



**CIN: L15400GJ1990PLC014265**

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## **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 ('the Rules'), 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 remote electronic voting ('E-voting') for the Resolutions 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, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 10/2021 dated June 23, 2021, (the 'MCA Circulars') and pursuant to the provisions of 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, 2021, 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 remote E-voting system. This Postal Ballot is accordingly being initiated in compliance with the above MCA Circulars.

The Statement pursuant to Section 102(1) and other applicable provisions of the Act read with the Rules setting out all material facts relating to the Resolutions mentioned in this Postal Ballot Notice is annexed hereto.

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.

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In accordance with the MCA Circulars, Members can vote only through the remote e-voting process. Accordingly, the Company is pleased to provide remote e-voting facility to all its Members to cast their votes electronically. Members are requested to read the instructions given in the Notes to this Postal Ballot Notice so as to cast their vote electronically not later than 5:00 p.m. IST on Sunday, December 12, 2021 (the last day to cast vote electronically) to be eligible for being considered.

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 Resolutions 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:

### I. ENHANCEMENT OF THRESHOLD LIMITS OF RELATED PARTY CONTRACTS:

To consider and, if thought fit, to give, assent or dissent to the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** in partial modification of the earlier Member’s Resolution dated September 25, 2019 and pursuant to the provisions of Section 188(1)(a) to (d) and other applicable provisions, if any, of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any Committee which the Board may constitute for this purpose) for revising the threshold limits of certain Related Party Contracts from Rs. 50 crores to Rs. 100 crores, as per the terms and conditions set out in the Explanatory Statement annexed to the Postal Ballot Notice:

| Name of Related Party   | Name of the Director/ Key Managerial Personnel who is related, if any | Nature of relationship  | Particulars of the contract or arrangement   | Nature, material terms, monetary value (Rs. in crore) (per annum) | Any other information relevant or important for the Members to make a decision on the proposed transaction      |
|-------------------------|---|-------------------------|--|---|---|
| ADF Foods (India) Ltd.  | Mr. Bimal Thakkar   | Wholly Owned Subsidiary | Sale, purchase or supply of any goods or materials and/ or availing/ rendering of consultancy and other business related services and/ or leasing of property. | 100.00  | The effective date will be January 01, 2022 till the remaining tenure of the contract i.e. till March 31, 2023. |
| ADF Foods UK Ltd.       | Mr. Bimal Thakkar   | Wholly Owned Subsidiary | Sale, purchase or supply of any goods or materials and/ or availing/ rendering of consultancy and other business related services.                             | 100.00  | The effective date will be January 01, 2022 till the remaining tenure of the contract i.e. till March 31, 2023. |
| ADF Holdings (USA) Ltd. | Mr. Bimal Thakkar   | Wholly Owned Subsidiary | Sale, purchase or supply of any goods or materials and/ or availing/ rendering of consultancy and other business related services.                             | 100.00  | The effective date will be January 01, 2022 till the remaining tenure of the contract i.e. till March 31, 2023. |
| ADF Foods (USA) Ltd.    | Mr. Bimal Thakkar   | Wholly Owned Subsidiary | Sale, purchase or supply of any goods or materials and/ or availing/ rendering of consultancy and other business related services.                             | 100.00  | The effective date will be January 01, 2022 till the remaining tenure of the contract i.e. till March 31, 2023. |

**RESOLVED FURTHER THAT** any Member of the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this Resolution and for matter connected therewith or incidental thereto in the best interest of the Company.”

**2. APPROVAL FOR RELATED PARTY CONTRACT WITH VIBRANT FOODS NEW JERSEY LLC, STEP DOWN SUBSIDIARY OF THE COMPANY:**

To consider and, if thought fit, to give, assent or dissent to the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 188(1)(a) to (d) and all other applicable provisions of the Companies Act, 2013 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof, for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called ‘the Board’ which term shall be deemed to include any Committee which the Board may constitute for this purpose) for execution of contract with the Related Party as set out below and in which Mr. Bimal R. Thakkar, Chairman, Managing Director & CEO is deemed to be interested, to sell, purchase and/or supply of any goods or materials and to avail or render consultancy and other business related services and/or to lease property, as the Board in its discretion deem proper, as per the terms and conditions set out in the Explanatory Statement annexed to the Postal Ballot Notice:

| <b>Name of Related Party</b> | <b>Name of the Director/ Key Managerial Personnel who is related, if any</b> | <b>Nature of relationship</b> | <b>Particulars of the contract or arrangement</b>   | <b>Nature, material terms, monetary value (Rs. in crore) (per annum)</b> | <b>Any other information relevant or important for the Members to make a decision on the proposed transaction</b> |
|------------------------------|--|-------------------------------|---|--|---|
| Vibrant Foods New Jersey LLC | Mr. Bimal Thakkar  | Step down Subsidiary          | Sale, purchase or supply of any goods or materials and/ or availing/ rendering of consultancy and other business related services and/ or leasing of property | 100.00   | Duration of Contract is from January 01, 2022 to March 31, 2025.  |

**RESOLVED FURTHER THAT** any Member of the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this Resolution and for matter connected therewith or incidental thereto in the best interest of the Company.”

**3. APPROVAL FOR CORPORATE GUARANTEE TO BE ISSUED ON BEHALF OF ADF HOLDINGS (USA) LIMITED:**

To consider and, if thought fit, to give, assent or dissent to the following Resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 185, 188 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, as the case may be, pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) or substitution(s) made thereof), for the time being in force, the consent of the Members be and is hereby accorded to the Company for issuance of Corporate Guarantee/ Letter of Support and Comfort by the Company for an amount not exceeding USD 8,000,000 (US Dollars Eight Million only) in favour of a lender bank/ financial institution as may be finalized, for and on behalf of ADF Holdings (USA) Limited, a Wholly Owned Subsidiary of the Company.

**RESOLVED FURTHER THAT** any Member of the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and to sign all such documents and writings as may be necessary, expedient and incidental thereto including all the negotiations and settlements, to give effect to this Resolution and for matter connected therewith or incidental thereto in the best interest of the Company.”

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## 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 Resolutions in respect of the businesses 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 13, 2021 at 09:00 a.m. India Standard Time ('IST') till Sunday, December 12, 2021 at 05:00 p.m. (IST) both days inclusive. The E-voting needs to be exercised by 05:00 p.m. (IST) on December 12, 2021. Please note that E-voting module will be disabled for voting by RTA viz. 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 05, 2021 ('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(s), 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 12, 2021. Further, Resolution(s) passed by the Members through remote E-voting is/are 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 05, 2021 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 and have communicated his willingness to be appointed and will be available for the said purpose. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
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 14, 2021. 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 remote E-voting to all the Members to enable them to cast their votes electronically on the items 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, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and General Circular No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs, Government of India (the 'MCA Circulars'), voting can be done only by E-voting. The detailed procedure with respect to E-voting is as follows:-

**10. Voting through electronic means:**

The process and manner for remote E-voting is as under:

Pursuant to SEBI Circular dated December 9, 2020 on E-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their Mobile Number and E-mail Id in their demat accounts to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode/ physical mode is given below:

| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS” Portal or click at: <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ul> |

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| Type of shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL   | <ul style="list-style-type: none"> <li>• Existing user who have opted for Easi/ Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi/ Easiest, the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK INTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/ Easiest, option to register is available at: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile and E-mail as recorded in the demat account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress.</li> </ul>   |
| Individual Shareholders (holding securities in demat mode) and login through their Depository Participants | <ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility.</li> <li>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</li> </ul>   |
| Individual Shareholders holding securities in Physical mode and e-Voting service Provider is LINK INTIME   | <ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>➤ Click on “<b>Sign Up</b>” under ‘<b>SHARE HOLDER</b>’ tab and register with your following details: -               <ol style="list-style-type: none"> <li><b>A. User ID:</b> Shareholders/ Members holding shares in <b>physical form shall provide</b> Event Number + Folio Number registered with the Company.</li> <li><b>B. PAN:</b> Enter your 10 digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li><b>C. DOB/DOI:</b> Enter the Date of Birth (DOB)/ Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format).</li> <li><b>D. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.</li> </ol> <ul style="list-style-type: none"> <li>• Shareholders/ Members holding shares in <b>physical form</b> but have not recorded ‘C’ and ‘D’, shall provide their Folio Number in ‘D’ above.</li> </ul> </li> <li>➤ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>➤ Click “confirm” (Your password is now generated).</li> </ul> </li> <li>2. Click on ‘Login’ under ‘<b>SHARE HOLDER</b>’ tab.</li> <li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘<b>Submit</b>’.</li> </ol> |

| Type of shareholders | Login Method   |
|----------------------|--|
|                      | <ol style="list-style-type: none"> <li>4. After successful login, you will be able to see the notification for e-Voting. Select <b>‘View’</b> icon.</li> <li>5. e-Voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option <b>‘Favour/ Against’</b> (If you wish to view the entire Resolution details, click on the <b>‘View Resolution’</b> file link).</li> <li>7. After selecting the desired option i.e. Favour/ Against, click on <b>‘Submit’</b>. A confirmation box will be displayed. If you wish to confirm your vote, click on <b>‘Yes’</b>, else to change your vote, click on <b>‘No’</b> and accordingly modify your vote.</li> </ol> |

**Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on the e-Voting system of LIPL at <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.

**Individual Shareholders holding securities in Physical mode and e-Voting service Provider is LINK INTIME, have forgotten the password:**

- o Click on **‘Login’** under **‘SHARE HOLDER’** tab and further Click **‘forgot password?’**
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **‘Submit’**.
- o In case Shareholders/ Members is having valid E-mail address, Password will be sent to his/ her registered E-mail address.
- o Shareholders/ Members can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- o 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.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- o Shareholders/ Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned Depository/ Depository Participants website.
- o It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- o For Shareholders/ Members holding shares in physical form, the details can be used only for voting on the Resolutions contained in this Notice.
- o During the voting period, Shareholders/ Members can login any number of time till they have voted on the Resolution(s) for a particular “Event”.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case Shareholders/ Members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

| Login type   | Helpdesk details   |
|--|--|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.              |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43. |

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**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders and e-Voting service provider is LINK INTIME.**

In case Shareholders/ Members holding securities in physical mode/ Institutional shareholders have any queries regarding e-Voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an E-mail to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: Tel: 022-49186000.

Mumbai, October 29, 2021

**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 READ WITH RULE 22 OF THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014

#### Item No. 1: Enhancement of Threshold Limits of Related Party Contracts.

Pursuant to provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had sought the Member's approval vide Ordinary Resolution in the Annual General Meeting held on September 25, 2019 for the following Related Party Contracts for a period of three years w.e.f. April 01, 2020 till March 31, 2023.

In order to facilitate expansion of business and future growth, the Audit Committee and the Board of Directors at their Meetings held on October 29, 2021 have approved to enhance the threshold limits of each of these Related Party Contracts from existing limit of Rs. 50 Crores per annum to Rs. 100 Crores per annum, subject to the Member's approval for each of the Related Parties as detailed below.

The Particulars of the Related Party Contracts pursuant to Para 3 of Explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

| <b>Name of Related Party</b> | <b>Name of the Director/ Key Managerial Personnel who is related, if any</b> | <b>Nature of relationship</b> | <b>Particulars of the contract or arrangement</b>  | <b>Nature, material terms, monetary value (Rs. in crore) (per annum)</b> | <b>Any other information relevant or important for the Members to make a decision on the proposed transaction</b> |
|------------------------------|--|-------------------------------|--|--|---|
| ADF Foods (India) Ltd.       | Mr. Bimal Thakkar  | Wholly Owned Subsidiary       | Sale, purchase or supply of any goods or materials and/ or availing/ rendering of consultancy and other business related services and/ or leasing of property. | 100.00   | The effective date will be January 01, 2022 till the remaining tenure of the contract i.e. till March 31, 2023.   |
| ADF Foods UK Ltd.            | Mr. Bimal Thakkar  | Wholly Owned Subsidiary       | Sale, purchase or supply of any goods or materials and/ or availing/ rendering of consultancy and other business related services.                             | 100.00   | The effective date will be January 01, 2022 till the remaining tenure of the contract i.e. till March 31, 2023.   |
| ADF Holdings (USA) Ltd.      | Mr. Bimal Thakkar  | Wholly Owned Subsidiary       | Sale, purchase or supply of any goods or materials and/ or availing/ rendering of consultancy and other business related services.                             | 100.00   | The effective date will be January 01, 2022 till the remaining tenure of the contract i.e. till March 31, 2023.   |
| ADF Foods (USA) Ltd.         | Mr. Bimal Thakkar  | Wholly Owned Subsidiary       | Sale, purchase or supply of any goods or materials and/ or availing/ rendering of consultancy and other business related services.                             | 100.00   | The effective date will be January 01, 2022 till the remaining tenure of the contract i.e. till March 31, 2023.   |

Further, the monetary value of the above stated transactions is likely to exceed 10% of the Annual Consolidated Turnover of the Company as per the last audited financial statements of the Company for Financial Year 2020-21. Accordingly, these transactions shall be categorized as 'Material Related Party Transactions' in accordance with the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, the same would require approval of the Shareholders.

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Further, pursuant to second proviso of Section 188(1) of the Act, no Member shall vote on such resolution, to approve any contract or arrangement which may be entered by the Company, if such Member is a related party. Also, pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no Related Party shall vote to approve such Resolution, whether the entity is a Related Party to the said contract or not.

The Audit Committee and the Board of Directors have approved this item in their Meetings held on October 29, 2021 and recommended the above Resolution for the approval of Members of the Company as an Ordinary Resolution.

The draft copy of respective revised Agreement(s) setting broad terms and conditions will be available for electronic inspection without any fee by the Members from the date of circulation of this Notice until the last date of voting. Members seeking to inspect such documents can send an E-mail to [csasst@adf-foods.com](mailto:csasst@adf-foods.com).

Mr. Bimal R. Thakkar and his relatives are deemed to be interested in the above Resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, 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 at Item No. 1 of the accompanying Notice.

The Board recommends passing of the above Resolution as set out at Item No. 1 of the accompanying Notice as an Ordinary Resolution for approval by the Members.

### **Item No. 2: Approval for Related Party Contract with Vibrant Foods New Jersey LLC, Step Down Subsidiary of the Company.**

Pursuant to provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, no contract or arrangement with the Related Party, in the case of a company having a paid-up share capital of not less than such amount, or transactions not exceeding such sums, as may be prescribed, shall be entered into except with the prior approval of the company by a Resolution.

Further, as per the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a transaction with a Related Party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. All material Related Party Transactions shall require approval of the Shareholders through Resolution.

The Company proposes to enter into transactions related to sell, purchase and/or supply of any goods or materials and to avail or render consultancy and other business related services and/or to lease property with its newly formed Step down Subsidiary, Vibrant Foods New Jersey LLC (a 'Related Party') upto a limit Rs. 100 crore per annum.

The Particulars of the Related Party contract pursuant to Para 3 of Explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 is as under:

| <b>Name of Related Party</b> | <b>Name of the Director/ Key Managerial Personnel who is related, if any</b> | <b>Nature of relationship</b> | <b>Particulars of the contract or arrangement</b>   | <b>Nature, material terms, monetary value (Rs. in crore) (per annum)</b> | <b>Any other information relevant or important for the Members to make a decision on the proposed transaction</b> |
|------------------------------|--|-------------------------------|---|--|---|
| Vibrant Foods New Jersey LLC | Mr. Bimal Thakkar  | Step down Subsidiary          | Sale, purchase or supply of any goods or materials and/ or availing/ rendering of consultancy and other business related services and/ or leasing of property | 100.00   | Duration of Contract is from January 01, 2022 to March 31, 2025   |

Further, the monetary value of the above stated transaction is likely to exceed 10% of the Annual Consolidated Turnover of the Company as per the last audited financial statements of the Company for Financial Year 2020-21. Accordingly, the transaction shall be categorized as ‘Material Related Party Transactions’ in accordance with the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, the same would require approval of the Shareholders.

Further, pursuant to second proviso of Section 188(1) of the Act, no Member shall vote on such Resolution, to approve any contract or arrangement which may be entered by the Company, if such Member is a Related Party. Also, pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, no Related Party shall vote to approve such Resolution, whether the entity is a Related Party to the said contract or not.

The Audit Committee and the Board of Directors have approved this item in their Meetings held on October 29, 2021 and recommended the above Resolution for the approval of Members of the Company as an Ordinary Resolution.

The draft copy of the Agreement setting broad terms and conditions will be available for electronic inspection without any fee by the Members from the date of circulation of this Notice until the last date of voting. Members seeking to inspect such documents can send an E-mail to csasst@adf-foods.com.

Mr. Bimal R. Thakkar and his relatives are deemed to be interested in the above Resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, 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 at Item No. 2 of the accompanying Notice.

The Board recommends passing of the above Resolution as set out at Item No. 2 of the accompanying Notice as an Ordinary Resolution for approval by the Members.

### **Item No. 3: Approval for Corporate Guarantee to be issued on behalf of ADF Holdings (USA) Limited.**

ADF Holdings (USA) Limited, a Wholly Owned Subsidiary of the Company is engaged in the business of distribution of Company’s food products.

ADF Holdings (USA) Limited is proposing to avail a Term Loan from a bank/ financial institution not exceeding USD 8,000,000 (US Dollars Eight Million only) for its business purposes. The Company may be required to provide the Corporate Guarantee for availing the above said facility. Accordingly, ADF Holdings (USA) Limited, has requested the Company for issuance of Corporate Guarantee, as and when needed.

Hence, it is proposed to issue a Corporate Guarantee on behalf of ADF Holdings (USA) Limited for an amount not exceeding USD 8,000,000 (US Dollars Eight Million only) in favour of the proposed lender. The Board and the Audit Committee have accorded their consent for the said proposal at their Meetings held on October 29, 2021, subject to Member’s approval.

The Particulars of the Related Party contracts pursuant to Para 3 of Explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

| <b>Name of Related Party</b> | <b>Name of the Director/ Key Managerial Personnel who is related, if any</b> | <b>Nature of relationship</b> | <b>Particulars of the contract or arrangement</b> | <b>Nature, material terms, monetary value</b> | <b>Any other information relevant or important for the Members to make a decision on the proposed transaction</b> |
|------------------------------|--|-------------------------------|---|---|---|
| ADF Holdings (USA) Limited   | Mr. Bimal Thakkar  | Wholly Owned Subsidiary       | Corporate Guarantee                               | USD 8 Million                                 | N.A.  |

Further, the monetary value of the above stated transaction is likely to exceed 10% of the Annual Consolidated Turnover of the Company as per the last audited financial statements of the Company for Financial Year 2020-21. Accordingly, the transaction shall be categorized as ‘Material Related Party Transactions’ in accordance with the provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, the same would require approval of the Shareholders.

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Mr. Bimal R. Thakkar and his relatives are deemed to be interested in the above Resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, 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 at Item No. 3 of the accompanying Notice.

The Board recommends passing of the above Resolution as set out at Item No. 3 of the accompanying Notice as an Ordinary Resolution for approval by the Members.

Mumbai, October 29, 2021

By order of the Board

**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

**For ADF FOODS LIMITED**

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