting up of subsidiary companies in U.K. and U.S.A.
(2)	Past remuneration	<p>The remuneration drawn by Mr. Bimal Thakkar during past one year i.e. 2019-20 (from May 1, 2019) is as under:</p> <ol style="list-style-type: none"> <li>1) Commission based on percentage of Profit Before Tax of ADF Foods Limited and/ or commission based on percentage of Net Sales of the overseas Subsidiary/ Subsidiaries i.e. ADF Holdings (USA) Limited or ADF Foods UK Limited shall be paid to Mr. Bimal Thakkar in compliance with the applicable laws.</li> </ol> <p>The commission will be calculated based on the audited financial statements of the relevant Financial Year.</p> <p>Provided that the annual gross remuneration payable shall not exceed overall ceiling of Managerial remuneration as set under Section(s) 197, 198 and as per monetary ceiling prescribed in Schedule V of the Companies Act, 2013.</p> <ol style="list-style-type: none"> <li>2. An on account payment equivalent to Rs. 10,00,000/- (Rupees Ten Lakhs only) will be made on monthly basis. The same shall be adjusted against the commission payable as stated in Point Number 1.</li> <li>3. Reimbursement of expenses: Reimbursement of the expenses including but not limited to the following expenses actually and properly incurred by him for the business of the Company and will not be considered as perquisite: <ol style="list-style-type: none"> <li>i) Actual expenses incurred for the Company's business by self including travel, hotel and other related expenses for himself incurred in India and abroad;</li> <li>ii) Provision of two cars with drivers for use on Company's business;</li> <li>iii) Telephone at residence for official purpose;</li> <li>iv) Expenses incurred in respect of books and periodicals at actual against submission of supporting/s;</li> <li>v) Subscription or reimbursement of club fees on actual basis.</li> </ol> </li> </ol> <p>During F.Y. 2019-20 Rs. 1,95,32,092/- was paid to Mr. Bimal Thakkar.</p>
(3)	Recognition or awards	N.A.
(4)	Job profile and his suitability	He has been associated with the Company since its inception and has led successful growth of the Company's business. He has responsibility for the overall operations and financial performance of the Company in India as well as performance of its Subsidiaries in India and abroad.
(5)	Remuneration proposed	As mentioned in the Resolution stated above.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with the Industry standards and the Board level positions held in similar sized and similarly positioned businesses.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Bimal Thakkar belongs to the Promoter Group and is not related to any Director or Key Managerial Personnel of the Company.

## ADF FOODS LTD.

### III. Other Information

(1)	Reasons of loss or inadequate profits	The Company does not envisage any loss. The proposed remuneration is not falling within 5% of the net profits of the Company on Standalone basis as computed under Section 198 of the Companies Act, 2013. Hence, the same is considered as inadequacy of profit. However, the same is in line with the Industry Standards for managerial personnel falling under the same cadre.
(2)	Steps taken or proposed to be taken for improvement	The Company takes various steps on a regular basis such as better product mix, cost control, borrowing at competitive rate, improving efficiency, etc. Further, the management has adopted focused business strategies in all spheres of business activities to improve the sales and profitability of the Company.
(3)	Expected increase in productivity and profits in measurable terms	The Company is conscious about improvement in productivity and continually undertakes measures to improve its productivity and profitability. The Management is confident of achieving sustained revenue growth in the future.

Confirmation as per Section III of Schedule V of the Companies Act, 2013:

- that the Company has not committed any default in payment of dues to any bank/ public financial institution or any other secured creditors;
- Company Secretary certifies that there is no default on undisputed payments to any creditors, and all dues to deposit holders, as may be applicable, are being settled on time.

Save and except Mr. Bimal R. Thakkar being the Chairman, Managing Director and CEO and his relatives to the extent of their shareholding interest, if any, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution as set out in the Notice.

This Explanatory Statement and the Resolution which outlines the terms and conditions may also be read and treated as disclosure in compliance with the requirement of Section 190 of the Companies Act, 2013.

Disclosure under Secretarial Standard-2 issued by the Institute of Company Secretaries of India is set out in 'Annexure A'.

The Board recommends the aforesaid Resolution as set out in the Notice for the Member's approval as Special Resolution.

Mumbai, November 09, 2020

**Regd. Office:**

83/86, GIDC Industrial Estate, Nadiad 387 001, Gujarat

Tel.: 0268-2551381/2, Fax: 0268-2565068

E-mail: info@adf-foods.com

Website: www.adf-foods.com

CIN: L15400GJ1990PLC014265

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

**Shalaka Ovalekar**  
**Company Secretary**  
**Membership No: ACS 15274**

## ANNEXURE 'A'

Pursuant to Secretarial Standard 2 issued by the Institute of Company Secretaries of India, the required details of the Director and the variation in terms of his proposed remuneration are given herein below:

<b>Particulars</b>	<b>Mr. Bimal R. Thakkar</b>
<b>Director Identification Number</b>	00087404
<b>Age</b>	55 years
<b>Date of Birth</b>	September 17, 1965
<b>Date of Appointment on Board</b>	May 30, 2003
<b>Qualifications</b>	Bachelor of Commerce
<b>Experience/Expertise</b>	Mr. Bimal Thakkar is having more than 35 years of experience in domestic and export food industry. He has played an instrumental role in developing Brands and new products, tapping new markets, international acquisitions, setting up of Subsidiary Companies in U.K. and U.S.A.
<b>Terms and Conditions of appointment or re-appointment along with remuneration sought to be paid</b>	Details mentioned in the Explanatory Statement.
<b>The last drawn remuneration</b>	Rs. 1,95,32,092/- (for FY 2019-20).
<b>Shareholding in the Company</b>	22,78,924 Equity Shares (11.38%) (under individual folio)
<b>Relationship with Other Directors, Manager and other Key Managerial Personnel of the Company</b>	Mr. Bimal Thakkar is not related to any other Director, Manager and Key Managerial Personnel of the Company.
<b>The Number of Meetings of the Board attended during the year</b>	4 (till November 9, 2020 in FY 2020-21)
<b>Other Directorships</b>	<ol style="list-style-type: none"> <li>1. Gujarat Sidhee Cement Limited</li> <li>2. Saurashtra Cement Limited</li> <li>3. ADF Foods (India) Limited</li> <li>4. Power Brands (Foods) Private Limited (under voluntary liquidation)</li> <li>5. Villa Trading Company Private Limited</li> <li>6. ADF Foods UK Limited</li> <li>7. ADF Holdings (USA) Limited</li> <li>8. ADF Foods (USA) Limited</li> </ol>
<b>Memberships/Chairmanship of Committees of other companies</b>	<p><b>Member:</b></p> <ol style="list-style-type: none"> <li>1. <b>Nomination &amp; Remuneration Committee</b> Gujarat Sidhee Cement Limited Saurashtra Cement Limited</li> <li>2. <b>Audit Committee</b> Gujarat Sidhee Cement Limited</li> <li>3. <b>Corporate Social Responsibility Committee</b> Gujarat Sidhee Cement Limited Saurashtra Cement Limited</li> <li>4. <b>Share Allotment Committee</b> Gujarat Sidhee Cement Limited Saurashtra Cement Limited</li> </ol> <p><b>Chairmanship:</b></p> <ol style="list-style-type: none"> <li>1. <b>Shareholder's Grievance/ Stakeholder's Relationship Committee</b> Saurashtra Cement Limited</li> </ol>