

BUSINESS RESPONSIBILITY REPORT

ABOUT THE COMPANY

ADF Foods Limited is well-known in the prepared ethnic food segment with a product portfolio of ready-to-eat food, ready-to-cook food, frozen food, frozen vegetables, and condiments like pickles, sauces and pastes. The Company has also added in recent times baked snacks and flavoured milk drinks. Exports contributes more than 95% of its revenues to more than 50 countries including the US, Canada, Europe, Australia, Middle East and Asia. ADF's brands include Ashoka, Truly Indian, Camel, Aeroplane, Soul, Nate's and PJ's Organics.

ABOUT THIS REPORT

The Securities and Exchange Board of India (SEBI) as per its Listing Obligations and Disclosure Requirements Regulations, 2015 has mandated the inclusion of a "Business Responsibility Report" (BRR) as part of company's Annual Report for top 1000 listed entities based on market capitalisation at the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011, which contains 9 Principles and Core Elements for each of the those 9 Principles. Following is the first Business Responsibility Report of the Company which is based on the format suggested by SEBI.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L15400GJ1990PLC014265
2. Name of the Company : ADF Foods Limited
3. Registered Address : 83/86, G.I.D.C. Industrial Area, Nadiad, Gujarat - 387 001, India
4. Website : www.adf-foods.com
5. E-mail Id : info@adf-foods.com
6. Financial Year reported : 1st April, 2019 to 31st March, 2020
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Name and Description of main Products	ITC Code of the Products
Meal Accompaniments	20019000
Can Food & Ready to eat	20051000
Frozen Foods	20049000

8. **List three key products/services that the Company manufactures/provides (as in balance sheet):**

- Meal Accompaniments like pickles, sauces, chutneys
- Can Food & Ready to eat
- Frozen Foods

9. **Total number of locations where the business activity is undertaken by the Company:**

- a. **Number of International Locations (Provide details of major 5) - US, UK, rest of Europe, Middle East, Asia Pacific.**

Registered Office - 83/86, G.I.D.C. Industrial Area, Nadiad, Gujarat - 387 001, India.

Corporate Office- Marathon Innova, B2, G01, Ground Floor, G. K. Road, Lower Parel, Mumbai - 400 013, India.

b. Plant locations –

1. 77/84, 83/86, 94, C1-40/2, G.I.D.C. Industrial Estate, Nadiad 387 001, Gujarat.
2. Plot No. 5, M.I.D.C. Industrial Estate, Malegaon, Sinnar, Nasik - 422 103, Maharashtra.

10. Markets served by the Company (International/domestic):

The Company has a global footprint and serves both National and International markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	:	₹ 20.02 Crores
2.	Total Turnover	:	₹ 182.08 Crores
3.	Total Profit after taxes	:	₹ 31.47 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of Profit after tax (%)	:	2 % of PAT. Total CSR expenditure is 2% of average Net Profits (before tax) of the Company made during the three immediately preceding financial years. During the FY 2019-20, the Company spent ₹ 59,78,550/- on CSR activities which is 1.90% of profit after tax.
5.	List of activities in which expenditure in 4 above has been incurred	•	<ul style="list-style-type: none"> Promotion of education Medical Aid Women Empowerment Sponsoring Food expenses of poor people Environmental Protection Animal welfare

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

The Company has three Subsidiaries viz. ADF Foods UK Ltd., Power Brands (Foods) Pvt. Ltd. and ADF Foods (India) Ltd. and two step down Subsidiaries viz. ADF Holdings (USA) Ltd. and ADF Foods (USA) Ltd. as on 31st March, 2020. M/s. Power Brands (Foods) Pvt. Ltd., a Wholly Owned Subsidiary of the Company, is undergoing Voluntary Liquidation vide Special Resolution passed by the Members on 5th November, 2012.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s) -

No, as majority of the Subsidiary Companies operate in different geographies.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]-

No such other entity is directly involved in BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

DIN	Name	Designation
00087404	Bimal Thakkar	Chairman, Managing Director & CEO

b. Details of the BR Head

Sr. No.	Particulars	Details
1.	DIN Number (if applicable)	00087404
2.	Name	Bimal Thakkar
3.	Designation	Chairman, Managing Director & CEO
4.	Telephone Number	+9122 6141 5555
5.	E-mail id	bimal@adf-foods.com

2. Principle-wise (as per NVGs) BR Policy/policies

a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Ethics, transparency & sustainability accountability	Sustainability in life-cycle of product	Employee well-being	Stakeholder engagement	Promotion of human rights	Environmental protection	Responsible public policy advocacy	Inclusive growth	Customer value
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	NA	Y	Y
	1. Code of Conduct 2. Whistle Blower Policy 3. Code of Fair Disclosure of Unpublished Price Sensitive Information 4. Policy on Related Party Transactions 5. Policy on Disclosure of Material Events			1. Code of Conduct 2. Whistle Blower Policy 3. Prevention of Sexual Harassment of women at workplace	Whistle Blower Policy	1. Code of Conduct 2. Prevention of Sexual Harassment of women at workplace 3. HR Policy	Code of Conduct		CSR Policy	
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y Signed by MD	Y Signed by MD	Y Signed by MD	Y Signed by MD	Y Signed by MD	Y Signed by MD	NA	Y Signed by MD	Y Signed by MD
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
7	Indicate the link for the policy to be viewed online?	<ul style="list-style-type: none"> Code of conduct http://www.adf-foods.com/wp-content/uploads/2016/12/ADF-Code-of-Conduct.pdf Whistle Blower Policy http://www.adf-foods.com/wp-content/uploads/2019/04/Whistle-Blower-Policy-1.pdf Code of Fair Disclosure of Unpublished Price Sensitive Information http://www.adf-foods.com/wp-content/uploads/2020/07/Code-of-Practices-Procedures-for-Fair-Disclosure-of-UPSI.pdf CSR policy http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-CSR-Policy-1.pdf Related Party Transaction policy http://www.adf-foods.com/wp-content/uploads/2017/03/Related-Party-Transaction-Policy.pdf Policy on Sexual Harassment of Employees http://www.adf-foods.com/wp-content/uploads/2016/01/ADF-Sexual-Harassment-policy.pdf Policy on Disclosure of Material Events and Information http://www.adf-foods.com/wp-content/uploads/2016/01/Material-Events-21.12.2017.pdf 								
8	Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	NA	N	N

- b. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	Principle 7: Responsible public policy advocacy
1	The company has not understood the Principles	-
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-
3	The company does not have financial or manpower resources available for the task	-
4	It is planned to be done within next 6 months	-
5	It is planned to be done within the next 1 year	-
6	Any other reason (please specify)	<i>The Company is a member of various trade bodies such as Indian Merchant Chamber, FIEO, CII etc. The Company represents in various forums within these trade bodies. The Company actively participate in these forums on issues and policy matters that impact the interest of its stakeholders. The Company prefers to be part of the broader policy development process and do not practice lobbying on any specific issue.</i>

3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year - *Annually*
- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, this is the first year of applicability of BRR to the Company. Going forward, the Company will publish the BRR annually as a part of its Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, transparency & sustainability accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

*Yes, the **Whistle Blower & Protection policy** of the Company which is applicable to not just all our directors, employees and their representative bodies, but it also extends to all its business associates and security holders as well. This policy provides a platform to these stakeholders for reporting violation of any law, misuse or misappropriation of the Organization's assets, gross waste of or misuse or misappropriation of the organization's funds, incorrect financial reporting or misrepresentation of facts which are not in line with applicable Company policy, substantial and specific danger to health and safety, serious improper conduct (including any kind of mental or sexual harassment) and leakage of Unpublished Price Sensitive Information by any employee/director in the Company. Rest of the policies cover only the Company.*

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. –

8 complaints were received from the shareholders during the financial year ended 31st March, 2020. The complaints were mainly relating to non-receipt of duplicate share certificates, pending demat requests and transfer of shares.

Principle 2: Sustainability in life-cycle of product**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

1. Truly Indian range of organic food
2. SOUL Pickles with olive oil and less salt
3. Ashoka range of baked snacks

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? Optional

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not applicable, since these products are directly consumed by our consumers without using energy or water.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company contributes to sustainable sourcing by purchasing organic raw materials which are free of fertilizers and pesticides for a range of its products. This constitutes under 5% of total raw material sourcing.

In the area of ethical sourcing, we discourage the use of forced labour and child labour at our premises.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company actively engages with the local and small mandi suppliers for purchase of majority of important ingredients such as fruits, vegetables, spices, dairy products etc. The Company incorporates terms of payment as cash against delivery on orders placed with these suppliers thereby strengthening their financial position. It has helped them to increase their capacity and capability to increase their volumes and earnings.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

During FY 2019-20, the Company has installed Effluent Treatment Plant at Nasik factory with zero liquid discharge. It recycles around 60,000 liters of water daily which is around 60% of total water consumption of Nasik plant. The Nadiad plant has been treating its discharges appropriately.

Principle 3: Employee wellbeing**1. Please indicate the Total number of employees**

Permanent employees: 271

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis

Contractual employees: 229

3. Please indicate the Number of permanent women employees

Permanent women employees: 61

4. Please indicate the Number of permanent employees with disabilities

This number is not tracked as the Company does not follow differential recruitment policy based on employees' physical abilities.

5. Do you have an employee association that is recognized by management?

Yes, we have two employee associations which are registered under 'Trade Unions Act, 1926' and 'The Maharashtra Mathadi, Hamal and Other Manual Workers (Regulation of Employment and Welfare) Act, 1969' respectively at Nasik.

6. What percentage of your permanent employees are members of this recognized employee association?

Around 10% of the permanent employees are members of these employee associations.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

a.	Permanent Employees	~ 80%
b.	Permanent Women Employees	~ 80%
c.	Casual/Temporary/Contractual Employees	~ 80%
d.	Employees with Disabilities	Included under permanent employees

Note: The training for COVID-19 related safety norms has been given to all the employees.

Principle 4: Stakeholder's management

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders. We recognise employees, communities surrounding our operations, business associates (network of suppliers, stockists and dealers), customers, shareholders/investors and regulatory authorities as our key stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company identifies communities around its manufacturing facilities (with a focus on women and children from these communities) as disadvantaged, vulnerable and marginalized stakeholders. The Company is engaged in various CSR activities for promotion of children's education and women empowerment in Nasik and Nadiad.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has undertaken various CSR initiatives for underprivileged people in Mumbai and rural areas of Gujarat and Maharashtra. Some of these initiatives are as under:

- o Construction of toilets in rural households*
- o Establishment of vocational training centre for handicapped women*
- o Supply of women hygiene products*

- o Educational aid to children
- o Medical aid to poor
- o Supply of gas stoves to Govt. recognized pre-schools
- o Repair of school building

Principle 5: Promotion of Human Rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's Code of Conduct, HR Policy and Policy on Prevention of Sexual Harassment of Women at Workplace are applicable to the Company only.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received pertaining to human rights violation during the past financial year.

Principle 6: Environmental Protection

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others.

Applicable only to the Company.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

No

3. Does the company identify and assess potential environmental risks? Y/N -

Yes. The Company identifies and assesses potential environment risk arising out of its existing and planned operations on the basis of following criteria –

1. Use of ingredients
2. Use of water
3. Use of energy
4. Waste management

The Company's operations do not involve usage of any hazardous material.

4. Does the company has any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for webpage etc.

The Company has installed solar panels at its Nasik plant that meets a substantial part of its energy requirements. The installation of solar panels at Nadiad is at an implementation stage. Further, the Company has also installed Effluent Treatment Plant at Nasik Plant with zero liquid discharge. It recycles around 60,000 liters of water daily which is around 60% of total water consumption of Nasik plant.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions, solid waste and effluent generated are monitored on a regular basis and are within the limits as prescribed by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Responsible public policy advocacy

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, the Company is a member of several industrial and trade bodies. These are listed below:

- a) Indian Merchant Chamber (IMC)*
- b) Confederation of Indian Industry (CII)*
- c) Federation of Indian Chambers of Commerce & Industry (FIEO)*

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company is a member of various trade bodies such as IMC, CII, FIEO etc. The Company represents in various forums within these trade bodies. The Company actively participate in these forums on issues and policy matters that impact the interest of its stakeholders. The Company prefers to be part of the broader policy development process and do not practice lobbying on any specific issue.

Principle 8: Inclusive Growth

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

The Company has always recognized that its business is a part of the community where it operates. The Company believes that its investments must result in long-term sustainable growth as well as economic and social progress of the rural and urban poor. We have undertaken various CSR initiatives so far including construction of toilets under Clean India Mission, sponsoring education of urban and rural underprivileged students, repair of school building, women empowerment through construction of vocational training center, medical aid for needy people, support to physically challenged people, contribution to environment protection by creating awareness for avoiding usage of plastic, tree plantation, animal welfare etc.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

All CSR Programmes of the Company are implemented through external NGOs.

3. Have you done any impact assessment of your initiative?

The impact assessment is done through random checking of progress report of the children to whom educational aid is provided, regular visits to the educational institutes, hostels, medical centers to whom financial aid is provided, getting the annual report regarding the courses conducted by the vocational training center and feedback from other beneficiaries, wherever possible.

4. What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

During the FY 2019-20, the Company has implemented its CSR activities through NGOs. The Company hasn't directly contributed to any community development projects.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company's CSR activities are conducted keeping in mind the specific needs of the communities located nearby our areas of operations. We regularly monitor the academic progress of children we sponsor, get annual report from vocational training centre regarding various government training programs conducted during the year, get the list of beneficiaries from the hospitals and also get regular status update of other CSR programs initiated by us. Accordingly, we ensure that our CSR initiatives are successfully adopted by the Community.

Principle 9: Customer Value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

All customer complaints received during the FY 2019-20 were promptly responded by the Company. There are no pending customer complaints as on 31st March, 2020.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information) –

No

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

Nil

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, the Company engages with its consumers on an ongoing basis and conducts customer satisfaction surveys with respect to its products and advertisements. These surveys are conducted by in-house marketing team and distributors of the Company.