

Agro Tech Foods Limited

21st June, 2019

The Secretary,
BSE Limited,
Floor 25, Pheroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Ph. No. 022- 22721233 / 22721234
Fax No. 022-22723121 / 22721072

The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051.
Ph.No.022- 26598100 / 26598101
Fax No. 022-26598237 / 26598238

Codes: BSE Scrip code 500215, Co. code 1311
NSE Symbol ATFL, Series EQ-Rolling Settlement

Sub: Annual Report along with the Notice of AGM for Financial Year 2018-19

Dear Sirs,

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company alongwith the Notice of AGM for the financial year 2018-19 which is being dispatched / sent to the members by the permitted mode(s).

The Annual Report containing the Notice of AGM is also uploaded on the Company's website www.atfoods.com.

Please take the following on record.

Thanking you,

Yours faithfully
For Agro Tech Foods Limited



JYOTI CHAWLA
Company Secretary & Compliance Officer



Encl.....

ATFL an affiliate of
ConAgra
Foods
Food you love

Annual Report 2019

Agro Tech Foods Limited

Making the food India loves.

Agro Tech Foods Limited

NOTICE TO MEMBERS

Notice is hereby given that the Thirty Second (32nd) Annual General Meeting of the Members of Agro Tech Foods Limited will be held on **Wednesday, the 17th July, 2019 at 10.00 A.M.** at Hotel Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad - 500 016, Telangana, India to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year Ended 31st March, 2019, the Consolidated Financial Statements for the said Financial Year and the Report of the Directors and Auditors thereon.
2. To declare a dividend for the Financial Year ended 31st March, 2019.
3. To appoint a Director in place of Ms. Jill Ann Rahman who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint M/s Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company, to hold office from the conclusion of this 32nd Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company, in place of M/s. B S R & Associates LLP., who were not eligible to be reappointed as Auditors of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To re-appoint Lt. Gen D B Singh (DIN No.00239637), an independent Director of the Company, who has already attained the age of 75 years, as a non-executive Independent Director of the Company.

Lt. Gen D B Singh has filed his consent pursuant to the provisions of Section 152(5) of the Companies Act, 2013 to act as Director if re-appointed.

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED that notwithstanding anything to the contrary contained in the Articles of Association of the Company and in terms of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013, and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”], Lt. Gen D B Singh, who has already attained the age of 75 years, be and is hereby re-appointed as a non-executive Independent Director of the Company for a second term of five years from the date of Annual General Meeting i.e. 17th July, 2019 to 16th July, 2024, not be liable to retire by rotation”.

6. To re-appoint Mr. Sanjaya Kulkarni (DIN No.00102575), as a non-executive Independent Director of the Company. Mr. Sanjaya Kulkarni has filed his consent pursuant to the provisions of Section 152(5) of the Companies Act, 2013 to act as Director if appointed.

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED that notwithstanding anything to the contrary contained in the Articles of Association of the Company and in terms of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013, and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

[“Listing Regulations”], Mr. Sanjaya Kulkarni be and is hereby re-appointed as a non-executive Independent Director of the Company for a second term of five years from the date of Annual General Meeting i.e. 17th July, 2019 to 16th July, 2024, not be liable to retire by rotation”.

7. To appoint Mr. Arun Bewoor (DIN No.00024276), an independent Director of the Company, who has already attained the age of 75 years, as a non-executive Independent Director of the Company. Mr. Arun Bewoor has filed his consent pursuant to the provisions of Section 152(5) of the Companies Act, 2013 to act as Director if appointed.

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED that notwithstanding anything to the contrary contained in the Articles of Association of the Company and in terms of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Arun Bewoor be and is hereby re-appointed as a non-executive Independent Director of the Company for a second term of five years from the date of Annual General Meeting i.e. 17th July, 2019 to 16th July, 2024, not be liable to retire by rotation”.

8. To re-appoint Mr. Narendra Ambwani (DIN No.00236658), as a non-executive Independent Director of the Company. Mr. Narendra Ambwani has filed his consent pursuant to the provisions of Section 152(5) of the Companies Act, 2013 to act as Director if appointed.

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED that notwithstanding anything to the contrary contained in the Articles of Association of the Company and in terms of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”], Mr. Narendra Ambwani be and is hereby re-appointed as a non-executive Independent Director of the Company for a second term of five years from the date of Annual General Meeting i.e. 17th July, 2019 to 16th July, 2024, not be liable to retire by rotation”.

9. To re-appoint Ms. Veena Vishindas Gidwani (DIN No.06890544), as a non-executive Independent Director of the Company. Ms. Veena Vishindas Gidwani has filed her consent pursuant to the provisions of Section 152(5) of the Companies Act, 2013 to act as Director if appointed.

To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:

“RESOLVED that notwithstanding anything to the contrary contained in the Articles of Association of the Company and in terms of Section 149 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“Listing Regulations”], Ms. Veena Vishindas Gidwani be and is hereby re-appointed as a non-executive Independent

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Director of the Company for a second term of five years from the date of Annual General Meeting i.e. 17th July, 2019 to 16th July, 2024, not be liable to retire by rotation”.

10. To consider and if thought fit, to pass, with or without modification, the following Resolution as an ORDINARY RESOLUTION:

“RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any modification(s) or re-enactment thereof, M/s. Vajralingam & Co., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial year 2019-20, be paid remuneration as set out in the Statement annexed to the Notice convening this Meeting”.

BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, 10th July, 2019 to Wednesday, 17th July, 2019 (both days inclusive). Share Transfers received in order by 6.00 p.m. on 9th July, 2019, will be in time to be passed for payment of dividend, if declared, to the transferees or to their mandatees and the dividend, if declared, will be paid within 30 days of the approval of the shareholders at this Annual General Meeting to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on 10th July, 2019, or to their mandatees. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership as on 9th July, 2019, as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

NOTES:

1. In accordance with the Provisions of Section 102 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Explanatory Statement in respect of item No. 4, as required under Regulation 36 (5) of Listing Regulations and in respect of item Nos. 5 to 10 being items of Special Business is annexed.
2. **A Member entitled to attend and vote on a poll is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member. Proxies in order to be effective must be received by the Company not less than forty eight hours before the Annual General Meeting. Proxy form is enclosed towards the end of the notice.**
A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.
3. Members are requested to bring their copies of the Reports and Accounts to the Meeting.
4. For the convenience of Members and for proper conduct of the meeting, entry to the venue of the meeting will be regulated by Attendance Slip, which is enclosed with this Annual Report. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the entrance to the venue. **Members and proxies are also requested to carry a valid ID proof.**
5. The business of the Meeting will also be transacted through electronic voting system and your Company is providing the facility for voting by electronic means. For more details and instructions on e-voting please refer to the separate sheet provided along with the Annual Report.
6. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolution proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / List of Beneficial Owners as on Tuesday, 9th July, 2019, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on Resolutions set forth in this Notice. Members may cast their votes on electronic voting system from any place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 A.M. on Saturday, 13th July, 2019 and will end at 5.00 P.M. on Tuesday 16th July, 2019. The Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed M/s. Tumuluru & Company, Company Secretaries Firm, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.
7. Members whose shareholding is in the electronic mode are requested to direct change of address notifications and updates of savings bank account details to their respective Depository Participant(s). Members are encouraged to utilize the Electronic System (ECS) for recovering dividends.
8. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.
9. Members are requested to notify any change in their address immediately to Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.
11. The Annual Report for financial year 2018-19 including the Notice for the 32nd Annual General Meeting is being sent through electronic mode only to members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For Members who have not registered their email addresses, physical copies of the Annual Report for financial year 2018-19 are being sent by the permitted mode.

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12. In case of joint holders attending the meeting only such joint holder who is higher in the order of names, will be entitled to vote at the meeting.
13. Unclaimed dividend for the financial year ended 31st March, 2012 will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') on 30th August, 2019, pursuant to the provisions of Section 124 of the Companies Act, 2013. In respect of the said unclaimed dividend, it will not be possible to entertain claims received by Karvy Fintech Private Limited, Registrar and Share Transfer Agents after 30th August, 2019.

Details of unclaimed dividend in respect of the financial year ended 31st March, 2012 and up to and including the

financial year ended 31st March, 2018 are available on the Company's website www.atfoods.com under Investor Relations.

The unclaimed shares pertaining to the year 2011-12 will also be transferred to IEPF of the Central Government on or before 29th September, 2019.

14. Members are requested to contact M/s. Karvy Fintech Private Limited for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on the website of the Company www.atfoods.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND THE LISTING REGULATIONS

Item No. 4

As per the provisions of Section 139 (2)(b) of the Companies Act, 2013, no audit firm shall be eligible for appointment/reappointment for more than two terms of five consecutive years and it is mandatory for the Company to rotate the current Statutory Auditors on completion of the maximum term permitted under the said section. Accordingly, M/s. B S R & Associates LLP, Chartered Accountants shall not be eligible for reappointment as statutory auditor as it has completed the two terms of five consecutive years. Hence, the Board of Directors recommend to the Shareholders, the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018) as the Statutory Auditors of the Company from the conclusion of this 32nd Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company, in place of M/s. B S R & Associates LLP., who were not eligible to be reappointed as Auditors of the Company.

Pursuant to Regulations 36(5) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) "SEBI (LODR)" Regulations, 2015, the following additional disclosures are being made:

- (a) M/s Deloitte Haskins & Sells LLP, is proposed to be appointed as the Statutory Auditors of the Company from the conclusion of the 32nd Annual General Meeting till the conclusion of the 37th Annual General Meeting at a remuneration of ₹ 2.76 Million (excluding taxes and other out of pocket/reimbursement expenses) towards statutory audit fee.
- (b) Deloitte Haskins and Sells LLP is one of the leading audit firms in India. Deloitte Haskins and Sells LLP and its affiliate firms in India (collectively referred to as 'Deloitte India') leverage global tools, technology, and best practices of Deloitte to provide a consistent and high quality audit. Deloitte India has audited more than half of the largest 2018 BT500 Companies by market capitalization. Deloitte India has extensive experience in serving clients in the Food and Beverages sector and also serves a large array of clients across various sectors. They have the right team with relevant industry experience to serve the Company as statutory auditors. Based on above credentials, your Directors recommend the Resolution for the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018) as the Statutory Auditors of your Company.

Item No. 5

Lt. Gen. D B Singh is a Non-Executive Independent Director of the Company and has already attained the age of seventy-

five (75) years and is currently 77 years old. He joined the Board of Directors of Agro Tech Foods Limited in 2002. Lt. Gen. D B Singh has filed his consent and declarations pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and the provisions of the Companies (Appointment & Qualification of Directors) Rules, 2014 and he is not disqualified to be re-appointed as a Director and meets the criteria of independence to be appointed as an Independent Director.

The Board of Directors is of the opinion that Lt. Gen D.B. Singh is person of integrity; possess relevant expertise and vast experience. His association as non-executive Independent directors will be beneficial and in the best interest of the Company and this will enable the Board to discharge its functions and duties effectively. In terms of Section 149 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Lt. Gen. D B Singh, being eligible, is proposed to be re-appointed as an Independent Director of your Company for a second term of 5 years. His period of office shall not be liable to determination by retirement of Directors by rotation.

The Resolution seeks the approval of the Members for re-appointment of Lt. Gen. D B Singh as an Independent Director up to 16th July, 2024. In the opinion of your Board, Lt. Gen. D B Singh, fulfils the conditions stipulated under the Act and the Rules made thereunder and he is independent of the Management. A Copy of the draft letter for the re-appointment of Lt. Gen D B Singh as an Independent Director setting out the terms and conditions is available for inspection, without any fee, by the Members at the Company's registered office during normal business hours on all working days up to the date of the Annual General Meeting.

Your Board considers his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Lt. Gen. D B Singh as an Independent Director.

Interest of Directors:

Lt. Gen. D B Singh may be deemed to be interested in the above Resolution in so far as the same relates to him. No other Director, Key Managerial Personnel or their relatives, of your Company is concerned or interested in this Resolution.

Your Directors recommend the Resolution for your approval.

Item No. 6

Mr. Sanjaya Kulkarni is a Non-Executive Independent Director of the Company. He joined the Board of Directors in 2005. Mr. Sanjaya Kulkarni has filed his consent and declarations pursuant to the provisions of Section 149 and 152 of the Companies Act,

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2013 and the provisions of the Companies (Appointment & Qualification of Directors) Rules, 2014 and he is not disqualified to be re-appointed as a Director and meets the criteria of independence to be appointed as an Independent Director.

The Board of Directors is of the opinion that Mr. Sanjaya Kulkarni is person of integrity; possess relevant expertise and vast experience. His association as non-executive Independent directors will be beneficial and in the best interest of the Company and this will enable the Board to discharge its functions and duties effectively. In terms of Section 149 read with Schedule IV and any other applicable provisions of the Companies Act, 2013, Mr. Sanjaya Kulkarni, being eligible, is proposed to be re-appointed as an Independent Director of your Company for a second term of 5 years. His period of office shall not be liable to determination by retirement of Directors by rotation.

The Resolution seeks the approval of the Members for the re-appointment of Mr. Sanjaya Kulkarni as an Independent Director up to 16th July, 2024. In the opinion of your Board, Mr. Sanjaya Kulkarni, fulfils the conditions stipulated under the Act and the Rules made thereunder and he is independent of the Management. A Copy of the draft letter for the appointment of Mr. Sanjaya Kulkarni as an Independent Director setting out the terms and conditions is available for inspection, without any fee, by the Members at the Company's registered office during normal business hours on all working days up to the date of the Annual General Meeting.

Your Board considers his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Sanjaya Kulkarni as an Independent Director.

Interest of Directors:

Mr. Sanjaya Kulkarni may be deemed to be interested in the above Resolution in so far as the same relates to him. No other Director, Key Managerial Personnel or their relatives, of your Company is concerned or interested in this Resolution.

Your Directors recommend the Resolution for your approval.

Item No. 7

Mr. Arun Bewoor is a Non-Executive Independent Director of the Company and has already attained the age of seventy-five (75) years and is currently 76 years old. He joined the Board of Directors in 2009. Mr. Arun Bewoor filed his consent and declarations pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and the provisions of the Companies (Appointment & Qualification of Directors) Rules, 2014 and he is not disqualified to be appointed as a Director and meets the criteria of independence to be appointed as an Independent Director.

The Board of Directors is of the opinion that Mr. Arun Bewoor is person of integrity; possess relevant expertise and vast experience. His association as non-executive Independent directors will be beneficial and in the best interest of the Company and this will enable the Board to discharge its functions and duties effectively. In terms of Section 149 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and pursuant to Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Arun Bewoor, being eligible, is proposed to be re-appointed as an Independent Director of your Company for a second term of 5 years. His period of office shall not be liable to determination by retirement of Directors by rotation.

The Resolution seeks the approval of the Members for the re-appointment of Mr. Arun Bewoor as an Independent Director

up to 16th July, 2024. In the opinion of your Board, Mr. Arun Bewoor, fulfils the conditions stipulated under the Act and the Rules made thereunder and he is independent of the Management. A Copy of the draft letter for the appointment of Mr. Arun Bewoor as an Independent Director setting out the terms and conditions is available for inspection, without any fee, by the Members at the Company's registered office during normal business hours on all working days up to the date of the Annual General Meeting.

Your Board considers his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Arun Bewoor as an Independent Director.

Interest of Directors:

Mr. Arun Bewoor may be deemed to be interested in the above Resolution in so far as the same relates to him. No other Director, Key Managerial Personnel or their relatives, of your Company is concerned or interested in this Resolution.

Your Directors recommend the Resolution for your approval.

Item No. 8

Mr. Narendra Ambwani is a Non-Executive Independent Director of the Company. He joined the Board of Directors in 2011. Mr. Narendra Ambwani has filed his consent and declarations pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and the provisions of the Companies (Appointment & Qualification of Directors) Rules, 2014 and he is not disqualified to be re-appointed as a Director and meets the criteria of independence to be appointed as an Independent Director.

The Board of Directors is of the opinion that Mr. Narendra Ambwani is person of integrity; possess relevant expertise and vast experience. His association as non-executive Independent directors will be beneficial and in the best interest of the Company and this will enable the Board to discharge its functions and duties effectively. In terms of Section 149 read with Schedule IV and any other applicable provisions of the Companies Act, 2013, Mr. Narendra Ambwani, being eligible, is proposed to be re-appointed as an Independent Director of your Company for a second term of 5 years. His period of office shall not be liable to determination by retirement of Directors by rotation.

The Resolution seeks the approval of the Members for the re-appointment of Mr. Narendra Ambwani as an Independent Director up to 16th July, 2024. In the opinion of your Board, Mr. Narendra Ambwani fulfils the conditions stipulated under the Act and the Rules made thereunder and he is independent of the Management. A Copy of the draft letter for the appointment of Mr. Narendra Ambwani as an Independent Director setting out the terms and conditions is available for inspection, without any fee, by the Members at the Company's registered office during normal business hours on all working days up to the date of the Annual General Meeting.

Your Board considers his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Narendra Ambwani as an Independent Director.

Interest of Directors :

Mr. Narendra Ambwani may be deemed to be interested in the above Resolution in so far as the same relates to him. No other Director, Key Managerial Personnel or their relatives, of your Company is concerned or interested in this Resolution.

Your Directors recommend the Resolution for your approval.

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Item No. 9

Ms. Veena Vishindas Gidwani is a Non-Executive Independent Director of the Company. She joined the Board of Directors in 2014. Ms. Veena Vishindas Gidwani, has filed her consent and declarations pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and the provisions of the Companies (Appointment & Qualification of Directors) Rules, 2014 and she is not disqualified to be re-appointed as a Director and meets the criteria of independence to be appointed as an Independent Director.

The Board of Directors is of the opinion that Ms. Veena Vishindas Gidwani is person of integrity; possess relevant expertise and vast experience. Her association as non-executive Independent directors will be beneficial and in the best interest of the Company and this will enable the Board to discharge its functions and duties effectively. In terms of Section 149 read with Schedule IV and any other applicable provisions of the Companies Act, 2013, Ms. Veena Vishindas Gidwani, being eligible, is proposed to be re-appointed as an Independent Director of your Company for a second term of 5 years. Her period of office shall not be liable to determination by retirement of Directors by rotation.

The Resolution seeks the approval of the Members for the re-appointment of Ms. Veena Vishindas Gidwani as an Independent Director up to 16th July, 2024. In the opinion of your Board, Ms. Veena Vishindas Gidwani fulfils the conditions stipulated under the Act and the Rules made thereunder and she is independent of the Management. A Copy of the draft letter for the appointment of Ms. Veena Vishindas Gidwani as an Independent Director setting out the terms and conditions is available for inspection, without any fee, by the Members at the Company's registered office during normal business hours

on all working days up to the date of the Annual General Meeting.

Your Board considers her association would be of immense benefit to the Company and it is desirable to avail the services of Ms. Veena Vishindas Gidwani as an Independent Director.

Interest of Directors :

Ms. Veena Vishindas Gidwani may be deemed to be interested in the above Resolution in so far as the same relates to her. No other Director, Key Managerial Personnel or their relatives, of your Company is concerned or interested in this Resolution.

Your Directors recommend the Resolution for your approval.

Item No. 10

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2019-20 at a fee not exceeding Rs. 1,40,000/- (excluding taxes) and out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2019-20.

None of the Directors, Key Managerial Personnel or their relatives, of your Company is concerned or interested in the said Resolution.

Your Directors recommend the Resolution for your approval.

Dated: 24th April, 2019

By Order of the Board
for **Agro Tech Foods Limited**
Sachin Gopal
Managing Director & CEO
DIN 07439079

Registered Office:
31, Sarojini Devi Road,
Secunderabad - 500 003
Telangana, India.

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ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Ms. Jill Ann Rahman

Jill Rahman has more than 21 years of progressive brand building and P&L leadership experience with blue chip brands at Kraft Foods, Newell Rubbermaid and currently Conagra Brands. She has extensive experience in building brand strategies, innovation and leading P&L's for growth. In her current role as President of International for Conagra Brands, Jill leads a team of professionals in Canada, Mexico, India and Chicago across an \$850 million portfolio. Her business responsibility is comprised of four business models: 1) local operations in Canada and Mexico, 2) global export, 3) joint venture partnerships in Mexico and Philippines, 4) an India affiliate. She sits on the boards of the joint ventures and the affiliate, Verde Valle (Mexico) and Agro Tech Foods Limited (India).

Jill received her undergraduate degree in Marketing from Howard University. After four years with the Kroger Company, Jill was awarded a full fellowship from the Consortium for Graduate Study in Management and earned her MBA from Indiana University with a concentration in Marketing.

Upon receiving her MBA, Jill started her brand management career at Kraft Foods. Leading the strategy and profit delivery on brands such as Kraft Salad Dressing, Stove Top Stuffing and Kraft Mayonnaise, Jill built 16 years of progressive experience at Kraft Foods. Jill left Kraft Foods in 2006 to join Newell Rubbermaid as the Vice President of North America for the Office Products Group. In 2009, Jill accepted a newly created role as Vice President of Strategy for ConAgra Foods, Consumer Foods Division. In this role, Jill supported the President of Consumer Foods in the development of division strategies, investor facing presentations and the development of board presentations. One year later, Jill became Vice President/General Manager at ConAgra Foods within the Snacks portfolio where the snacks brands were among the fastest growing within the ConAgra Foods portfolio. Jill led this portfolio until her appointment to President of International in 2016.

Her DIN is 07693684

Companies (other than Agro Tech Foods Limited) in which Jill Ann Rahman holds Directorship and Committee Membership:

Directorship:

Verde Valle, Mexico

Chairman of Board Committees

None

Member of Board Committees

None

Shareholding in the Company:

Jill Ann Rahman does not hold any equity shares in the Company.

Lt. Gen. D. B. Singh

Lieutenant General D B Singh, PVSM, AVSM is a retired General Officer of the Indian Army. He was commissioned through the prestigious National Defence Academy and rose to virtually the senior-most rank in the Army.

A qualified engineer with management skills, Lt. Gen Singh has held multifarious assignments in the Indian Army. He is a graduate of the Defence Services Staff College and the National Defence College. He was awarded the prestigious awards of Param Vishisht Sewa Medal and Ati Vishisht Sewa Medal by the President of India for exemplary service. After retirement from Defence Services on 31st May 2001, he was President of an engineering concern manufacturing EOT cranes and construction equipment for two and half years. The General is presently engaged in consultancy services on re-structuring logistics and engineering support.

His DIN is 00239637

Companies (other than Agro Tech Foods Limited) in which Lt. Gen. D B Singh holds Directorship and Committee Membership:

Directorship:

None

Chairman of Board Committees

None

Member of Board Committees

None

Shareholding in the Company:

Lt. Gen. D B Singh does not hold any equity shares in the Company.

Sanjaya Kulkarni

Sanjaya Kulkarni graduated with an Engineering Degree from the Indian Institute of Technology, Mumbai and an MBA from Indian Institute of Management, Ahmedabad. He then embarked upon a career in finance as a member of Citibank N.A.'s Merchant Banking department in 1973. After working in the Merchant Banking and Corporate Banking Division of Citibank in both New Delhi and Mumbai for 7 years, Sanjaya Kulkarni founded 20th Century Leasing Corporation along with a number of his colleagues. Sanjaya Kulkarni was responsible for setting up the merchant banking division of 20th Century Finance Corporation Limited in the early 1980's and had oversight of this department, which included public issue management and underwriting, private equity, venture capital and advisory services.

20th Century grew to be one of India's largest finance companies and had interests in Car Finance, Retail Finance, Mutual Funds and Commercial Banking. 20th Century had tie-ups with large Multinational like Zurich Insurance, GMAC, IFC Washington and Asian Development Bank.

20th Century set up 20th Century Venture Capital Limited in the early 90's, one of the first Venture Capital companies in India. Sanjaya Kulkarni was heading this Company and was also responsible for Private Equity Investments made by 20th Century from their proprietary funds. Sanjaya Kulkarni has hence been associated with the Venture Capital / Private Equity industry since the outset.

Sanjaya Kulkarni has been appointed to various committees of the Bombay Chamber of Commerce, the Bombay Management Association and the Reserve Bank of India. Sanjaya Kulkarni has been Co-Chairman from 1989 to 1993 and then Chairman of the Equipment Leasing Association of India

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from 1993 to 1995. Sanjaya Kulkarni has over 36 years of experience in the Indian financial services sector.

Sanjaya Kulkarni is the founder and Managing Director of India Direct Equity Advisors ("IDEA"), the local advisor to the IEP India Direct Fund, L.P. He represents IDEA as Chairman of the IDF Investment Committee since inception. He is also the Chairman of the eTEC investment committee. Sanjaya Kulkarni co-manages, eTEC ventures and IDEA which have corpuses of approximately \$60M.

His DIN is 00102575.

Companies (other than Agro Tech Foods Limited) in which Mr. Sanjaya Kulkarni holds Directorship and Committee Membership:

Directorship:

Indian Direct Equity Advisors Pvt. Ltd.

Time Technoplast Limited

TPL Plastech Limited

NED Energy Limited

Supreme Treves Private Limited

Aspire Home Finance Corporation Limited

Chairman of Board Committees

TPL Plastech Limited- Audit /Nomination and Remuneration

Aspire Home Finance Corporation Limited- Nomination and Remuneration Committee

Member of Board Committees

Time Technoplast Limited – Audit / Remuneration

Aspire Home Finance Corporation Limited- Audit/ Investor Grievances

Shareholding in the Company:

Mr. Sanjaya Kulkarni does not hold any equity shares in the Company.

Arun Bewoor

Mr. Bewoor is currently a Management Consultant and had retired as Vice President – India Region from International Flavours & Fragrances (IFF) which he held since 2001. Prior to this, he was Managing Director of Bush Boake Allen India which was subsequently taken over by IFF and held the position of Vice President (Sales & Marketing) with Procter & Gamble. He also held various honorary industry positions at different points in time as President - American Chamber of Commerce, Tamil Nadu, Madras Management Association, Madras Chamber of Commerce & Industry, Chairman of different Committees at CII, Member-Advisory Council – IMA and was Board Member of Dakshina Chitra, Chesire and Interface.

Mr. Bewoor graduated from the Pune University with an Honors Degree in Physics and Mathematics and holds a Post Graduate Diploma from the Indian Institute of Management, Ahmedabad and attended Management Development Program at Columbia University, New York, USA.

His DIN is 00024276.

Companies (other than Agro Tech Foods Limited) in which Mr. Arun Bewoor holds Directorship and Committee Membership:

Directorship:

BASF India Limited

Underwater Services Company Limited

Jasmine Concrete Exports Pvt. Limited

Eternis Fine Chemicals Limited (Formerly Hindustan Polyamides & Fibres Limited)

Chairman of Board Committees

Jasmine Concrete Exports Pvt. Limited-Audit/ Nomination and Remuneration

Underwater Services Company Limited- Audit

Member of Board Committees

BASF India Limited – Audit / CSR / Stakeholder Relationship Committee

Jasmine Concrete Exports Pvt. Limited- CSR Committee

Underwater Services Company Limited-Nomination and Remuneration/ CSR

Eternis Fine Chemicals Limited- Audit/Nomination and Remuneration/ CSR

Shareholding in the Company:

Mr. Arun Bewoor does not hold any equity shares in the Company.

Narendra Ambwani

Mr. Ambwani is a member of the Boards of leading corporations and social organizations and supports them with his experience and technical mastery accumulated over 25 years in his leadership role at Johnson and Johnson Limited. He retired from Johnson and Johnson Limited as its Managing Director.

He was on the Board of Governors of the Advertising Standards Council of India, on the Executive Council of the Indian Society of Advertisers and Member – National and Western Region FMCG Committee of CII. He also served as a Member of the Jury of Tata Innovista 2010 and served on the Evaluation Committee of the Birla Sun Awards 2010.

Mr. Ambwani holds a Bachelor's Degree in Electrical Engineering from the Indian Institute of Technology – Kanpur and holds a Post Graduate Diploma in Business Administration from IIM – Ahmedabad.

His DIN No. is 00236658.

Companies (other than Agro Tech Foods Limited) in which Mr. Narendra Ambwani holds Directorship and Committee Membership:

Directorship:

Godrej Consumer Products Limited

RPG Life Sciences Limited

Parag Milk Foods Limited

UTV Software Communications Limited

Zeus Career & Performance Coach Pvt Ltd.

Chairman of Board Committees

Godrej Consumer Products Limited- Nomination and Remuneration

Member of Board Committees

Godrej Consumer Products Limited – Audit/ CSR Committee

RPG Life Sciences Limited- Stakeholders Relationship

Parag Milk Foods Limited- Audit/ CSR Committee

UTV Software Communications Limited- Audit/ Nomination and Remuneration

Shareholding in the Company:

Mr. Narendra Ambwani does not hold any equity shares in the Company.

Veena Vishindas Gidwani

Veena Gidwani, a Management graduate with over 40 years' experience in Marketing, Advertising & PR, is an independent Strategic PR Consultant, Corporate Trainer and Teacher at post-graduate communication Institutes. Her corporate training programmes cover Leadership Training for women managers,

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Media handling workshops for senior corporate spokespersons and PR for Brand Building for brand managers. Veena retired as CEO of Madison Public Relations, the specialist Reputation Management unit of Madison World, in 2012, after a successful 12 year tenure, in which she grew the agency's client roster from one to an extensive list of blue-chip companies and brands; from a staff of four to a large team spread across four offices.

At Madison, she grew the business through innovative PR campaigns for MNC and Indian corporates & built a team of young, qualified & motivated professionals. Madison PR is recognized as a Brand PR specialist.

Veena has rich & varied experience at both agency & client ends. Since 1995, she was responsible for setting up & managing communications consultancies. Before joining Madison, Veena was President & CEO of Pressman Advertising's PR business, which she set up and built. She also had a successful tenure as Director and CEO of the Creative agency of Tata Donnelly Ltd.

She, represented India as Jury for the PR category at the Cannes Festival of Creativity 2011 and is the recipient of the Indira Super Achievers Award for Woman Achievers. She is Professor Emeritus at Symbiosis Institute of Media and Communication. She speaks at industry forums and Communication Conferences regularly.

Veena has served on several industry bodies in varied capacities including as President of PRCAI and PRSI Mumbai Chapter, Vice President, ISB Mumbai Chapter and on various committees of the Advertising Club. Her other interests include Indian music, playing bridge and cooking.

She is a Food Artist with PING Digital Broadcast and is featured on two channels IFN Sindhi and I've No Time To Cook on YouTube. Her first book The 'I've No Time To Cook' Book targeted at busy working professionals has been very successful. Veena contributes regularly to newspapers and magazines & has appeared on food shows on leading TV channels.

Her DIN is 06890544.

Companies (other than Agro Tech Foods Limited) in which Ms. Veena Gidwani holds Directorship and Committee Membership:

Directorship:

None

Chairperson of Board Committees

None

Member of Board Committees

None

Shareholding in the Company:

Ms. Veena Gidwani holds 500 equity shares in the Company.

Attendance record of the Directors seeking appointment/ re-appointment

Directors	Number of Meetings	
	Held	Attended
Jill Ann Rahman	4	4
Lt. Gen D B Singh	4	4
Sanjaya Kulkarni	4	3
Arun Bewoor	4	4
Narendra Ambwani	4	4
Veena Gidwani	4	4

Inter-se relationships between Board Members

There are no inter-se relationships between the Board Members.

Instructions for electronic voting (e-voting)

The complete details of the transactions to be conducted through e-voting is provided as an annexure to the Annual Report and is to be treated as an integral part of the Notice to the Annual General Meeting.

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REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors hereby present their Annual Report, together with the audited accounts of the Company for the financial year ended 31st March, 2019.

1. PERFORMANCE OF THE COMPANY

1.1 Results

Your Company's performance for the year ended 31st March, 2019 is as follows:

	(₹ Millions)	
	2018-19	2017-18
Net Sales	8,230.56	8,106.31
Other Income*	42.55	19.78
Total Income	8,273.11	8,126.09
Operating Expenses	7,589.44	7,459.51
PBDIT	683.67	666.58
Depreciation	167.73	174.72
Interest	0.94	2.53
Profit Before Tax (PBT)	515.00	489.33
Taxes	175.93	172.85
Profit After Tax (PAT)	339.07	316.48
Other Comprehensive income	(0.50)	(0.03)
Total Comprehensive income	338.57	316.45

*Includes other operating revenue

Net Sales for the year were 2 % higher than Prior Year with the Foods share of our business increasing by c300 basis points to 27% of the total business. The Foods business reached a new high of c ₹ 225 crore with a 14% growth over Prior Year driven by robust growth in *Act II Ready to Eat Snacks* and *Sundrop Peanut Butter* supporting steady growth in the *Act II Ready to Cook business*. The steady growth of the Foods business reflects the continued solid progress being made by the Company to be amongst India's best performing most respected Foods Companies. PBT was up 5% vs PY and PAT was up 7% vs PY.

1.2 Key Indicators

For FY'19 the Gross Margin and A&P figures are not comparable with figures for FY'18 due to the implementation of GST. Key indicators for FY'19 other than GM and A&P figures have been summarized below:

	(₹ Millions)	
	2018-19	2017-18
EBITDA	8.3%	8.2%
Profit Before Tax	6.3%	6.0%
Profit After Tax	4.1%	3.9%

In FY'19 the Company was able to successfully increase the Foods share of Revenues up to 27% and importantly the Foods share of Gross Margin reached a level of 33%. Simultaneously the Company

successfully offset the margin compression that was seen on Edible Oils to continue to deliver profitable growth.

2. DIVIDEND

Given the continued strong cash flow of the Company relative to the limited ongoing Capital Expenditure of the Company, your Directors are pleased to recommend a Dividend of ₹ 2.50 per equity share of the face value of ₹ 10 each for the year ended March 31st, 2019 subject to the approval of the shareholders at the Annual General Meeting to be held on July 17th, 2019.

(₹ Millions)

	2018-19	2017-18
STATEMENT OF RETAINED EARNINGS		
a) At the beginning of the year	2,634.90	2,374.86
b) Add: Profit for the year	339.07	316.48
c) Add: Other Comprehensive Income (net of tax)	(0.50)	(0.03)
e) Less: Dividends*	58.42	46.49
f) Less: Dividends Distribution Tax	12.52	9.92
g) At the end of the year	2,902.53	2,634.90

*Dividend given to Agro Tech ESOP Trust excluded of ₹2.51mm

3. RESPONSIBILITY STATEMENT

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis;
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure

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compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

4. CORPORATE GOVERNANCE

In terms of the Listing Regulations, a report on Corporate Governance along with Auditors' Report on its compliance is annexed, forming part of the Annual Report.

Additionally, this contains compliance report signed by the CEO of the Company in connection with compliance with the Code of Conduct, and also CEO/CFO Certification as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In line with the requirements of Companies Act, 2013, your Company has constituted the Board Committees and has in place all the statutory Committees required under the law. Details of Board Committees along with their terms of reference, composition and meetings of the Board and Board Committees held during the year, are provided in the Corporate Governance Report.

5. MANAGEMENT DISCUSSION & ANALYSIS REPORT (MD&A)

Based on feedback from members on the Annual Report and Accounts, this report includes MD&A as appropriate so that duplication and overlap between the Directors' Report and a separate MD&A is avoided and the entire material is provided in a composite and comprehensive document.

6. INDUSTRY STRUCTURE & DEVELOPMENTS

The Food Industry continues to see robust growth as a consequence of continued economic progress. We expect therefore that the Foods business which is the primary focus of your Company will continue to show strong momentum driven by new consumers entering these categories.

Key to capturing the benefits of this economic growth will be on the one hand distribution capabilities to reach out to consumers across the breadth of India and on the other a low cost structure in terms of Capital and Operating Costs. This will enable Companies to benefit from the scale of acquiring millions of consumers at the entry level while also using the scale to deliver innovation to improve Margin.

The emergence of on line food aggregators and on line entertainment are developments which are redefining the servicing of consumption opportunities particularly at the top of the pyramid. Your Company recognizes the need to carefully monitor these as we decide where to make our investments for the future to ensure that we are able to leverage these developments to our advantage while minimizing the threats.

7. OPPORTUNITIES AND THREATS:

The continued growth of the Indian Foods market represents an enormous opportunity for a steady growth in Revenues and Profits.

To capture this opportunity, your Company has steadily built up a powerful portfolio including Ready to Cook Popcorn, Peanut Butter, Ready to Eat Popcorn, Tortilla Chips and Extruded Snacks all of which are registering steady growth enabling your Company to maintain a Foods Revenue CAGR of c 17% over the last decade. Going forward, the intention is to continue to grow the current businesses while accelerating growth through entry into new but related categories where we believe we have competitive advantage and a "right to win".

The primary threat to your Company's P&L remains the significant contribution of the Edible Oils business. However, over time this has been significantly reduced and in FY'19 the Foods business contributed to 27% of Sales and 33% of Gross Margin. We are therefore steadily moving towards a situation where a dominant share of profits will come from our Foods business and the potential adverse impact of this threat is being steadily reduced.

8. STATE OF THE COMPANY'S AFFAIRS:

To take advantage of the steady growth of the country's Food Business it has been important for your Company to build a cost effective supply chain both in terms of Manufacturing Capabilities and in terms of Retail Distribution which can support our growth ambitions. Today your Company has a manufacturing network of 5 plants across the country and retail distribution coverage of c 400,000 stores.

Our Manufacturing Capabilities today include plants at Jhagadia, Kashipur, Unnao, Kothur and Mangaldai enabling us to reach out to significant parts of the country in a cost effective manner. The resultant significant in house manufacturing capabilities are also ensuring a steady flow of innovation as reflected in products such as *Act II Caramel Bliss* and *Peanut Butter & Jelly*. In addition the philosophy of in house manufacturing also means that with continued growth of the Foods business we can be confident of improved operating leverage translating into superior margins.

Our goal is to have a 7 plant structure operational in India which we believe will offer us the ability to reach out to most markets in India in a cost effective manner. Our 6th plant is to come up at Chittoor, Andhra Pradesh for which significant civil work has already been completed. However, your Company deferred the startup of the facility in order to take advantage of available Capital subsidies in the state, approval for which was received in January 2019. We

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are therefore now working on capital purchases and expect that over the next 12 months this plant will become operational. In January 2019, your Company also received approval from the West Bengal Government for conversion of land for industrial use, for a plot of land purchased by us near Kolkata for our 7th plant and we will be initiating work on this in the coming year.

In addition to the 5 plant network mentioned above in FY'19 your Company initiated commercial production at the plant in Dhaka, Bangladesh. Over time this plant will replace goods currently being imported into Bangladesh enabling us to offer improved value to consumers in Bangladesh and setting the foundation for a solid business in a fast growing neighbor of India.

FY'19 saw an unfortunate incident of fire at our Unnao Foods facility. The plant was fully insured and we have already received a part of our claim from the insurer. We are now working on rebuilding the plant which we expect will be done in FY'20.

In terms of Distribution, the powerful retail distribution network that we have built up with a retail coverage of c 400,000 stores means that we have the ability to deliver profitable growth since retailing is critical to selling value added products with the promise of higher margin. In FY'19 we added approx. 100 Distributors to our FY'18 base of 925 Distributors. Importantly this network is being increasingly strengthened because of our larger portfolio making the sales infrastructure less dependent on Company Subsidies and Company investment in Feet on Street. Going forward, this will be a significant competitive advantage since the cost of building a national distribution network is going to increase disproportionately with higher labor costs and therefore become a powerful advantage for those Companies that have already built a sustainable distribution network.

The task of laying out the infrastructure to become one of India's Best Performing Most Respected Foods Companies is a continuous one. However, we believe that we are well placed today both in terms of Manufacturing & Distribution. An increasing share of our output will now come from Brownfield projects making the task much easier in implementation terms. Simultaneously the larger product portfolio now means that we go to new Distributors with the promise of immediate profitability again making the task easier and feasible at a lower cost than we have incurred for the initial ramp up of Distribution.

9. PRODUCT CATEGORIES

9.1 Ready to Cook Snacks:

Revenues from the RTC Snacks business increased by 5% during FY'19 with a Volume Growth of 3% as our

investments behind the business were lower as a result of Gross Margin compression on the Oils business. We believe that with continued focus on Demonstration and Display and expansion of the Act II brand into related RTC categories this growth rate will be significantly accelerated.

9.2 Ready to Eat Snacks:

Revenues from the RTE Snacks business increased by 63% driven by an 83% increase in Volumes. All 3 categories of RTE Popcorn, Extruded Snacks and Tortilla Chips performed well and contributed to the growth, though the highest growth was in the area of RTE Popcorn where we have the greatest competitive advantage. This category will remain critical to us in the long term since it offers the greatest expansion of profitability for our Distributor Partners and naturally forces widespread retail coverage expansion on the back of which we are able to drive products such as Ready to Cook Snacks & Spreads.

9.3 Spreads:

Revenues from the Peanut Butter business increased by 21% with a Volume growth of 33%. Whilst this segment saw significant competitive activity our in house manufacturing capabilities which resulted in a competitive cost structure and high levels of innovation enabled us to maintain clear leadership. In FY'20 we expect to widen our product offerings within this category with the introduction of other Nut Butters and Chocolate Spreads.

9.4 Edible Oils:

In FY'19, Revenues from the Sundrop Edible Oils business were 4% lower than PY with Volumes lower by 5% reflecting the Price & Margin compression at the top end of the market. Revenues for the Crystal brand were however 10% higher (Volumes 2% lower) than PY reflecting the impact of imposition of import duties on the lower end of the Edible Oils market. We will continue to manage the Edible Oils category with minimal investments which enable us to support strong growth of the Foods business.

10. RESEARCH, QUALITY & INNOVATION (RQI)

The focus on in house manufacturing and resultant flow of information and unlocking of possibilities including network effects, has meant that FY'19 was a year in which the Company was able to advance significantly in terms of portfolio diversification. Some of these products have already been launched such as Peanut Butter & Jelly, Premium Caramel Bliss variants, "Better for You" variants in Peanut Butter and Ready to Eat Cereal Snacks.

Innovation will continue to be the driver of growth for your Company and we will make investments which ensure that we deliver to consumers products which meet their changing needs.

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11. CONSERVATION OF ENERGY, ABSORPTION, TECHNOLOGY, FOREIGN EXCHANGE AND EMPLOYEE PARTICULARS

A Statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as annexure and forms part of this report.

12. HUMAN RESOURCES / INDUSTRIAL RELATIONS

Engaged Employees are critical to the success of your Company. In FY'19 your Company successfully achieved an Engagement Score of 79%. The continuing strong momentum in the Company driven by solid Foods growth and Innovation has helped to achieve this level.

Your Company will continue to ensure that we have a highly engaged and productive organization to deliver against our vision of being amongst "India's Best Performing Most Respected Food Companies"

13. KEY FINANCIAL RATIOS

The details of significant changes in the key financial ratios are as follows:

	2018-19	2017-18	% Variance
(i) Debtors Turnover	12.58	18.14	-30.63%
(ii) Interest Coverage Ratio	548.87	194.41	182.33%
(iii) Current Ratio	2.82	2.22	26.91%

14. RETURN ON NET WORTH

The Return on Net worth as compared to the immediately previous financial year is as follows:

	2018-19	2017-18
(i) Return on Net Worth	9.02%	9.31%

15. PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 thereunder in respect of the top ten employees in terms of remuneration drawn and employees who were in receipt of remuneration aggregating ₹1.02 crores or more or were employed for part of the year and were in receipt of remuneration aggregating ₹8.50 lakhs per month or more during the financial year ending 31st March, 2019 is provided in the Annexure forming part of this Report.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

17. PARTICULARS OF CONTRACTS WITH RELATED PARTIES

All contracts or arrangements or transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract or arrangement or transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions, Companies Act, 2013 and Listing Regulations. Form AOC-2 containing the note on the aforesaid related party transactions is enclosed as Annexure and forms part of this Report.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website: http://www.atfoods.com/templates/home_tpl/pdf/other_info/policy_dealing_related_party_transactions.pdf

The related party disclosures, including detail of transaction with Promoter group, form part of the financial statements provided in this Annual Report.

18. EMPLOYEE STOCK OPTION PLAN

The Company, vide special resolution in the Annual General Meeting of the Company held on 25th July 2012 had approved "Agro Tech Employee Stock Option Plan" ("Plan"). The Plan was further modified vide special resolution in the Annual General Meeting held on 24th July 2015 to align it with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") and other applicable provisions for the time being in force. The Plan is administered by Agro Tech ESOP Trust ("Trust") under the supervision of the Nomination and Remuneration Committee of the Board of Directors of the Company ("Committee"). The Plan is in compliance with the provisions of SEBI Regulations and there has been no material change in the Plan during the year. Further details of the Plan are available on the website of the Company at www.atfoods.com.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has continued to drive the Corporate Social Responsibility program under Poshan where we provide Peanut Butter to under nourished children. Major focus area for implementation of this program is Bharuch district in Gujarat, where our Peanut Butter factory is situated. Apart from Gujarat, the program is also under implementation in Delhi, Hyderabad, Kashipur and Kolkata where our offices and factories are located. Anganwadi operations have got stabilized and spending behind the program this year has significantly increased by about 184% over the previous year. Spending for the year behind the program remained lower than the 2% of average Net

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Profit of last three financial years to be spent behind CSR activities but with the increasing spends year on year, we are progressing towards this goal.

As per the Companies Act, 2013 as amended by Companies (Amendment), Act, 2017, all Companies having net worth of ₹500 crore or more, or turnover of ₹1,000 crore or more or a net profit of ₹5 crore or more during the immediately preceding financial year will be required to constitute a CSR Committee of the Board of Directors comprising three or more directors, at least one of whom will be an Independent Director.

Aligning with the guidelines, the Company has constituted a CSR Committee comprising Lt. Gen. D B Singh as Chairman, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Veena Gidwani, Ms. Denise Lynn Dahl, Ms. Jill Ann Rahman and Mr. Hendrik Gerhardus Myburgh@ as its Members. The Committee is responsible for formulating and monitoring the CSR Policy of the Company. The CSR Policy of the Company, as approved by the Board of Directors is available on the Company's Website:http://www.atfoods.com/templates/home_tpl/pdf/other_info/ATFL%20CSR%20POLICY.pdf. The program Poshan also received the 2014 South Asia Platinum SABRE Award for Corporate Social Responsibility.

@ Mr. Hendrik Gerhardus Myburgh resigned as Member on 6th December, 2018.

20. RISK MANAGEMENT POLICY

The Company has formulated and adopted risk assessment and minimization framework which has been adopted by the Board at the Board Meeting held on 1st May 2006. The Company has framed a risk management policy and testing in accordance with the laid down policy is being carried out periodically. The Senior Management has been having regular Meetings for reassessing the risk environment and necessary steps are being taken to effectively mitigate the identified risks. A Risk Management Committee also has been constituted with a Committee of the Directors and senior management to address issues which may threaten the existence of the company.

21. WHISTLE BLOWER POLICY (VIGIL MECHANISM)

The vigil mechanism under Whistle Blower Policy has been approved by the Board of Directors on 17th October, 2014. This Whistle Blower Policy of the Company provides opportunities to employees to access in good faith, to the Management, concerns (in certain cases to the Audit Committee) in case they observe unethical or improper practices (not necessarily a violation of law) in the Company and to secure those employees from unfair termination and unfair prejudicial employment practices. The policy has also been uploaded on the website of the

Company:http://www.atfoods.com/templates/home_tpl/pdf/other_info/ATFL_WB%20Policy%20final.pdf

22. INFORMATION SYSTEMS

Your Company continues to focus on the use of technology and automation to drive productivity to work efficiently with our Customers & Suppliers while making available to our Employees robust information to ensure best in class analysis of the business and identification of opportunities to improve shareholder return.

23. FINANCE AND ACCOUNTS

23.1 Internal Controls

The Company has a robust system of internal controls commensurate with the size and nature of its operations, to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, prevention, and detection of fraud and error, accuracy and completeness of accounting records, timely preparation of reliable financial information and adherence to the Company's policies, procedures and statutory obligations.

Your Company has established standard operating procedures for smooth and efficient operations in addition to ensuring internal controls. Your Company has also documented:

- a comprehensive Code of Conduct for the Board Members and employees of your Company
- An Employee Handbook
- Whistle Blower Policy defined to provide channel of communication without fear
- Comprehensive framework for Risk Management, and
- CEO/CFO Certification for Financial Reporting Controls to the Board

The Company has appointed Internal Auditors to ensure adequacy of internal control systems and make recommendations thereto. Audit reports are circulated to management, which takes prompt action as necessary.

The Audit Committee of the Board meets periodically to review the performance as reported by Auditors. The Internal and External Auditors also attend the meetings and convey their views on the adequacy of internal control systems as well as financial disclosures. The Audit Committee also issues directives and/or recommendations for enhancement in scope and coverage of specific areas, wherever felt necessary.

23.2. Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's

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objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

23.3 Outlook

Your Company is rapidly approaching an inflexion point where the natural profitable growth in the Foods business will more than offset risks in the Edible Oils business creating a P&L where tight control on costs can enable the improved margin to flow through to the bottom line. We believe that the category choices that we have made and the relentless pursuit of the Revenue and Margin goals on the Foods business will ensure that we will become a significant player in the Indian Foods Industry and join the ranks of India's Best Performing Most Respected Food Companies.

24. DIRECTORS

In accordance with the provisions of Article 143 of the Articles of Association of the Company, in so far as it is not inconsistent with the relevant provisions of the Companies Act, 2013, Ms. Jill Ann Rahman retires by rotation and being eligible, offers herself for re-appointment. A brief profile of Ms. Jill Ann Rahman is given in the notice of the 32nd Annual General Meeting.

Mr. Hendrik Gerhardus Myburgh has resigned as Director of the Company. The Directors place on record their appreciation of the valuable services rendered and wise counsel given by Mr. Hendrik Gerhardus Myburgh during his tenure of Office as Director.

All the Independent Directors of the Company have also given a confirmation to the Company as provided under Section 149(6) of the Companies Act, 2013 and Regulation 25 (8) of SEBI (LODR) Regulations, 2015 that:

- a. they are persons of integrity and possess relevant expertise and experience;
- b.
 - i. they are or were not a promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the company;
 - ii. they are not related to promoters or other directors in the Company, its holding, subsidiary or associate Company;
- c. they do not have or had any pecuniary transaction or relationship other than remuneration as such director or having transaction not exceeding ten per cent of their total income or such amount as may be prescribed with the company, its holding, subsidiary or associate Company, or their

promoters, or directors, during the two immediately preceding financial years or during the current financial year;

- d. none of their relatives -
 - (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:
Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;
 - (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or
 - (iv) has or had any other pecuniary transaction or relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii) during the two immediately preceding financial years or during the current financial year.
- e. neither they nor any of their relatives -
 - (i) hold or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed,

Agro Tech Foods Limited

of—

- (A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
 - (iii) held together with any relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company;
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;
- f. they are not a non-independent director of any other company on the board of which any non-independent director of the Company is an independent director.
- g. they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.
- h. they possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

The Companies Act, 2013 provides for appointment of Independent Directors. Section 149(10) and (11) of the Act provides that Independent Directors shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the company. However no Independent Director shall be eligible for more than two consecutive terms of five years. The Act also specifies that the provisions of retirement by rotation as defined under Section 152 (6) and (7) shall not apply to such Independent Directors.

Lt. Gen. D B Singh, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor and Ms. Veena Gidwani

were appointed as non-executive and Independent Directors by the shareholders' at the 27th Annual General Meeting held on July 17, 2014, for a consecutive term of five years till July 2019, not liable to retire by rotation.

On 24th April, 2019, the Nomination and Remuneration Committee recommended and Board of Directors accorded their consent for the re-appointment of Lt. Gen. D B Singh, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor and Ms. Veena Gidwani as non-executive and Independent Directors for one more consecutive term of 5 years not liable to retire by rotation, subject to the Shareholders' approval.

A brief profile of all the above Directors is given in the notice of the 32nd Annual General Meeting.

25. MEETINGS OF THE BOARD

The Board of Directors met 4 times during the period April to March in the year 2018-2019 on the following dates:

1. 25th April, 2018
2. 26th July, 2018
3. 24th October, 2018
4. 22nd January, 2019

26. AUDIT COMMITTEE

The Company's Audit Committee presently comprises of six Directors, all except one are non-executive and Independent Directors. This is in compliance with Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Lt. Gen. D.B. Singh, an Independent Director, is the Chairman of the Committee while Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Denise Lynn Dahl and Ms. Veena Gidwani are its Members. The Charter of the Committee is in line with the requirements of Section 177 of the Companies Act, 2013 and the relevant clauses of the Listing Regulations.

27. CRITERIA FOR REMUNERATING DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The performance of the Company's Key Managerial Personnel, Whole time Director and Employees is measured on the progress being made on the strategic vision of the Company and Profitability. Progress against the strategic vision of the Company is measured by continued improvement in Gross Margin and share of the Foods business in the total Net Sales of the Company. Profitability is measured using Profit After Tax as a single measure.

The details as required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being provided as an Annexure to this Report.

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28. EVALUATION OF THE BOARD

The Company has formulated a Remuneration Policy in line with the requirements of the Companies Act, 2013. The performance evaluation of independent directors is done by the entire Board of Directors (excluding the director being evaluated). On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent directors.

The annual evaluation of the Board is done at three levels as (i) Board as a whole; (ii) Committees of the Board and (iii) Individual Directors and Chairperson. A detailed Questionnaire is circulated to all individual directors. The Directors are evaluated on the basis of the following performance evaluation criteria namely Knowledge and Competency, Fulfillment of functions, Ability to function as a team, Initiative, Availability and attendance, Commitment, Contribution and Integrity. The Additional criteria for Independent directors are Independence, Independent views and judgment.

The remuneration / commission to Non-Executive and Independent Directors shall be fixed as per the provisions contained under Companies Act, 2013. The Non- Executive / Independent Director may receive remuneration by way of fees for attending each meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹1,00,000/- (Rupees one lakh only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

For Independent Women Directors, the sitting fee paid is not less than the sitting fee payable to other directors.

Commission may be paid within the monetary ceiling limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

An Independent Director shall not be entitled to any stock options of the Company.

Copy of the Nomination and Remuneration policy is annexed as part of this Report and is also uploaded on the website of the Company, http://www.atfoods.com/templates/home_tpl/pdf/other_info/Nomination%20and%20Remuneration%20Policy.pdf

29. TRAINING OF INDEPENDENT DIRECTORS

Every new Independent Director of the Board attends an orientation. To familiarize the new inductees with the strategy, operations, business and functions of your Company, the Senior Management make presentations to the inductees about the Company's strategy, operations and products.

The Company also encourages and supports its Directors to update themselves with the rapidly

changing regulatory environment. Also, at the time of appointment of independent directors, the Company issues a formal letter of appointment describing their roles, functions, duties and responsibilities as a Director. The appointment letters issued to independent directors is uploaded on the website, http://www.atfoods.com/templates/home_tpl/pdf/other_info/terms_conditions_appointment_independent_directors.pdf

30. AUDITORS

As per the provisions of Section 139 (2)(b) of the Companies Act, 2013, no audit firm shall be eligible for appointment/reappointment for more than two terms of five consecutive years. Accordingly, M/s B S R & Associates LLP, has completed its term as per Section 139 (2)(b) and shall not be eligible for re-appointment as auditor.

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, are recommended for appointment as the Statutory Auditors of the Company to hold office from the conclusion of the 32nd Annual General Meeting to the conclusion of the 37th Annual General Meeting in place of M/s. B S R & Associates LLP, retiring auditors who were not eligible to be reappointed. The Company has received a certificate from M/s. Deloitte Haskins & Sells LLP to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and Companies (Audit and Audit Rules), 2014. The Company has received a certificate from M/s. Deloitte Haskins & Sells LLP to the effect that they are not disqualified to be appointed and to act as Auditors in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013 and Companies (Audit and Audit Rules), 2014.

The Report given by the existing Auditors, M/s. B S R & Associates LLP., Chartered Accountants on the financial statements of the Company for financial year 2018-19 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013 and hence, no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

31. COST AUDIT

The Company is required to maintain the cost records as specified by the Central Government under Section 148 (1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company. An Audit of the Cost Accounts maintained by the Company is also conducted by a Cost Auditor appointed by the Board subject to the approval of Shareholders.

32. SECRETARIAL AUDIT

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M/s. Tumuluru & Company, Company Secretaries, have been appointed to conduct the Secretarial Audit of the Company as required under the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (LODR) Regulations, 2015 for the financial year 2018-19. Copy of the Secretarial Audit Report in Form MR-3 is given as an Annexure to this Director's Report. The Secretarial Audit Report does not contain any qualification or adverse remarks.

33. SUBSIDIARY COMPANIES

Your subsidiary, Sundrop Foods India Private Limited has continued to perform the role of aiding the expansion of distribution and display of your products. At the end of FY'19 the number of sales staff on the rolls of the Company were 424.

Your company's wholly owned subsidiary Agro Tech Foods (Bangladesh) Pvt. Ltd has commenced production in FY'18. This has enabled the Company to build scale in Bangladesh and benefit from the economic growth of a neighboring emerging market.

Your Company will also be working towards leveraging your Company's wholly-owned subsidiary Sundrop Foods Lanka (Private) Limited and seek to establish a local low cost production model which will enable us to benefit from the growth of our neighboring countries.

During the year, the Board of Directors reviewed the affairs of the subsidiary Companies. The Company has published the audited consolidated financial statements for the financial year 2018-19 and the same forms part of this Annual Report. This Annual Report does not contain the financial statements of our subsidiaries. The statements highlighting the summary of the financial performance of the subsidiaries in the prescribed format is annexed to this Report. The audited financial statements and related information of subsidiaries are available for inspection during business hours at our registered office and will be provided to any shareholder on demand. The separate audited financial statements in respect of each subsidiary Companies is also available on the website of your Company. <http://www.atfoods.com/investor-relations/annual-reports.html>.

34. ANNUAL RETURN

An extract of the Annual Return in Form MGT-9 as provided under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management & Administration) Rules, 2014 prepared as on 31st March, 2019 is attached as an Annexure to this Directors' Report.

35. GENERAL

Your Directors state that no disclosures or reporting are being made in respect of the following items as there were no applicable transactions or events on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except under the ESOP scheme referred to in this Report.
4. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. The Company has complied with the provisions relating to constitution of Internal Complaints Committee and no cases reported or filed during the year pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
7. During the year, your Company has not accepted any public deposits under Chapter V of Companies Act, 2013.
8. In terms of provisions of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs.4,30,813.25/- (as on 31st March, 2019) of unpaid /unclaimed dividends will be transferred to Investor Education and Protection Fund.
9. During the year the Company has transferred 7,657 unclaimed shares to IEPF account on 30th October, 2018. The detailed list of unclaimed shares transferred to IEPF Authority is available in the Company's website www.atfoods.com

36. APPRECIATION

The Board places on record their appreciation for the contribution of its customers, employees, distributors, co-packers, suppliers and all other stakeholders towards performance of the Company during the year under review.

On Behalf of the Board

Sachin Gopal

Managing Director & CEO
DIN 07439079

Lt. Gen. D.B. Singh

Director
DIN 00239637

Dt: 24th April, 2019

ANNEXURES TO DIRECTOR'S REPORT

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Information under Rule 8(3) of the Companies (Accounts) Rules, 2014)

1. CONSERVATION OF ENERGY

Energy conservation is an indicator of how efficiently a company can conduct its operations. ATFL recognizes the importance of energy conservation and has undertaken various energy efficient practices that have strengthened the Company's commitment towards becoming an environment friendly organization.

Your Company continues to use energy efficient and sustainable HVAC programs at manufacturing facilities established at Kothur, Hyderabad, Kashipur, Uttarakhand, Unnao, Uttar Pradesh and Jhagadia, Gujarat and the new plant at Mangaldai, Assam. In addition the Company has ensured that all new lighting is moving to LED lamps together with a phasing out of all non LED lighting through a phased replacement program.

2. TECHNOLOGY ABSORPTION

In FY'19 your Company continued to use Technology to drive Competitive Advantage and provide high quality food products to our consumers. This included the launch of peanut butter with jelly designed to give consumers a unique option of healthy and tasty spread in an easy to use format and launch of Sundrop Popz a chocolate filled extruded cereal snack which can be a breakfast cereal as well as snacks. Your company also invested in in-house roasting of peanuts and bulk production of Indian snacks at the Jhagadia facility.

3. RESEARCH & DEVELOPMENT (R&D)

Your Company has spent about ₹19.26 Million (including capital R&D of ₹ 0.12 Million), this year towards Research and Development totaling to about 0.23% of the Company's turnover. Specific areas in which R & D was carried out by the Company include development of chocolate and peanut butter based products, gourmet popcorn range in sweet and savory both categories, shelf stable sweet corn snack, Roasted Chickpeas and Nut Butters including almond and cashew butter. There are also new variants developed for launch in tortilla chips, extruded savory snacks, Ready to Eat Popcorn and Indian snacks.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO (Accrual basis)

	₹ MM
Foreign Exchange earned in terms of inflows	8.67
Foreign Exchange outgo in terms of outflows	33.44

On Behalf of the Board

Sachin Gopal
Managing Director & CEO
DIN 07439079

Lt. Gen. D.B. Singh
Director
DIN 00239637

Dt: 24th April, 2019

Agro Tech Foods Limited

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) and (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(A) The percentage increase in remuneration of each Director and KMPs during the financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

S.No.	Name of the Director/KMP and Designation	Remuneration of Directors / KMP for Financial year 2018-19 in ₹	% age increase in the remuneration in the FY 2018-19	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Ms. Jill Ann Rahman Chairperson	-	-	-
2.	Ms. Denise Lynn Dahl Non-Executive Director	-	-	-
3.	Mr. Hendrik Gerhardus Myburgh* Non-Executive Director	-	-	-
4.	Lt. Gen. D B Singh Non-Executive Director	1,265,000	-3.80%	2.32:1
5.	Mr. Sanjaya Kulkarni Non-Executive Director	1,040,000	-20.91%	1.91:1
6.	Mr. Narendra Ambwani Non-Executive Director	1,265,000	-3.80%	2.32:1
7.	Mr. Arun Bewoor Non-Executive Director	1,265,000	-3.80%	2.32:1
8.	Ms. Veena Gidwani Non-Executive Director	1,265,000	-3.80%	2.32:1
9.	Mr. Sachin Gopal Managing Director & CEO	27,517,466	-3.47%	50.49:1
10.	Mr. Arijit Datta Chief Financial Officer	6,317,329	6.32%	Not Applicable
11.	Mr. Jyoti Chawla** Company Secretary	1,733,307	-	Not Applicable

* Mr. Hendrik Gerhardus Myburgh resigned as Director on 6th December, 2018.

** Comparative details of Ms. Jyoti Chawla is not being provided as she was not the Company Secretary for full year in the previous year.

Remuneration as given above does not include long-term compensated absences benefit accrued and gratuity benefit accrued since the same are computed based on actuarial valuation for all the employees and the amounts attributable to the managerial personnel cannot be ascertained separately.

In the financial year, there was an increase of 8% in the median remuneration of employees;

- There were 449 permanent employees on the rolls of Company as on 31st March, 2019;
- The Company follows a practice of bench marking the salaries of positions in similar Companies and adjusts the salaries of employees to make those competitive in the market. Other factors considered for salary revision are salary inflation in the market, reward for performance and retention risk. The average increase in the remuneration of employees was 9% reflecting the efforts put in by the employees for a steady growth in the core consumer foods business by 17% and overall business grew by 2%.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 9% whereas the increase in the managerial remuneration for the same

Agro Tech Foods Limited

financial year was 7%. Both increase are in line with the market bench marking and there are no exceptional circumstances and increases for managerial remuneration.

- There was 2% increase in the remuneration of Key Managerial Personnel.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

B) Information under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors Report for the financial year ended 31st March, 2019.

A. Employed throughout the year top ten employees in terms of remuneration drawn and employees who were in receipt of remuneration aggregating ₹ 1.02 crores or more

SR. NO.	NAME OF THE EMPLOYEE	AGE	QUALIFICATIONS	DESIGNATION/ NATURE OF DUTIES	DATE OF COMMENCEMENT OF EMPLOYMENT	EXPERIENCE (YEARS)	REMU-NERATION ₹	% OF EQUITY SHARES HELD	LAST EMPLOYMENT
1.	Sachin Gopal	59	B.A., MBA	Managing Director& CEO	02.04.2007	37	27,517,466	0.19	Procter & Gamble
2.	N Narasimha Rao	59	B.Sc., Master of Personnel Mgmt.	Sr VP HR & Corporate Communications	24.07.2006	33	16,287,638	-	Reliance Infocom
3.	Asheesh Kumar Sharma	49	B.Sc., PGDBM	VP- Marketing	02.07.2007	26	12,391,294	-	Gillete India Ltd
4.	Nilesh Agarwal	42	B.Com, PGDBM	Head of Sales	08.06.2008	21	9,267,729	-	Print-O-Graphics
5.	Dharmesh Kumar Srivastava	55	M.Tech. MBA	VP Supply Chain	08.07.2008	29	5,125,110	-	Procter & Gamble
6.	Arijit Datta	41	M.Com, CA	Chief Financial Officer	01.11.2006	15	6,317,329	-	Eveready Industries India Ltd.
7.	Sanjay K Srivastava	49	B.Sc., B.Tech.	Head of Manufacturing	12.06.2000	28	6,094,245	-	Siel Food & Fertilizers Industries
8.	Lalit Vij	56	B.Com, MBA ICWA	Head of Procurement and Packing Material	16.04.2005	26	5,896,164	-	Siel Food & Fertilizers Industries
9.	Rikesh Ramesh Kotwal	36	BE Civil, MBA	General Manager Sales-West	23.04.2012	15	4,038,120	-	Wipro Consumer Care
10.	J Kalpalatha	50	B.Com	General Manager Finance	05.07.1988	30	3,613,186	-	Nil

B. Employees employed partly during the year and who were in receipt of remuneration of ₹ 8,50,000/- and above per month

SR. NO.	NAME OF THE EMPLOYEE	AGE	QUALIFICATIONS	DESIGNATION/ NATURE OF DUTIES	DATE OF COMMENCEMENT OF EMPLOYMENT	EXPERIENCE (YEARS)	REMU-NERATION ₹	% OF EQUITY SHARES HELD	LAST EMPLOYMENT	DATE OF LEAVING
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*Please refer MGT-9 Remuneration of Directors and Key Managerial Personnel:

NOTES

1. All appointments are contractual.
2. No director is related to any other director or employee of the Company listed above.
3. Remuneration received includes salary, bonus, commission, medical expenses, contribution to Provident Fund, Company's contribution to Superannuation Funds, rent/ allowance paid for providing residential accommodation and where it is not possible to ascertain the actual expenditure incurred by the Company in providing a perquisite, the monetary value of such perquisites calculated in accordance with the Income Tax Act, 1961, and rules made there under.

On Behalf of the Board

Sachin Gopal
Managing Director & CEO
DIN 07439079

Lt. Gen. D.B. Singh
Director
DIN 00239637

Dt: 24th April, 2019

Agro Tech Foods Limited

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis – Not Applicable

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions'	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	* Please refer the note given below
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

* The detail of transactions between the Company and its related parties, names, nature of such contracts/arrangements/transaction and other detail is set out in Notes to Accounts under serial number 38 forming part of the standalone Financial Statements.

On Behalf of the Board

Sachin Gopal
Managing Director & CEO
DIN 07439079

Lt.Gen.D.B. Singh
Director
DIN 00239637

Place: Gurugram
Date: 24 April 2019

Agro Tech Foods Limited

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

(Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Agro Tech Foods Limited
31, Sarojini Devi Road
Secunderabad-500003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Agro Tech Foods Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 (herein after called as Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of
 - a) Foreign Direct Investment
 - b) Overseas Direct Investment and
 - c) External Commercial Borrowings (not applicable during the Audit period)
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable for the Audit Period**
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; **Not Applicable for the Audit Period**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and **Not Applicable for the Audit Period**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable for the Audit Period**
- vi. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company:
 - (a) Food Safety and Standards Act, 2006
 - (b) Agricultural Produce Grading and Marking Act, 1937

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Agro Tech Foods Limited

We further report that -

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to

monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- a. The Company has spent a sum of ₹ 4.62 Million towards Corporate Social Responsibility representing 1.06 % of its average net profits made during the three-immediate preceding financial years. 2% of the average net profits of the three preceding financial years are ₹ 8.69 Million.

for **Tumuluru & Company**
Company Secretaries

B V Saravana Kumar
Partner

ACS No. 26944

C. P. No. 11727

Place : Hyderabad

Date : 24th April, 2019

Note : This report is to be read with our letter of even date by the Secretarial Auditors, which is available on the website of the Company www.atfoods.com.

Agro Tech Foods Limited

Enclosure - A

To
The Members
Agro Tech Foods Limited
31, Sarojini Devi Road
Secunderabad-500003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the

compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **Tumuluru & Company**
Company Secretaries
B V Saravana Kumar
Partner
ACS No. 26944
C. P. No. 11727

Place : Hyderabad

Date : 24th April, 2019

Note : This report is to be read with our letter of even date by the Secretarial Auditors, which is available on the website of the Company www.atfoods.com.

Agro Tech Foods Limited

ANNUAL REPORT ON CSR ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013)

Objectives:

Your Company contributes to the society in addressing social issues like Malnourishment. Being in Foods business and the manufacturers of healthy foods like Peanut Butter etc., the Company strongly believes that we have an opportunity to play a key role in addressing one of serious social issues; Malnourishment.

Programs:

We have developed a program on the name of Poshan and under this program, the Company continues to partner with Government to provide Peanut Butter at Anganwadis run by the Government and Child Malnourishment Treatment Centers. Peanut Butter is rich in good quality Protein and it supplements the food given to the children at Anganwadis. Major focus area for implementation of this program is Bharuch district in Gujarat, where our Peanut Butter factory is situated. Apart from Gujarat, the program is also under implementation in Delhi, Hyderabad, Kashipur and Kolkata where our offices and factories are located. In the current financial year we have covered 33,500 children as against 9,500 children previous year under this program. On the spent side, we have spent an amount of 46 lac as against 16 lac previous year. The details of the policy are available on the website, www.atfoods.com

CSR Committee:

The Committee consists of the following Board Members:

1. Lt. Gen. D B Singh - Chairman
2. Mr. Sanjaya Kulkarni
3. Mr. Narendra Ambwani
4. Mr. Arun Bewoor
5. Ms. Veena Gidwani
6. Ms. Denise Lynn Dahl
7. Ms. Jill Ann Rahman
8. Mr. Hendrik Gerhardus Myburgh*

* Mr. Hendrik Gerhardus Myburgh has resigned as Director w.e.f. 6th December, 2018

Financial Details:

Section 135 of the Companies Act, 2013 and the Rules made thereunder prescribe that every Company having a net worth of ₹ 500/- crores or more, or turnover of ₹ 1,000/- crores or more or a net profit of ₹ 5 crores or more during immediately preceding financial year shall ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility policy. The provisions pertaining to CSR as prescribed under the Companies Act, 2013 are applicable to your Company. The financial details as required to be disclosed are as follows:

	₹ Millions
Particulars	
Average net profit of the company for last three financial years	434.35
Prescribed CSR Expenditure (2% of the average net profit as computed above)	8.69
Details of CSR spent during the financial year:	
Total amount to be spent for the financial year	8.69
Total amount spent during the year (1.06% of avg. net profit)	4.62
Amount unspent	4.07

Agro Tech Foods Limited

Details of amount spent on CSR activities during the financial year 2018-19

CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget)	Amount spent on the projects	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
Poshan: Under this program, we are providing Peanut Butter as additional nutritious supplement to the children at Anganwadis and schools.	Malnutrition and hunger eradication	The program is currently running in the Bharuch district of Gujarat ,Delhi, Kolkata in West Bengal, Hyderabad in Telangana, Vijayawada in Andhra Pradesh and Kashipur in Uttarakhand and is being extended to several states in India on a progressive basis.	8.69 Million	4.62 million	4.62 million	Entire amount spent directly by the Company

The Poshan program is designed to address malnourishment amongst children, working with Government Anganwadi's and Child Malnourishment Treatment Centers using Peanut Butter which is a rich source of protein and highly effective to fight malnutrition. Major focus area for implementation of this program is Bharuch district in Gujarat, where our Peanut Butter factory is situated. Apart from Gujarat, the program is also under implementation in Delhi, Hyderabad, Kashipur and Kolkata where our offices and factories are located. Anganwadi operations have got stabilized and spending behind the program this year has significantly increased by about 184% over the previous year. Spending for the year behind the program remained lower than the 2% of average Net Profit of last three financial years to be spent behind CSR activities but with the increasing spends year on year, we are progressing towards this goal.

CSR Committee Responsibility Statement

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

On Behalf of the Board

Sachin Gopal
Managing Director & CEO
DIN 07439079

Lt. Gen. D.B. Singh
Director
DIN 00239637

Dt: 24th April, 2019

Agro Tech Foods Limited

NOMINATION AND REMUNERATION POLICY

1. Introduction

The purpose of Nomination and Remuneration Committee is as under:

- to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal ;
- to carry out evaluation of every director's performance ;
- to formulate the criteria for determining qualifications, positive attributes and independence of a director ;
- to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations 2015, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors vide its resolution dated 17th October, 2014. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

2. Objective of the Policy

The policy is framed with the objective(s):

1. That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
2. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
3. That the remuneration to Directors, Key Managerial Personnel (KMP), and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

4. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.
5. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
6. To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
7. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
8. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
9. To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.
10. To meet the requirement of the disclosure of remuneration policy and the evaluation criteria in its Annual Report.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 17th October, 2014.

3. Definitions:

In this Policy unless the context otherwise requires:

1. 'Act' means Companies Act, 2013 and rules thereunder.
2. 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
3. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
4. 'Company' means Agro Tech Foods Limited.
5. 'Directors' means Directors of the Company.
6. 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013.

Agro Tech Foods Limited

7. 'Key Managerial Personnel' (KMP) means:
 - a. Chief Executive Officer and / or Managing Director
 - b. Whole-time Director
 - c. Chief Financial Officer
 - d. Company Secretary
 - e. Such other officer as may be prescribed
8. 'Ministry' means the Ministry of Corporate Affairs.
9. 'Regulations' refers to and comprise of Companies Act, 2013, and related Rules, Listing Agreement and such other rules and provisions as applicable to the matters dealt in by this Policy.
10. 'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional / vertical heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least one-half shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

The chairperson of the committee or, in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the company.

The Nomination and Remuneration Committee shall meet as often as required.

5. Policy for appointment, removal and performance evaluation of Director, KMP and Senior Management

Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise, experience and independence of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she

is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- c) The company shall not appoint or continue the employment of any person as managing director, whole-time director or manager who is below the age of twenty-one years or has attained the age of seventy years provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.
- d) Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder and provisions of Regulation 17 and 17A of SEBI (LODR) Regulations, 2015.

Term / Tenure

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director / Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director:

- Subject to provisions of Section 152, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

Agro Tech Foods Limited

Evaluation

1. Performance evaluation of Independent Directors
 - a. The Committee shall lay down the evaluation criteria for performance evaluation of independent directors.
 - b. The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report.
 - c. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).
 - d. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent directors.
2. The Committee shall also lay down the evaluation criteria for performance evaluation of directors other than independent directors and Senior management.
3. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).
4. Independent Director shall hold at least one meeting in a year, without attendance of non-independent directors (Non-ID's) and members of management to review :
 - a. performance of Non-IDs and BOD as a whole
 - b. performance of the Chairperson taking into consideration views of NEDs/ EDs
 - c. quantity/quality/flow of information from the management to the Board to effectively perform their duties

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the rules made thereunder and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6. Matters relating to the Remuneration for the Whole-time Director, KMP, Senior Management Personnel

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP, Senior Management Personnel and other Employees will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration to be paid to the Managing Director/Whole-time Director shall be in accordance with the conditions laid down in the provisions of the Companies Act, 2013 & the rules made thereunder.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/ Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Managing Director / Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

7. Remuneration to Managing Director / Whole-time Director, KMP, Senior Management Personnel

a) Fixed pay:

The Managing Director/Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites and other benefits including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

Agro Tech Foods Limited

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Managing Director/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

8. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the provisions contained under Companies Act, 2013.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending each meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1,00,000 (Rupees one lakh only) per

meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

For Independent Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

c) Commission:

Commission may be paid within the monetary ceiling limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock options of the Company.

9. Disclosure

The above Policy needs to be disclosed in the Board's report.

10. Amendments to the Policy

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Statement containing salient features of the financial statement of subsidiaries

[Pursuant to First Proviso to subsection (3) of Section 129, of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014-AOC-1]

Sl. No.	Name of Subsidiary Company	Reporting currency	As at 31 March 2019										For the year ended 31 March 2019 Refer note (c)					Country
			Exchange rates	Share capital	Share application money pending allotment	Reserves and surplus	Total assets	Total liabilities (Excluding share capital, share application money pending allotment and Reserves and surplus)	Investments	Turnover/ Total Income	Profit/ (loss) before tax	Tax expense/ (gain)	Profit for the year	Other comprehensive income	Total comprehensive income for the year	Proposed Dividend	% of Share holding	
1	Sundrop Foods India Private Limited	INR MM		20.00	-	36.07	68.98	12.92	-	143.80	11.64	(3.44)	15.08	0.76	15.84	-	100.00	India
2	Agro Tech Foods (Bangladesh) Pvt. Ltd.	INR MM	Refer note (a)	123.97	8.26	(22.67)	110.66	1.09	-	0.09	(11.27)	(3.17)	(8.10)	-	(8.10)	-	100.00	Bangladesh
		Taka MM		150.00	10.00	(27.43)	133.89	1.32	-	0.11	(13.47)	(3.79)	(9.68)	-	(9.68)	-		
3	Sundrop Foods Lanka (Private) Limited	INR MM	Refer note (b)	19.76	-	(8.58)	11.99	0.80	-	2.02	(4.32)	(0.69)	(3.63)	-	(3.63)	-	100.00	Sri Lanka
		LKR MM		50.00	-	(21.70)	33.43	5.12	-	4.84	(10.53)	(1.67)	(8.86)	-	(8.86)	-		

Notes:

- The exchange rate used to convert Taka to Rupees "0.826446281/Taka" for Agro Tech Foods (Bangladesh) Pvt. Ltd. balance sheet items.
- The exchange rate used to convert LKR to Rupees "0.395256917/LKR" for Sundrop Foods Lanka (Private) Limited balance sheet items.
- Converted at monthly average exchange rates.

Agro Tech Foods Limited

Form No. MGT – 9

Extract of annual Return as on the Financial Year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014

I. Registration and Other Details:

(i)	CIN	L15142TG1986PLC006957
(ii)	Registration Date	21/11/1986
(iii)	Name of the Company	AGRO TECH FOODS LIMITED
(iv)	Category / Sub-Category of the Company	LIMITED COMPANY
(v)	Address of the registered office and contact details	31, SAROJINI DEVI ROAD, SECUNDERABAD – 500 003 T.No. 040-66650240 Fax No.040-27800947
(vi)	Whether listed company (Yes / No)	YES
(vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	KARVY FINTECH PRIVATE LIMITED KARVY SELENIUM TOWER B, PLOT NO.31-32, GACHIBOWLI, FINANCIAL DISTRICT, NANAKRAMGUDA, HYDERBAD-500032 T.No.040-67161605, Email - einward.ris@karvy.com

II. Principal Business Activities of the Company:

Sl. No.	Name and Description of Main Products Services	NIC Code of the Product/service	% to total turnover of the company
1.	Edible Oils	104	73
2.	Others-Processed food products	107	27

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No.	Name and address of the company	CIN	Holding, Subsidiary / Associate	% of share held	Applicable Section
1	CAG-Tech (Mauritius) Limited	Not Applicable	Holding	51.77	2(87)(ii)
2	Sundrop Foods India Private Limited	U01119TG1990PTC011259	Subsidiary	100	2(87)(ii)
3	Agro Tech Foods (Bangladesh) Pvt. Ltd.	Not Applicable	Subsidiary	100	2(87)(ii)
4	Sundrop Foods Lanka (Private) Limited	Not Applicable	Subsidiary	100	2(87)(ii)

Agro Tech Foods Limited

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 1/4/2018				No. of Shares held at the end of the year 31/3/2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	-	-	-	-	-	-	-	-
(2) Foreign									
a) NRI(s) Individual (s)	-	-	-	-	-	-	-	-	-
b) Other - Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	12,616,619	-	12,616,619	51.77	12,616,619	-	12,616,619	51.77	-
d) Banks/FI's	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total A (2)	12,616,619	-	12,616,619	51.77	12,616,619	-	12,616,619	51.77	-
Total Shareholding of promoter									
(A) = A(1) + A(2)	12,616,619	-	12,616,619	51.77	12,616,619	-	12,616,619	51.77	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2,061,332	400	2,061,732	8.46	763,936	400	764,336	3.14	-5.32
b) Banks / FI	17,752	-	17,752	0.07	19,325	-	19,325	0.08	0.01
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's/FPI's	1,590,814	300	1,591,114	6.53	2,026,157	300	2,026,457	8.32	1.79
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	3,669,898	700	3,670,598	15.06	2,809,418	700	2,810,118	11.53	3.53
2. Non-Institutions									
(a) Bodies Corporate	2,278,468	5,757	2,284,225	9.37	2,340,688	5,557	2,346,245	9.63	0.26
(b)									
(i) Individual shareholders holding nominal share capital upto ₹ lakhs	2,117,671	253,684	2,371,355	9.73	2,519,202	219,762	2,738,964	11.24	1.51
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	2,027,606	-	2,027,606	8.32	2,358,071	-	2,358,071	9.68	1.36

Agro Tech Foods Limited

(a)									
- Clearing Members	30,793	-	30,793	0.13	4,466	-	4,466	0.02	-0.11
- Foreign Banks	-	-	-	-	-	-	-	-	-
- Non Resident Indians/ NRI Repatriable	136,008	200	136,208	0.56	233,503	200	233,703	0.96	0.40
- NBFCs Registered with RBI	10,000	-	10,000	0.04	5594	-	5594	0.02	-0.02
- Alternate Investment Fund	75,000	-	75,000	0.31	250,000	-	250,000	1.02	0.71
- IEPF	136,407	-	136,407	0.56	144,064	-	144,064	0.58	0.03
- Other Trust	1,500	-	1,500	0.01	1,500	-	1,500	0.01	0
Trusts	1,008,953	-	1,008,953	4.14	859,920	-	859,920	3.53	-0.61
Sub-total B(2)	7,822,406	259,641	8,082,047	48.23	8,717,008	225,519	8942527	48.23	-
Total Public Shareholding (A) = B(1) + B(2)	11,492,304	260,341	11,752,645	48.23	11,526,426	226,219	11,752,645	48.23	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	24108923	260,341	24,369,264	100.00	24,143,045	226,219	24,369,264	100.00	

(ii) Shareholding of Promoter-

S.No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	CAG TECH (MAURITIUS) LIMITED	12,616,619	51.77	-	12,616,619	51.77	-	-

(iii) Change in Promoters' Shareholding (please specify, if there is no change) for Financial Year 01.04.2018 to 31.03.2019.

1		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year 01.04.2018				
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change		No change	
	At the end of the year 31.03.2019				

iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) (Annexure at the end of the Directors Report)

1		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year 01.04.2018	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year 31.03.2019				

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v) Shareholding of Directors and Key Managerial Personnel

For each of the Directors and Key Managerial Personnel

1	Ms. Veena Vishindas Gidwani- Director	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year 01.04.2018	500	0.002	500	0.002
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year 31.03.2019	500	0.002	500	0.002

2	Mr. Sachin Gopal- Managing Director & CEO	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year 01.04.2018	45,672	0.19	45,672	0.19
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year 31.03.2019	45,672	0.19	45,672	0.19

3	Mr. Arijit Datta-Chief Financial Officer	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year 01.04.2018	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	As at 31.03.2019	-	-	-	-

4	Ms. Jyoti Chawla- Company Secretary	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year 01.04.2018	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	As at 31.03.2019	-	-	-	-

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V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding / accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2018				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year 31.03.2019				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director

Sl. No.	Particulars of Remuneration	Mr. Sachin Gopal	Total Amount*
1.	Gross Salary-		
	(a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	26,036,532	26,036,532
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	113,918	113,918
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- As % of Profit		
	- Other, specify		
5.	Others-		
	Employer contribution to Provident Fund	1,367,016	1,367,016
	Total (A)	27,517,466	27,517,466

*above remuneration is on payment basis

Note : Remuneration as given above does not include long-term compensated absences benefit accrued and gratuity benefit accrued since the same are computed based on actuarial valuation for all employees and the amounts attributable to Managing Director cannot be ascertained separately.

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B. Remuneration to other Directors :

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Lt. Gen D B Singh	Mr. Sanjaya Kulkarni	Mr. Arun Bewoor	Mr. Narendra Ambwani	Ms. Veena Gidwani	
1.	Independent Directors						
	Fee for attending board committee meetings	875,000	650,000	875,000	875,000	875,000	4,150,000
	Commission	390,000	390,000	390,000	390,000	390,000	19,50,000
	Others, please specify	-	-	-	-	-	-
	Total (1)	1,265,000	1,040,000	1,265,000	1,265,000	1,265,000	6,100,000
2.	Other Non-Executive Directors						
	Fee for attending board meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B) = (1+2)	1,265,000	1,040,000	1,265,000	1,265,000	1,265,000	6,100,000

C. Remuneration to key managerial personnel other than MD/Manager:

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount*
		Jyoti Chawla (CS)	Arijit Datta (CFO)	
1.	Gross Salary-			
	a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	1,678,430	5,847,461	7,525,891
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	4,221	261,038	265,259
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission			
	- As % of Profit			
	- Other, specify			
5.	Others -			
	Employer contribution to Provident Fund	50,656	208,830	259,486
	Total	1,733,307	6,317,329	8,050,636

*above remuneration is on payment basis.

VII. Penalties / Punishment / Compounding offences:

There were no penalties / punishment / compounding of offences for the year ending 31st March, 2019.

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AGRO TECH FOODS LIMITED SHAREHOLDING PATTERN OF TOP 11 SHAREHOLDERS BETWEEN 31/03/2018 AND 31/03/2019

Sl. No.	Folio/Dpid-Clientid	Category	Type	Name of the Share Holder	Shareholding at the beginning of the Year		Shareholding during the Year		Cumulative Shareholding during the Year	
					No of Shares	% of total shares of the company	No of Shares	% of total shares of the company	No of Shares	% of total shares of the company
1	IN30039415926090 30/03/2019	FPB	Opening Balance Closing Balance	CAG TECH MAURITIUS LIMITED	12616619	51.77	12616619	51.77	12616619	51.77
2	IN30378610001099 02/11/2018 04/01/2019 30/03/2019	MUT	Opening Balance Sale Sale Closing Balance	SBI EMERGING BUSINESSES FUND	1100000 420605 679395	4.51 1.73 2.79	1100000 679395 0	4.51 2.79 0.00	1100000 679395 0	4.51 2.79 0.00
3	IN30154918652179 30/03/2019	LTD	Opening Balance Closing Balance	M3 INVESTMENT PRIVATE LIMITED	1061266	4.35	1061266	4.35	1061266	4.35
4	IN30002011547235 04/05/2018 11/05/2018 18/05/2018 15/06/2018 07/09/2018 28/09/2018 02/11/2018 23/11/2018 21/12/2018 28/12/2018 01/02/2019 01/03/2019 08/03/2019 15/03/2019 29/03/2019 30/03/2019	EMW	Opening Balance Sale Sale Sale Sale Sale Sale Sale Sale Sale Sale Sale Sale Sale Sale Sale Sale Closing Balance	AGRO TECH ESOP TRUST	1008953 2775 1024 1000 2000 10000 5000 35500 9734 27000 18000 5000 15000 10000 5000 2000	4.14 0.01 0.00 0.00 0.01 0.04 0.02 0.15 0.04 0.11 0.07 0.02 0.06 0.04 0.02 0.01	1008953 2775 1024 1000 2000 992154 987154 951654 941920 914920 896920 891920 876920 866920 861920 859920	4.14 4.13 4.12 4.12 4.11 4.07 4.05 3.91 3.87 3.75 3.68 3.66 3.60 3.56 3.54 3.53	1008953 1006178 1005154 1004154 1002154 992154 987154 951654 941920 914920 896920 891920 876920 866920 861920 859920	4.14 4.13 4.12 4.12 4.11 4.07 4.05 3.91 3.87 3.75 3.68 3.66 3.60 3.56 3.54 3.53
5	IN30016710081207 06/04/2018 13/04/2018 20/04/2018 30/03/2019	MUT	Opening Balance Sale Sale Sale Closing Balance	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL	878241 157705 640752 79784	3.60 0.65 2.63 0.33	878241 720536 79784 0	3.60 2.96 0.33 0.00	878241 720536 79784 0	3.60 2.96 0.33 0.00
6	IN30036020014183 30/03/2019	PUB	Opening Balance Closing Balance	JHUNJUNWALA RAKESH RADHESHYAM	817700	3.36	817700	3.36	817700	3.36
7	IN30014210712060 18/05/2018 25/05/2018 13/07/2018 02/11/2018 30/03/2019	FPI	Opening Balance Purchase Purchase Purchase Closing Balance	PARI WASHINGTON INDIA MASTER FUND, I. LTD.	810166 100000 100000 181887 423272	3.32 0.41 0.41 0.75 1.74	810166 910166 1010166 1192053 1615325	3.32 3.73 4.15 4.89 6.63	810166 910166 1010166 1192053 1615325	3.32 3.73 4.15 4.89 6.63
8	IN30036020014601 22/02/2019 30/03/2019	PUB	Opening Balance Sale Closing Balance	JHUNJUNWALA REKHA RAKESH	424559 25000	1.74 0.10	424559 399559	1.74 1.64	424559 399559	1.74 1.64
9	IN30415810018140 30/03/2019	PUB	Opening Balance Closing Balance	RAKESH JHUNJUNWALA	400000	1.64	400000	1.64	400000	1.64
10	IN30016710059939 18/05/2018 25/05/2018 13/07/2018 30/03/2019	FPI	Opening Balance Sale Sale Sale Closing Balance	EAST SAIL	381887 100000 100000 181887	1.57 0.41 0.41 0.75	381887 281887 181887 0	1.57 1.16 0.75 0.00	381887 281887 181887 0	1.57 1.16 0.75 0.00
11	IN30016710063503 30/03/2019	FPI	Opening Balance Closing Balance	SAMSUNG INDIA SECURITIES MASTER INVESTMENT TRUSTE	200000	0.82	200000	0.82	200000	0.82

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REPORT ON CORPORATE GOVERNANCE

As per regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2019

1. COMPANY'S PHILOSOPHY

AGRO TECH FOODS LIMITED AIMS TO -

- Be among the Best Performing Most Respected Foods Company in India.
- Offer superior value to customers by meeting their specific food preferences with relevant and tailored quality products and services, delivered at competitive prices, using world-class systems and processes.
- In so far as compliance with the requirement of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Indian Stock Exchanges is concerned, the Company is in compliance with the norms and disclosures that have to be made on Corporate Governance.

2. COMPLIANCE WITH MANDATORY REQUIREMENTS

I. BOARD OF DIRECTORS

A) Composition and category of the Board

The composition of the Board of Directors of the Company is in conformity with the Code of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the Board of Directors and their Directorships/ Memberships in Board/ Board Committees respectively, of other Companies (excluding Agro Tech Foods Limited, Private Limited Companies, Foreign Companies and Other Directorships) are as under:

Sl. No.	Name of Director	Category of Director	Relationship with Other Directors	No. of Directorship in other Companies#		Committee Memberships^	
				Chairman	Member	Chairman	Member
Non-Executive							
1.	Ms. Denise Lynn Dahl	Non-Executive	None	-	-	-	-
2.	Ms. Jill Ann Rahman	Chairperson & Non-Executive	None	-	-	-	-
3.	Mr. Hendrik Gerhardus Myburgh *	Non-Executive	None	-	-	-	-
4.	Lt. Gen. D.B. Singh	Independent	None	-	-	-	-
5.	Mr. Sanjaya Kulkarni	Independent	None	1	3	1	2
6.	Mr. Arun Bewoor	Independent	None	1	2	1	2
7.	Mr. Narendra Ambwani	Independent	None	-	4	-	4
8.	Ms. Veena Vishindas Gidwani	Independent	None	-	-	-	-
9.	Mr. Sachin Gopal	Executive	None	-	-	-	-

* Mr. Hendrik Gerhardus Myburgh has resigned as Director on 6th December, 2018.

Other directorships exclude private limited companies, foreign companies and companies under section 8 of the Companies Act, 2013.

^ Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

None of the Independent Directors have any pecuniary relationship or transactions with the Company, its promoters, its Senior Management or its subsidiaries which in the judgment of Board may affect the independence of the Director except receiving sitting fees for attending Board/ Committee Meetings and Commission from the Company.

B) Non-Executive Directors' compensation and disclosures

All fees paid to Non-Executive Directors including Independent Directors are fixed by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. The Company has no Employee Stock Option Scheme for Non-Executive Directors and hence, no stock options are granted to Non-Executive Directors, including Independent Directors.

None of the Directors are related to each other, the Key Managerial Personnel or their relatives. Also, none of the Non-Executive Directors, except Ms. Veena Vishindas Gidwani who holds 500 shares, hold any shares or convertible

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instruments in the Company.

The details of the methodology adopted by the Company for familiarizing the Independent Directors with the business and operations of the Company is uploaded on the website and can be accessed on <http://www.atfoods.com/investor-relations/other-information.html>.

C) Other provisions as to Board and Committees

i) Number of Board Meetings held in Financial Year 2018-19 with dates and attendance of Directors:

Four Board Meetings were held during the Financial Year 2018-2019. They were held on 25th April, 2018, 26th July, 2018, 24th October, 2018 and 22nd January, 2019.

The attendance record of each Director was as under:

Sl.No.	Name of Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance of last AGM
1.	Lt. Gen. D.B. Singh	4	4	Yes
2.	Mr. Sanjaya Kulkarni	4	3	Yes
3.	Mr. Arun Bewoor	4	4	Yes
4.	Mr. Narendra Ambwani	4	4	Yes
5.	Ms. Veena Vishindas Gidwani	4	4	Yes
6.	Ms. Denise Lynn Dahl	4	4	Yes
7.	Ms. Jill Ann Rahman	4	4	Yes
8.	Mr. Hendrik Gerhardus Myburgh *	4	1	Yes
9.	Mr. Sachin Gopal	4	4	Yes

(AGM - Annual General Meeting)

* Mr. Hendrik Gerhardus Myburgh has resigned as Director on 6th December, 2018.

ii) Information to be made available to the Board

Among others this includes:

- Review of annual operating plans of business, capital budgets and updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of Meeting of Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and the Company Secretary.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Any materially significant effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue which involves possible public or product liability claims of a substantial nature including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.

- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
 - Significant labour problems and their proposed solutions.
 - Significant development on human resources and industrial relations fronts.
 - Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
 - Quarterly details of foreign exchange exposure and the steps taken by Management to limit the risks of adverse exchange rate movement and non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.
- The Board of the Company is/will be routinely presented with all information under the above heads whenever applicable and materially significant. These are/will be submitted either as part of the agenda papers well in advance of the Board Meetings or are/will be tabled during the course of the Board Meetings with the approval of the Chairman.

iii) Secretarial Standards relating to Meetings:

The Institute of Company Secretaries of India (ICSI) has established Secretarial Standards relating to the Meetings of the Board and Committees thereof, Annual General Meetings,

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Dividends, Registers & Records, Minutes and Transmission of Shares & Debentures, etc., of these, the Secretarial Standards on Meetings of the Board of Directors and the General Meetings have been made mandatory with effect from 1st July, 2015 and their revised version have been made effective from 1st October, 2017. Agro Tech Foods Limited complies with the mandatory Standards fully.

- iv) All the Directors have informed the Company about their Directorship and Committee's membership in other listed and unlisted public limited companies and have notified changes from time to time. As at the year end, none of the Directors is a Member of more than ten Board-level Committees or a Chairman of more than five such Committees, as required under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also, none of the Independent Directors are serving as such in more than seven listed entities.

v) **Independent Directors' Meeting**

During the year, the Independent Directors met on 22nd January, 2019 without the presence of non-independent directors and members of management inter alia to review their role, functions and duties. They further reviewed the guidelines of professional conduct as enumerated in Schedule IV (Code for

Independent Directors) of the Companies Act, 2013. During the said meeting, the Independent Directors reviewed the performance of non-executive Director, including the Chairman and the Board as a whole.

They also assessed the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform its duties and found them to be satisfactory.

- vi) The Board affirms its opinion that the independent directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, and are independent of the management.

D) Code of Conduct

A revised Code of Conduct which has been approved by the Board of Directors on 17th April, 2015 that has been communicated to all Board Members and Employees of the Company and also posted on Corporate Governance link of the Company's web site, www.atfoods.com. As required under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

Certificate of Compliance with the Code of Conduct for Board Members and Senior Management Personnel

To
The Members of
Agro Tech Foods Limited.

I, Sachin Gopal, Managing Director & CEO of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2019.

Date: 24th April, 2019

For Agro Tech Foods Limited

Sachin Gopal
Managing Director & CEO

Agro Tech Foods Limited

E) Matrix setting out the core skills/expertise/competence of the Board of Directors of the Company

S. No.	Name of the Director	Core skills/expertise/competencies	Educational & Professional Qualifications
1.	Jill Ann Rahman	Progressive Brand Building & P&L Leadership	MBA in Marketing
2.	Denise Lynn Dahl	Transforming Financial Business & Developing Control Processes	CPA
3.	Lt. Gen. D.b. Singh	Strategic Leadership & People Development	B Tech
4..	Sanjaya Kulkarni	Fiduciary Understanding & Risk Management	IIT, Mumbai
5.	Arun Bewoor	Operational Leadership & People Development	Honors Degree in Physics and Mathematics
6.	Narendra Ambwani	Brand Building & Strategic Leadership	IIT Kanpur and Post Graduate Diploma in Business Administration – IIM Ahmedabad
7.	Veena Vishindas Gidwani	Media & Social Environment	Management Graduate in Marketing
8.	Sachin Gopal	Strategic & Operational Leadership	MBA from IIM Ahmedabad

F) Whistle Blower Policy

The vigil mechanism under Whistle Blower Policy has been approved by the Board of Directors on 17th October, 2014. This Whistle Blower Policy of the Company provides opportunities to employees to access in good faith, to the Management, concerns (in certain cases to the Audit Committee) in case they observe unethical or improper practices (not necessarily a violation of law) in the Company and to secure those employees from unfair termination and unfair prejudicial employment practices.

The Whistle Blower Policy has been communicated to all Board Members and Employees of the Company and also posted under Investor Relations (Corporate Governance) link of the Company's web site, www.atfoods.com as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. http://www.atfoods.com/templates/home_tpl/pdf/other_info/ATFL_WB%20Policy%20final.pdf

The Company affirms that it has not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and it will provide protection to "whistle blowers" from unfair termination and other unfair prejudicial employment practices.

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II. AUDIT COMMITTEE

A) Composition:

The Company's Audit Committee presently comprises of six directors, all except one (Ms. Denise Lynn Dahl) are non-executive and Independent Directors. This is in compliance with Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. Lt. Gen. D.B. Singh, an Independent Director, is the Chairman of the Committee while Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Denise Lynn Dahl and Ms. Veena Vishindas Gidwani are its Members. The Managing Director & CEO, Chief Financial Officer, the Internal Auditors and the Statutory Auditors attend the Meetings by invitation. Ms. Jyoti Chawla, Company Secretary acts as Secretary to the Committee.

The Committee met 4 times during the year 2018-2019 on 25th April, 2018, 25th July, 2018, 24th October, 2018 and 22nd January, 2019.

The attendance record of each Director was as under:

Sl. No.	Name of Director	No. of Meetings held	No. of Meetings attended
1.	Lt. Gen. D.B. Singh	4	4
2.	Mr. Sanjaya Kulkarni	4	3
3.	Mr. Arun Bewoor	4	4
4.	Mr. Narendra Ambwani	4	4
5.	Ms. Veena Vishindas Gidwani	4	4
6.	Ms. Denise Lynn Dahl	4	4

Permanent Invitees

Mr. Sachin Gopal, Managing Director & CEO and Mr. Arijit Datta, Chief Financial Officer are permanent Invitees.

The representatives of the statutory auditors and internal auditors are also the permanent invitees and they have attended all the meetings held during the year.

B) Powers of Audit Committee

The primary objective of Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting. The Audit Committee has powers to:

- Investigate any activity within its terms of reference
- Seek information from any employee
- Obtain outside legal or other professional advice and

- secure attendance of outsiders with relevant expertise wherever it considers necessary

C) Role of the Audit Committee

The role of the audit committee is in line with the role of the audit committee and the information to be reviewed by the audit committee as specified in Part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on the exercise of judgment by management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;
- (5) reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's

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independence and performance, and effectiveness of audit process;

- (8) approval or any subsequent modification of transactions of the listed entity with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of the listed entity, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.

The audit committee shall mandatorily review the following information:

- (1) management discussion and analysis of financial condition and results of operations;
- (2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (3) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) internal audit reports relating to internal control weaknesses;
- (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- (6) statement of deviations:
 - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

D) Remuneration of Directors

Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance. It shall also formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The terms of reference and performance evaluation criteria for independent directors is mentioned elsewhere in the Annual Report.

Composition:

The Company's Nomination and Remuneration Committee presently comprises of Seven directors, majority being non-executive and Independent Directors. Lt. Gen. D.B. Singh an Independent Director, is the current Chairman of the Committee while Ms. Denise Lynn Dahl, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Veena Vishindas Gidwani and Ms. Jill Ann Rahman are its Members.

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Sl. No.	Name of Director	No. of Meetings held	No. of Meetings attended
1.	Lt. Gen. D.B. Singh	1	1
2.	Mr. Sanjaya Kulkarni	1	1
3.	Mr. Arun Bewoor	1	1
4.	Mr. Narendra Ambwani	1	1
5.	Ms. Veena Vishindas Gidwani	1	1
6.	Ms. Denise Lynn Dahl	1	1
7.	Ms. Jill Ann Rahman	1	1
8.	Mr. Hendrik Gerhardus Myburgh*	1	0

* Mr. Hendrik Gerhardus Myburgh has resigned as Director on 6th December, 2018.

The Nomination and Remuneration Committee Meetings was held once during the year 2018-19 on 25th April, 2018 to consider the

1. Evaluation of Board and their Committees thereof etc.

2. Discussion on ratings and management appraisal.

Remuneration policy

Managing Director & CEO Mr. Sachin Gopal is paid remuneration as per the terms approved by the Nomination and Remuneration Committee, the Board of Directors of the Company, the Shareholders of the Company and the Central Government's approval vide its letter dated 3rd August, 2017. The remuneration of Managing Director & CEO comprises of salary, perquisites and allowances, contributions to Provident Fund and Superannuation. Further, Managing Director & CEO is entitled to performance incentive for each financial year, as may be determined by the Board on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration policy forms part of the Directors' Report as an Annexure.

Remuneration paid to Managing Director & CEO for the year ended 31st March, 2019:

(in ₹)

Name of the Director	Sitting Fees (Incl. Committee Meetings)	Salary & Bonus	Contribution to PF and other funds	Other perquisites and allowances	Total
Mr. Sachin Gopal	Nil	15,544,117	1,480,934	10,492,415	27,517,466

Note : Remuneration as given above does not include long-term compensated absences benefit accrued and gratuity benefit accrued since the same are computed based on actuarial valuation for all employees and the amounts attributable to Managing Director cannot be ascertained separately.

Criteria for making payments to Non-Executive Directors

Non-Executive Directors of the Company are entitled to remuneration by way of commission for each financial year, up to a maximum of ₹ 3,90,000/- individually, as approved by the Shareholders. Payment of commission is determined inter alia, on the basis of the Company's performance and regulatory provisions.

The Company also pays sitting fees to its Non-Executive Independent Directors as permitted by the provisions of the Companies Act, 2013 for attending Meetings of the Board and other Committees of the Board. The sitting fees for the meetings paid to the Non-Executive Independent Directors are as under.

Audit Committee	₹ 75,000/-
Board Meeting	₹ 1,00,000/-
Other Meetings	₹ 25,000/-

The appointment of Executive Directors is governed by Resolutions passed by the Board of Directors and

the Shareholders of the Company, which covers the terms and conditions of such appointment.

Board Evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees, and executive / non-executive / independent directors through a peer evaluation, excluding the director being evaluated. The performance evaluation of independent directors is done by the entire Board of Directors (excluding the director being evaluated). On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent directors.

The annual evaluation of the Board is done at three levels as (i) Board as a whole; (ii) Committees of the Board and (iii) Individual Directors and Chairperson. A detailed Questionnaire is circulated to all individual directors. The Directors are evaluated on the basis of the following performance evaluation criteria namely Knowledge and Competency, Fulfillment of functions, Ability to function as a team, Initiative, Availability and attendance, Commitment, Contribution and Integrity. The Additional criteria for Independent directors are

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Independence, Independent views and judgment.

III. SUBSIDIARY COMPANIES

The Company has three wholly owned subsidiaries, Sundrop Foods India Private Limited, Agro Tech Foods (Bangladesh) Private Limited and Sundrop Foods Lanka (Private) Limited. During the year 2018-19, Sundrop Foods India Private Limited has continued to perform the role of aiding the expansion of distribution and display of your products. This is a non-material and unlisted Company. Agro Tech Foods (Bangladesh) Private Limited has been incorporated on 8th April, 2012 and the Company has commenced its operations in December, 2017 and has commenced production in FY18. This is an unlisted Company. Sundrop Foods Lanka (Private) Limited has been incorporated on 27th January, 2015. The establishment of this subsidiary has enabled the Company to build scale in Sri Lanka and benefit from the economic growth of a neighboring emerging market. This is an unlisted Company. The policy for determining material subsidiaries is posted on the website of the Company http://www.atfoods.com/pdf/policy_determining_material_subsiidiary.pdf.

Board Disclosures – Risk Management

The Company has formulated and adopted risk assessment and minimization framework which has been adopted by the Board at the Board Meeting held on 1st May 2006, and on 17th October, 2014. The Company has framed a Risk Management Policy and testing in accordance with the laid down policy is being carried out periodically. The Senior Management has been having regular Meetings for reassessing the risk environment and necessary steps are being taken to effectively mitigate the identified risks. A Risk Management Committee also has been constituted, though not mandatory. The Company's Risk Management Committee comprises of 8 directors, majority being Non Executive and Independent Directors. Lt. Gen. D.B. Singh an Independent Director, is the Chairman of the Committee while, Ms. Denise Lynn Dahl, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Veena Vishindas Gidwani, Ms. Jill Ann Rahman, Mr. Sachin Gopal, Mr. Arijit Datta (CFO) and Ms. Jyoti Chawla (Company Secretary) are its Members.

The attendance record of members is as under:

Sl. No.	Name of Director	No. of Meetings held	No. of Meetings attended
1.	Lt. Gen. D.B. Singh	1	1
2.	Mr. Sanjaya Kulkarni	1	1
3.	Mr. Arun Bewoor	1	1
4.	Mr. Narendra Ambwani	1	1
5.	Ms. Veena Vishindas Gidwani	1	1
6.	Mr. Sachin Gopal	1	1
7.	Ms. Denise Lynn Dahl	1	1
8.	Ms. Jill Ann Rahman	1	1
9.	Mr. Hendrik Gerhardus Myburgh*	1	0
10.	Mr. Arijit Datta	1	1
11.	Ms. Jyoti Chawla	1	1

The Risk Management Committee Meeting was held during the year 2018-19 on 22nd January, 2019.

*Mr. Hendrik Gerhardus Myburgh has resigned as Director on 6th December, 2018.

IV. DISCLOSURES

a) Basis of related party transactions

There have been no material significant related party transactions that may have potential conflict with the interest of the Company at large.

The particulars of transactions between the Company and its related parties (As specified in IndAS- 24 "Related Party Disclosures"), is set out in Notes to Accounts under serial number 38 forming part of the standalone, IndAS Financial Statements. These transactions are not likely to have any conflict with the Company's interests.

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and interested Directors neither participate in the discussions, nor do they vote on such matters.

The details of transactions with related parties are placed before the Audit Committee and the Committee has reviewed the same for the year ended 31st March, 2019.

The policy on dealing with related party transactions has been posted on the website of the Company and can be found on http://www.atfoods.com/pdf/policy_dealing_related_party_transactions.pdf

b) Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards. The Management reviews the accounting treatments adopted and wherever deviations noted, will be presented in the Financial

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Statements. A detailed report on significant accounting policies is provided elsewhere in the Annual Report.

(c) Disclosure on Website

Following information has been disseminated on the website of the Company at www.atfoods.com

1. Details of business of the Company
2. Terms and Conditions of appointment of Independent Directors
3. Composition of various Committees of Board of Directors
4. Code of Conduct for Board of Directors and Senior Management Personnel
5. Details of establishment of vigil mechanism / Whistle Blower Policy
6. Criteria of making payments to Non-Executive Directors
7. Policy on dealing with Related Party Transactions
8. Policy for determining 'material subsidiaries'
9. Details of familiarization programmes imparted to Independent Directors
10. Policy for determination of materiality of events
11. Contact information of the Compliance Officer/ Nodal Officer of the Company who are responsible for assisting and handling investor grievances
12. Financial information including:
 - (i) notice of meeting of the board of directors where financial results were discussed;
 - (ii) financial results, on conclusion of the meeting of the board of directors where the financial results were approved;
 - (iii) complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc;
13. Shareholding pattern
14. Schedule of analyst or institutional investor meet and presentations made by the Company
15. Newspaper Publications Copies for items specified in Regulation 47(1) of LODR Regulations
16. Credit ratings obtained by the Company
17. Financial Statements of its subsidiaries

d) Management

- (i) The Management Discussion and Analysis Report as part of Directors' Report to the shareholders is provided elsewhere in the Annual Report.
- (ii) For the year ended 31st March, 2019, your Company's Board has obtained Senior

Management affirmations that there has been no material, financial and commercial transactions where they have personal interest that may have a potential conflict with the interests of the Company at large.

e) Commodity Price Risk / Foreign Exchange Risk and Hedging Activities

Your Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from the market volatility in terms of price and availability based on procurement team's monitoring and intelligence, forecasts of commodity prices and movements. A robust planning and strategy ensure the Company's interests are protected despite volatility in commodity prices.

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitment. Foreign exchange exposures are fully covered at inception except for exposures which are open and no firm date of settlement is available. There are no materially uncovered exchange rate risks in the contexts of the Company's imports and exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31st March, 2019 are disclosed in Note 44 in Notes to the standalone IndAS financial statements.

f) Shareholders Information

- (i) The quarterly results are sent to the stock exchange on which the Company is listed and also displays the same on its own web-site.

(ii) Share Transfer Committee

The present Members of the Committee are Company Secretary and Compliance Officer of the Company, and the General Manager of M/s. Karvy Fintech Private Limited, the Registrars and Share Transfer Agents. Committee met 43 times during the year 2018-2019. All the applications for share transfers received during the year 2018-2019 have been approved.

(iii) Stakeholders Relationship Committee (SRC)

The Stakeholders Relationship Committee presently comprises of five Non-Executive Independent Directors namely:

- Lt. Gen.D.B. Singh (Chairman)
- Mr. Sanjaya Kulkarni
- Mr. Arun Bewoor

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- Mr. Narendra Ambwani
- Ms. Veena Vishindas Gidwani

The terms of reference are

- to review and redress the Shareholders' and Investors' Grievances and queries in relation to transfer of shares, non-receipt of Balance Sheets, declaration of dividends, approval of sub-division, consolidation, transmission, issue of duplicate shares and general meetings etc.
- review of measures taken for effective exercise of voting rights by shareholders.
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee met four times during the year 2018-2019. All queries have been resolved to the satisfaction of the shareholders/investors. The Committee focuses on the strengthening of investor relations. The status on compliances is reported to the Board as an agenda item.

Ms. Jyoti Chawla, Company Secretary has been designated as the Compliance Officer with effect from 26th July, 2017.

Investor Communications:

The Company received communications during the financial year ended 31st March, 2019 and none of the communications received were pending as on that date.

	Received	Redressed	Pending
Shareholders/Investors	788	788	-
Stock Exchanges	-	-	-
Securities and Exchange	-	-	-
Board of India			
Depositories	-	-	-
Court/Dept of Company	6	6	-
Affairs/Custodians			
Total	794	794	-

The Company has attended to the stakeholders/ investors grievances/ correspondence generally within a period of 7 to 10 days except in cases where Constrained by disputes of legal impediments.

Nature of Communications

	No. of Communi- cations	% of Communi- cations
Non receipt of Dividend warrants	31	3.90
Transmission of shares	14	1.76
Issue of duplicate share certificates / indemnity Duplicates	17	2.14
Dematerialisation of shares	-	-
Others*	732	92.20
Total	794	100.00

* This includes the following

- a) Change of address / updation of Telephone / Mobile Number
- b) Loss/Misplacement of share certificates
- c) SEBI letter regarding non credit of demat shares
- d) Bank mandate
- e) Non-receipt of transfer/Split/Consolidation/Duplicate issue
- f) Revalidation of Dividend Warrant/Correction letter/ correction of Dividend Warrants
- g) Non-receipt of Annual Report
- h) Procedure for transmission/split/consolidation/duplicates
- i) Exchange of share certificates
- j) Signature updation/Specimen Sign updation, etc.
- k) IEPF 5 matters for claiming back the shares and unclaimed/unpaid dividend from IEPF Authority

g) Legal Proceedings

There are some pending cases relating to disputes over title to shares, in which the Company has been made a party. These cases are however not material in nature.

h) Proceeds from public issues, rights issues, preferential issues etc

During the year, your Company has not raised any money through public issue, rights issue or preferential issues.

V. CEO/ CFO CERTIFICATION

Mr. Sachin Gopal, Managing Director & CEO and Mr. Arijit Datta, CFO have given CEO/CFO Certificate to the Board. The Board noted the said CEO/CFO Certificate as per the format given under Part B of Schedule II at its meeting held on 24th April, 2019.

VI. REPORT ON CORPORATE GOVERNANCE

Your Company complies with the requirements of Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are in force.

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As required by Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditor's Certificate is given as an annexure to this Report.

3. COMPLIANCE WITH NON MANDATORY REQUIREMENTS

i) Chairperson of the Board

The present Chairperson of the Board is a foreign national and Non-Executive Director. The expenses in connection with her official foreign travel to India are paid by Conagra Brands Inc., where she is employed.

ii) Shareholder rights

The quarterly, half-yearly and annual financial results of the Company are published in newspapers on an all India basis and are also posted on the Company's website, www.atfoods.com. Significant events if any are also posted on this website under the 'Investor relations' section. The complete Annual Report is sent to every Shareholder of the Company.

iii) Separate posts of Chairperson and Chief Executive Officer

The Chairperson of the Company and Managing Director & CEO are both different persons appointed in the Company to carry out individual responsibilities.

iv) Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee based on the inputs provided by the Management on their observations on a quarterly basis.

4. GENERAL BODY MEETINGS

Annual General Meetings

The Annual General Meetings of the shareholders of the Company for the last three years were held as under:

Year	Venue	Date	Time
2017-18	Hotel Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad-500016	26 th July, 2018	10.00 A.M.
2016-17	The Manohar, Old Airport Exit Road, Begumpet, Hyderabad-500016, Telangana	26 th July, 2017	10.00 A.M.
2015-16	The Manohar, Old Airport Exit Road, Begumpet, Hyderabad-500016, Telangana	27 th July, 2016	10.00 A.M.

Special Resolution related to :

Year

2017-18 : There were 2 special resolutions passed by the Shareholders through postal ballot on 20th March 2019 and the details are given as below:

1. Approval for continuation of Directorship of Lt. Gen D B Singh as Non-Executive Director who has already attained the age of 75 years, from April 1, 2019 for the remaining period of his current tenure i.e. till July, 2019.
2. Approval for continuation of Directorship of Mr. Arun Bewoor as Non-Executive Director who has already attained the age of 75 years, from April 1, 2019 for the remaining period of his current tenure i.e. till July, 2019

2016-17 (i) There are no Special Resolutions passed in the year 2017.

2015-16 (i) Appointment of Mr. Sachin Gopal as Managing Director

- (ii) Payment of Commission of ₹ 3,90,000/- individually to Non-Executive Independent Directors for a period not exceeding 5 years.

5. MEANS OF COMMUNICATION

The Quarterly, Half-Yearly and Annual Results are generally published by the Company in Hyderabad and Mumbai editions of the Business Standard / Financial Express and Nava Telangana / Mana Telangana. The Half-Yearly reports are not sent to the shareholders. The results are also being posted on the Company's website www.atfoods.com

The audio recordings of the analyst calls and presentation made to analysts are also uploaded on the website of the Company. It also displays official news releases, wherever applicable. The Compliance Report on Corporate Governance as per SEBI (LODR) Regulations, 2015 are filed electronically with National Stock Exchange of India Limited & BSE Limited. There have been no issues of non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges/SEBI/Statutory authority, on any matter relating to the capital markets, during the last three years.

Management Discussion and Analysis Report forms part of the Annual Report.

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6. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Date and Time : 17th July, 2019 at 10.00 A.M.
 Venue : Hotel Green Park, 7-1-25, Green Lands, Begumpet
 Hyderabad - 500 016, Telangana, India

B. Financial Year 2019-20

First quarter results : July, 2019
 Half yearly results : October, 2019
 Third quarter results : January, 2020
 Annual results : April, 2020

C. Dates of Book Closure

: 10th July to 17th July, 2019 (both days inclusive)

D. Dividend payment date

: within 30 days of the approval of the shareholders
 at the ensuing AGM on 17th July 2019

E. Listing on Stock Exchanges

: The Company's equity shares are listed on BSE Limited (BSE), Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. The listing fees for the year 2018-19 has been paid to BSE and NSE.

F. Stock Code

Stock Exchange		Code
BSE	Scrip code	500215
	Co. code	1311
NSE	Scrip Code	ATFL
	Series	EQ – Rolling Settlement

G. Stock Price Data

Monthly High/Low quotation of shares traded on Bombay Stock Exchange Limited, (BSE) and National Stock Exchange of India Limited (NSE) for 2018-2019 is given below:

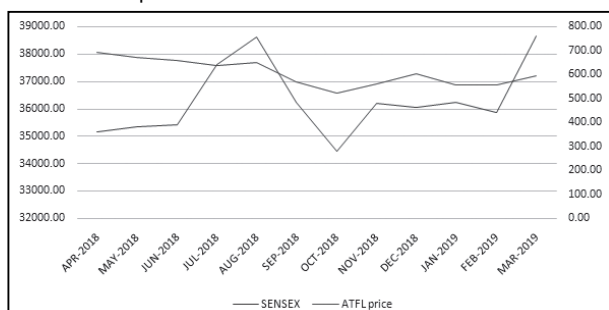
Year	Month	Bombay Stock Exchange*			National Stock Exchange*			Total volumes BSE & NSE (Nos)
		High ₹	Low ₹	Volumes (Nos)	High ₹	Low ₹	Volumes (Nos)	
2018	April	820.00	633.90	185,020	819.00	631.00	574,619	759,639
2018	May	735.00	663.00	46,557	734.40	660.10	331,853	378,140
2018	June	769.00	607.50	53,921	767.70	609.30	225,343	279,264
2018	July	698.00	623.10	118,050	698.40	617.25	226,899	344,949
2018	August	664.00	601.00	19,029	659.50	596.00	241,570	260,599
2018	September	685.70	559.95	18,741	682.00	559.95	201,542	220,283
2018	October	584.90	451.00	94,502	572.95	459.00	200,735	295,237
2018	November	569.45	507.50	11,785	566.00	503.00	102,717	114,502
2018	December	625.00	532.80	24,753	630.00	523.00	157,802	182,555
2019	January	627.95	542.65	26,334	623.50	542.00	122,446	148,780
2019	February	592.60	535.30	11,904	595.95	537.60	113,152	125,056
2019	March	610.85	560.00	13,850	610.00	559.25	134,771	148,621

* Source : Website of BSE & NSE

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H. Stock Performance

BSE Sensex Vs. ATFL Share price from April' 18 to March' 19*



*Source website of BSE

I. Registrars and Share Transfer Agents

The Company's equity shares being in compulsory demat list are transferable through the depository system for which the Company has established connectivity through M/s. Karvy Fintech Private Limited (Formerly known as M/s Karvy Computershare Private Limited), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 and they are the Registrars and Share Transfer Agents (Both Physical and Depository).

J. Share Transfer System

The applications for transfer of shares received by the Company in physical form are processed and registered within 20 days of receipt of the documents valid in all respects. After such processing, the duly transferred share certificates shall be despatched to transferee who lodged the shares for transfer. Shares under objection are returned within a week's time. The Share Transfer Committee meets generally thrice in a month to consider the transfer applications and other proposals. SEBI has amended the Regulations 40 of SEBI (LODR) Regulations and pursuant to same, with effect from 1st April 2019 or any other subsequent date as may be notified, the Company shall not process, except in case of transmission or transposition of securities, any request for effecting transfer of securities unless the securities are held in the dematerialized form with a depository.

K. Shareholding Pattern

The distribution of shareholding as on 31st March, 2019 was as under:

Range	No. of Shareholders	% of total Shareholders	No. of shares held	% of shareholding
1- 5000	14,535	91.96	1,389,764	5.70
5001-10000	760	4.81	568,841	2.33
10001-20000	266	1.68	397,926	1.63
20001-30000	74	0.47	187,586	0.77
30001-40000	37	0.23	134,206	0.55
40001-50000	23	0.15	107,266	0.44
50001-100000	47	0.30	329,037	1.36
100001 & Above	63	0.40	21,254,638	87.22
TOTAL	15,805	100.00	24,369,264	100.00

The categories of Shareholding as on 31st March, 2019 was as under:

S. No.	Category	No. of Shares held	% of shareholding
1.	Promoter (CAG – Tech (Mauritius) Limited)	12,616,619	51.77
2.	Non-resident individuals/FIIs/OCBs	2,260,160	9.27
3.	Bank/Financial Institutions, Insurance Companies and Mutual Funds	783,661	3.22
4.	Directors and their relatives	46,172	0.19
5.	Other Bodies Corporates	2,351,839	9.65
6.	General Public	6,310,813	25.90
	Total	24,369,264	100.00

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Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity : Not Applicable

L. Dematerialisation of Shares

The equity shares of the Company which are in compulsory demat list with effect from 26th June, 2000 are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number allotted to the Company's equity shares is INE209A01019. As on date, a total of 24,143,045 equity shares forming 99.07% of the total paid up equity share of 24,369,264 stands dematerialised. All requests for dematerialisation of shares are processed within the time frame of 1-4 days time.

M. Plant Locations

Gujarat : Plot No. 902/2, GIDC, Jhagadia, 393 110, Dist. Bharuch, Gujarat
Telangana : Plot No. 50, Nandigaon Village, Shadnagar Mandal, Kothur , T.S.509 210
Uttar Pradesh : Akrapur Industrial Area, Near T V Tower, Akrapur, Unnao, U.P.209801
Assam : Vill-Ramhari, Mangaldai, Distt-Darrang, Assam 784125
Uttarakhand : Khasara No-66/1, Bajpur Road, Narain Nagar Industrial Area, dist-U.S. Nagar, Kashipur

N. Address for correspondence

The addresses for correspondence are as under:

For both physical and electronic form : Karvy Fintech Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad-500032
Phone:-040-67161606, Fax:-040-23001153,
Email: - einward.ris@karvy.com

For any other matter and unresolved Complaints : In addition to our Registrar, shareholders can contact the Registered Office of the Company and contact person's details are given below:
Jyoti Chawla, Company Secretary,
Agro Tech Foods Limited
31, Sarojini Devi Road, Secunderabad – 500 003.
Phone: 040-66650240, Fax : 040-27800947,
Email:-jyoti.chawla@atfoods.com

- O.** The Company has obtained the credit rating from CRISIL on the Bank Facilities and Commercial Paper of the Company during the year.
- P.** As required under Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board / Ministry of Corporate Affairs or any such statutory authority is given as an Annexure to this Report.
- Q.** The Company and its subsidiary i.e. Sundrop Foods India Private Limited have paid, on a consolidated basis, the total fees of ₹ 7.42 millions to its statutory auditors i.e. B S R & Associates LLP and all entities in the network firm/network entity, for all the services performed during the year.
- R. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**
 - a. number of complaints filed during the financial year - Nil
 - b. number of complaints disposed off during the financial year - NA
 - c. number of complaints pending as on end of the financial year- Nil

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ANNEXURE

PARTICULARS OF DIRECTORSHIPS OF OTHER COMPANIES INCLUDING FOREIGN COMPANIES AND MEMBERSHIPS OF OTHER COMMITTEES

Sl. No.	Name of the Director	Other Directorships		Other Committee Membership		
		Name of the Company	Type of Company	Position	Committee	Position
	Non-Executive Directors					
1	Ms. Jill Ann Rahman	Verde Valle, Mexico	Foreign Company	Director	-	-
2	Ms. Denise Lynn Dahl	Verde Valle, Mexico	Foreign Company	Director	-	-
3	Mr. Hendrik * Gerhardus Myburgh	-		-	-	-
4	Lt. Gen. D.B. Singh	-			-	-
5.	Mr. Sanjaya Kulkarni	TPL Plastech Limited	Listed	Chairman	Audit Committee Nomination and Remuneration	Chairman Chairman
		Time Technoplast Limited	Listed	Director	Audit Committee Nomination and Remuneration	Member Member
		Aspire Home Finance Corporation Limited	Unlisted	Director	Audit Committee Investor Grievance Nomination and Remuneration	Member Member Chairman
		Supreme Treon Private Limited	Unlisted	Director	-	-
		Indian Direct Equity Advisors Pvt. Ltd	Unlisted	Director	-	-
		NED Energy Ltd	Unlisted	Director	-	-
6.	Mr. Arun Bewoor	BASF India Limited	Listed	Director	Audit Committee	Member
					CSR Committee	Member
					Stakeholders Relationship	Member
		Jasmine Concrete Exports Pvt. Ltd	Listed / Unlisted	Chairman	Audit Committee	Chairman
					Nomination and Remuneration	Chairman
					CSR Committee	Member
		Underwater Services Company Limited	Listed / Unlisted	Chairman	Audit Committee	Chairman
					Nomination and Remuneration	Chairman
					CSR Committee	Member
		Eternis Fine Chemicals Limited (Formerly Hindustan Polyamides and Fibres Limited)	Listed / Unlisted	Director	Audit Committee	Member
Nomination and Remuneration	Member					
CSR Committee	Member					

Agro Tech Foods Limited

Sl. No.	Name of the Director	Other Directorships		Other Committee Membership		
		Name of the Company	Type of Company	Position	Committee	Position
7.	Mr. Narendra Ambwani	Godrej Consumer Products Limited	Listed	Director	Audit Committee	Member
					Nomination and Remuneration	Chairman
					CSR Committee	Member
		RPG Life Sciences Ltd.	Listed	Director	Stakeholders Relationship	Member
		Parag Milk Foods Limited	Listed	Director	CSR Committee	Member
					Audit Committee	Member
		UTV Software Communications Limited	Unlisted	Director	Audit Committee	Member
					Nomination and Remuneration	Member
		Zeus Career & Performance Coach Pvt Ltd.	Unlisted	Director & Chairman	-	-
		#Fino Payment Bank Limited	Unlisted	Director	Nomination and Remuneration	Member
Information Technology	Member					
Asset Liability Management	Chairman					
8	Ms. Veena Gidwani	-	-	-	-	-
9.	Executive Director Mr. Sachin Gopal	-	-	-	-	-

* Mr. Hendrik Gerhardus Myburgh has resigned as Director with effect from 6th December, 2018.

Mr. Narendra Ambwani has resigned as Director of Fino Payment Bank Limited on 15th November, 2018.

Agro Tech Foods Limited

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Agro Tech Foods Limited
31, Sarojini Devi Road, Secunderabad – 500 003

I, B V Saravana Kumar, Company Secretary in Practice, Partner of Tumuluru & Company have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Agro Tech Foods Limited having CIN L15142TG1986PLC006957 and having registered office at 31, Sarojini Devi Road, Secunderabad – 500 003, Telangana India (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	DIN	Name of the Director	Designation
1.	07693684	Jill Ann Rahman	Non-Executive Chairman
2.	07583110	Denise Lynn Dahl	Non- Executive Director
3.	07439079	Sachin Gopal	Managing Director and CEO
4.	00239637	Dharam Bir Singh	Independent Director
5.	00024276	Arun Madhav Bewoor	Independent Director
6.	00102575	Sanjay Shrikrishna Kulkarni	Independent Director
7.	00236658	Narendra Kumar Anand Ambwani	Independent Director
8.	06890544	Veena Vishindas Gidwani	Independent Director

for **Tumuluru & Company**
Company Secretaries

B V Saravana Kumar
Partner
ACS No. 26944
C. P. No. 11727

Place : Hyderabad
Date : 24th April, 2019

Agro Tech Foods Limited

INDEPENDENT AUDITOR'S CERTIFICATE ON THE CORPORATE GOVERNANCE REPORT FOR THE PERIOD 01 APRIL 2018 TO 31 MARCH 2019

To

The Members of Agro Tech Foods Limited

1 This Certificate is issued in accordance with the terms of our engagement letter dated 19 November 2018.

2 Agro Tech Foods Limited ('the Company') requires Independent Auditor's Certificate on Corporate Governance as per the Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1 April 2018 to 31 March 2019.

Management responsibility

3 The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is also responsible for ensuring that the Company complies with the requirements Regulation 17-27, Clauses (b) to (i) of Regulations 46(2) and Paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2018 to 31 March 2019. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance report and applying an appropriate basis of preparation.

Auditor's Responsibility

4 Pursuant to the requirements of the Listing Regulations, our responsibility is to certify whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the period 1 April 2018 to 31 March 2019.

5 We have examined the compliance of the conditions of Corporate Governance by the Company for the period 1 April 2018 to 31 March 2019 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Standalone financial statements of the Company.

6 We conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates issued for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

7 We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Conclusion

8 In our opinion and to the best of our information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of the Schedule V of the Listing Regulations, as applicable.

9 We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on Use

This Certificate is issued solely for the purpose of complying with Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2018 to 31 March 2019 and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration No. : 116231W/W-100024

Vikash Somani
Partner
Membership No. : 061272
ICAI UDIN: 19061272AAAAAA6277

Place: Gurugram
Date: 24 April 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGRO TECH FOODS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Agro Tech Foods Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matters

Revenue Recognition

See note 3(g) and 22 to the standalone financial statements

The key audit matter

The principal products of the Company comprises food products which are mainly sold through distributors, modern trade and direct sale channels amongst others. Revenue is recognised when the customer obtains control of the goods, and is measured net of trade discounts and volume rebates.

We identified revenue recognition as a key audit matter because there is a risk of revenue being overstated due to fraud resulting from the pressure management may feel to achieve performance targets at the year end. The Company focuses on revenue as a key performance indicator, which could create an incentive for revenue to be recognised before control has been transferred.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

1. We assessed the appropriateness of the revenue recognition accounting policies, including those relating to rebates and discounts, by comparing with applicable accounting standards.
2. We evaluated the design of controls and operating effectiveness of the relevant controls with respect to revenue recognition and accounting for sales incentive arrangements on selected transactions.
3. We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents.
4. We carried out analytical procedures on revenue recognised during the year to identify unusual variances.

Agro Tech Foods Limited

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)

	<ol style="list-style-type: none"> 5. We performed confirmation procedures on selected customer balances at the balance sheet date. 6. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period. 7. Tested year-end accruals for sales incentives from the underlying documentation on a sample basis. 8. We tested manual journal entries posted to revenue to identify unusual items.
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Tax litigations – provisions and contingencies
See note 31 to the standalone financial statements

The key audit matter

The Company is involved in several ongoing direct and indirect tax litigations in various states of India.

The Company recognises a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

We have identified tax litigations, provisions and contingencies as a key audit matter because it requires the management to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations. The Company operates under several tax laws and some of these have a significant impact on the financial statements of the Company.

How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

1. We tested the effectiveness of controls around the recording and assessment of tax provisions and contingent liabilities.
2. We used our own local tax specialists to assess the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities.
3. We assessed the relevant historical and recent judgments passed by the court authorities as well as obtained formal confirmations from the external counsel, where appropriate;
4. Discussed the open cases with the legal head of the Company to assess the reasonableness of the provision or contingency; and
5. Considered the adequacy of the Company's disclosures made in relation to taxation related provisions and contingencies in the financial statements.

Impairment of investments in subsidiaries
See note 6 to the standalone financial statements

The key audit matter

The Company has significant investments in subsidiaries which are recorded at cost.

We considered impairment of investments in subsidiaries as a key audit matter due to their materiality in the context of the financial statements. Further, management applies judgement in

How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

1. We tested the design of controls over the review of the impairment analysis for investments;
2. We assessed management's assessment of indications of impairment for reasonableness;

Agro Tech Foods Limited

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)

evaluating whether indicators of impairment are present and if yes, in assessing the future performance and prospects of the respective subsidiary and in determining the appropriate discounting rate.

3. We assessed the management review control over the cash flow forecasts including inspecting the internal and external factors taken into consideration in preparing the forecasts.
4. We assessed the assumptions used in the net cash flow analysis and the discounting rate based on our knowledge of the entity and the markets in which the entity operates.
5. Assessed the reliability of cash flow forecasts through a review of actual past performance and comparison to previous forecasts.
6. We considered the adequacy of disclosures in respect of the investment in subsidiaries in the financial statements.

Accuracy of estimation from the fire accident at a factory in Unnao and related consequences:

See note 34 to the standalone financial statements

The key audit matter

On 04 November 2018, a fire broke out at one of the manufacturing facilities of the Company which caused damage to the Company's property, plant, equipment and inventory.

The Company was insured for fire incidents including property, plant and equipment, inventories and business interruption and has applied for the claim.

The recognition of the claim involves significant judgement. Since the claim is under progress, the Company restricted the recognition of the claim to the extent of book value of the assets lost, that were covered under the insurance policy.

How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

1. Inquired management about the losses incurred and recognised, and the status of the claims made to the insurance companies. We also inspected the correspondences made to the insurance company by the Company with respect to the status of the claim.
2. Assessed the timing and adequacy of the claim income recognition from the insurance companies. We have checked that the Company has recognised the insurance claim receivable to the extent of book value of the assets lost, that were covered under the insurance policy.
3. We have verified the on account payments received by the Company, pending settlement of the claim.
4. We also assessed the adequacy of the disclosures (in note 34) made in relation to the said matter in the financial statements.

Agro Tech Foods Limited

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cashflows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists

Agro Tech Foods Limited

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)

related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act with relevant Rules issued thereunder;
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 31 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the standalone financial statements regarding holdings as well as

Agro Tech Foods Limited

INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)

dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid / provided by the company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid / provided to one director was in excess of the limit laid down under Section 197 read with Schedule V of the Act, which was approved in accordance with the requisite approvals mandated

by the provisions of Section 197 read with Schedule V of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm's Registration No. 116231W/ W-100024

Vikash Somani

Partner

Membership No: 061272

Place: Gurugram

Date: 24 April 2019

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS

The Annexure A referred to in the Independent Auditor's Report of even date, on the standalone financial statements, to the Members of Agro Tech Foods Limited ('the Company') for the year ended 31 March 2019. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noted on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the standalone financial statements, are held in the name of the Company.
- (ii) The inventories, except goods-in-transit, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraph 3(iii)(a), (b) and (C) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act, with respect to the investments made. The Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 of the Act and Rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' state insurance, Income-tax, Goods and Service tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases. Refer note 43 to the standalone financial statements relating to provident fund contribution.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Goods and Service tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Goods and Service tax and Duty of custom which have not been deposited with appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income- tax, Sales tax, Service tax, Duty of excise, Value added tax and Entry tax have not been deposited by the Company on account of disputes:

Agro Tech Foods Limited

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (Continued)

Name of the Statute	Nature of Dues	Amount in* (₹ Million)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	27.10	2009 – 2012	Central Excise and Service Tax Appellate Tribunal, Hyderabad
Andhra Pradesh General Sales Tax Act, 1956	Sales Tax	0.10	1997 – 1998	Sales Tax Appellate Tribunal, Hyderabad
Tamil Nadu Sales Tax Act, 1959	Sales Tax	0.26	2002 – 2003	Assistant Commissioner (Appeals), Commercial Taxes, Chennai
West Bengal Sales Tax Act, 1994	Sales Tax	0.72	2001 – 2002	Sales Tax Appellate Tribunal, Kolkata
West Bengal Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	4.39	2009 – 2010	Appellate & Revisional Board, West Bengal Commercial Taxes, Kolkata
Bihar Sales Tax Act, 1981	Sales Tax	0.62	2001 – 2002	Joint Commissioner of Commercial Taxes (Appeals) - Central Division, Patna
Delhi Sales Tax Act, 1975 and Central Sales Tax Act, 1956	Sales Tax and CST	0.95 1.64	2003 – 2004 2004 – 2005	Additional Commissioner, Commercial Taxes, Delhi
Gujarat Sales Tax Act, 1970	Sales Tax	0.12	1998 – 1999	Deputy Commissioner of Sales Tax (Appeals), Ahmedabad
		0.12	1999 - 2000	Sales Tax Appellate Tribunal, Ahmedabad
The Rajasthan Entry Tax - Goods Act, 1999	Entry Tax	36.86	2002 – 2004	Tax Board, Ajmer
The Assam Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	0.36	2009 – 2010	Superintendent of Taxes, Unit D, Guwahati
The Finance Act, 1994	Service Tax	6.22	2010-2011 to 2014-2015	Central Excise and Service Tax Appellate Tribunal, Hyderabad
West Bengal Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax	3.18	2013-2014	Appellate & Revisional Board, West Bengal Commercial Taxes, Kolkata
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	0.10	2014-2015	Deputy Commissioner Appeals, Ghaziabad
Central Excise Act, 1944	Excise Duty	2.00	2015-2016	Central Excise and Service tax Appellate Tribunal, Ahmedabad
West Bengal Value Added Tax Act, 2003	Value Added Tax	3.56	2014-15	Appellate & Revisional Board, West Bengal Commercial Taxes, Kolkata
The Rajasthan Entry Tax - Goods Act, 1999	Entry Tax	5.47	2008 – 2009	Appellate Authority III, Commercial Tax, Jaipur
Central Excise Act, 1944	Excise Duty	0.46	2012-13	Joint Commissioner (Appeals), Dehradun
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.36	2015-16	Senior Joint Commissioner, West Bengal
Income-tax Act, 1961	Income-tax	12.88	AY 2010-2011	Income Tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	28.31	AY 2011-2012	Income Tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	16.59	AY 2012-2013	Income Tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	10.96	AY 2013-2014	Income Tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	75.33	AY 2016-2017	Assistant Commissioner of Income Tax Circle 1(1), Hyderabad

*net of deposits

Agro Tech Foods Limited

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (Continued)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers. The Company does not have any loan or borrowings from any financial institution or government, nor has it issued any debentures during the year.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Note 38 to the standalone financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Gurugram
Date: 24 April 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AGRO TECH FOODS LIMITED FOR THE YEAR ENDED 31 MARCH 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Agro Tech Foods Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference

to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone

Agro Tech Foods Limited

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (Continued)

financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Standalone financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Gurugram
Date: 24 April 2019

Agro Tech Foods Limited

BALANCE SHEET AS AT 31 MARCH 2019

(₹ in millions except for share data or otherwise stated)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	4	1,500.54	1,606.71
Capital work-in-progress	4	119.88	149.05
Intangible assets	5	213.93	240.05
Financial assets			
(i) Investments	6	168.34	159.96
(ii) Non-current loans receivables	7	27.70	42.63
Other non-current assets	8	<u>366.41</u>	<u>311.65</u>
Total non-current assets		<u>2,396.80</u>	<u>2,510.05</u>
Current assets			
Inventories	9	837.85	942.10
Financial assets			
(i) Investments	10	350.66	-
(ii) Trade receivables	11	808.86	499.36
(iii) Cash and cash equivalents	12	32.35	70.15
(iv) Bank balances other than (iii) above	12	4.32	221.86
(v) Other financial assets	13	145.26	16.26
Other current assets	14	<u>155.09</u>	<u>143.09</u>
Total current assets		<u>2,334.39</u>	<u>1,892.82</u>
Total assets		<u>4,731.19</u>	<u>4,402.87</u>
Equity and liabilities			
Equity			
Equity share capital	15	243.69	243.69
Other equity	16	<u>3,514.08</u>	<u>3,157.00</u>
Total equity		<u>3,757.77</u>	<u>3,400.69</u>
Liabilities			
Non-current liabilities			
Provisions	17	13.52	12.66
Deferred tax liabilities, net	30	<u>131.73</u>	<u>137.27</u>
Total non-current liabilities		<u>145.25</u>	<u>149.93</u>
Current liabilities			
Financial liabilities			
(i) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	18	44.38	57.71
- Total outstanding dues of creditors other than micro enterprises and small enterprises	18	643.65	637.51
(ii) Other financial liabilities	19	51.31	53.78
Other current liabilities	20	35.09	36.97
Provisions	21	<u>53.74</u>	<u>66.28</u>
Total current liabilities		<u>828.17</u>	<u>852.25</u>
Total liabilities		<u>973.42</u>	<u>1,002.18</u>
Total equity and liabilities		<u>4,731.19</u>	<u>4,402.87</u>

Significant accounting policies

3

See accompanying notes to the standalone financial statements

As per our report of even date attached

for **Agro Tech Foods Limited**

for **B S R & Associates LLP**

CIN: L15142TG1986PLC006957

Chartered Accountants

Sachin Gopal

Lt.Gen.D.B. Singh

ICAI Firm's registration No. 116231W/W-100024

Managing Director & CEO

Director

DIN 07439079

DIN 00239637

Vikash Somani

Arijit Datta

Jyoti Chawla

Partner

Chief Financial Officer

Company Secretary

Membership No.061272

Place: Gurugram

Place: Gurugram

Date: 24 April 2019

Date: 24 April 2019

Agro Tech Foods Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(₹ in millions except for share data or otherwise stated)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Sale of products	22	8,230.56	8,106.31
Other operating revenues	22	4.78	10.99
		<u>8,235.34</u>	<u>8,117.30</u>
Other income	23	37.77	8.79
Total income		<u>8,273.11</u>	<u>8,126.09</u>
Expenses			
Cost of materials consumed	24	4,195.15	4,135.30
Purchase of stock-in-trade	25	1,426.25	1,281.83
Changes in inventories of finished goods and stock-in-trade	26	(1.31)	(27.24)
Employee benefits expense	27	456.57	450.21
Finance costs	28	0.94	2.53
Depreciation and amortisation expense	4, 5	167.73	174.72
Other expenses	29	1,512.78	1,619.41
Total expenses		<u>7,758.11</u>	<u>7,636.76</u>
Profit before exceptional items and tax		515.00	489.33
Exceptional items	34	-	-
Profit before tax		515.00	489.33
Tax expense	30 (a)	175.93	172.85
Profit for the year (A)		<u>339.07</u>	<u>316.48</u>
Other comprehensive income			
Items that will not be reclassified subsequently to the statement of profit or loss			
Remeasurement of the net defined benefit obligation		(0.76)	(0.04)
Income-tax relating to those items	31 (b)	0.26	0.01
Other comprehensive income for the year (B)		<u>(0.50)</u>	<u>(0.03)</u>
Total comprehensive income for the year (A+B)		<u>338.57</u>	<u>316.45</u>
Earnings per share (nominal value of ₹ 10 each)			
Basic [in ₹]	36	14.49	13.60
Diluted [in ₹]		14.47	13.60
Weighted average number of equity shares used in computing earnings per shares:			
- Basic		23,408,186	23,270,036
- Diluted		23,440,020	23,273,716

Significant accounting policies 3
See accompanying notes to the standalone financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 24 April 2019

for **Agro Tech Foods Limited**
CIN: L15142TG1986PLC006957

Sachin Gopal
Managing Director & CEO
DIN 07439079

Arijit Datta
Chief Financial Officer

Place: Gurugram
Date: 24 April 2019

Lt.Gen.D.B. Singh
Director
DIN 00239637

Jyoti Chawla
Company Secretary

Agro Tech Foods Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(₹ in millions except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
Profit before tax	515.00	489.33
Adjustments for:		
Depreciation and amortisation expense	167.73	174.72
Loss on sale/ retirement of property, plant and equipment, net	1.89	0.33
Gain on sale of investments in mutual funds	(27.53)	(2.29)
Fair value gain on financial assets measured at fair value through profit and loss, net	(0.66)	-
Interest income	(9.58)	(6.50)
Finance costs	0.94	2.53
Employee share based payment expenses	4.80	14.15
Proceeds from the insurance company	100.00	-
Provision for doubtful debts, (net)	4.96	-
Change in operating assets and liabilities		
Increase in trade receivables	(314.46)	(104.97)
Decrease in inventories	104.25	218.91
Increase in loans and other financial assets	(2.66)	(38.39)
Increase in other current and non-current assets	(16.96)	(68.46)
(Decrease)/ increase in trade payables and other financial liabilities	(0.68)	120.08
Decrease in other current and non-current provisions	(12.45)	(0.65)
Decrease in other current and non-current liabilities	(1.89)	(32.89)
Cash generated from operations	512.70	765.90
Income taxes paid, net	(188.67)	(150.98)
Net cash inflow from operating activities	324.03	614.92
Cash flows from investing activities		
Payments for purchase of property, plant and equipment	(282.89)	(175.01)
Proceeds from sale of property, plant and equipment	9.64	0.77
Interest received	11.78	4.64
Non-current investments in subsidiary	(8.38)	-
Purchase of current investments in mutual funds,	(3,839.10)	(444.00)
Proceeds from sale of investments in mutual funds	3,516.63	446.29
Deposits matured/ (placed) (having original maturity of more than 3 months), net	217.53	(215.23)
Net cash outflow used in investing activities	(374.79)	(382.54)

Agro Tech Foods Limited

CASH FLOW STATEMENT (Continued)

(₹ in millions except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flows from financing activities		
Repayment of short-term loans to banks, net	-	(150.00)
Sale of treasury shares	84.65	65.28
Dividend paid (including dividend distribution tax)	(70.75)	(56.34)
Finance costs paid	(0.94)	(2.53)
Net cash flow from/ (used in) financing activities	12.96	(143.59)
Net (decrease)/ increase in cash and cash equivalents	(37.80)	88.79
Cash and cash equivalents at the beginning of the financial year	70.15	(18.64)
Cash and cash equivalents at end of the year	32.35	70.15

Cash and cash equivalents as per above comprise of the following:

Particulars	As at 31 March 2019	As at 31 March 2018
Cheques on hand	0.60	1.44
Balances with banks		
-in current accounts	31.75	22.52
Deposits with maturity less than three months	-	46.19
Balances per statement of cash flows	32.35	70.15

See accompanying notes to the standalone financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 24 April 2019

for **Agro Tech Foods Limited**
CIN: L15142TG1986PLC006957

Sachin Gopal
Managing Director & CEO
DIN 07439079

Arijit Datta
Chief Financial Officer

Place: Gurugram
Date: 24 April 2019

Lt.Gen.D.B. Singh
Director
DIN 00239637

Jyoti Chawla
Company Secretary

Statement of changes in equity

(₹ in millions except for share data or otherwise stated)

Particulars	Other Equity					Total equity attributable to equity holders of the Company
	Equity share capital	General Reserve	Securities premium	Retained earnings	Reserves and surplus	
Balance as at 1 April 2017	243.69	127.05	721.29	2,374.86	(571.33)	3,061.22
Changes in equity for the year ended 31 March 2018						
Dividends (including corporate dividend tax)	-	-	-	(56.41)	-	(56.41)
Employee Share based payment (Refer note 15(e))	-	-	-	-	14.15	14.15
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	(0.03)	-	(0.03)
Profit on sale of shares transferred by Trust	-	-	-	-	-	6.77
Sale of treasury shares during the year	-	-	-	-	58.51	58.51
Exercise of share options	17.37	-	-	-	(17.37)	-
Profit for the year	-	-	-	316.48	-	316.48
Balance as at 31 March 2018	243.69	144.42	721.29	2,634.90	(512.82)	3,400.69
Changes in equity for the year ended 31 March 2019						
Dividends (including corporate dividend tax)	-	-	-	(70.94)	-	(70.94)
Employee Share based payment (Refer note 15(e))	-	-	-	-	4.80	4.80
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	(0.50)	-	(0.50)
Profit on sale of shares transferred by Trust	-	-	-	-	-	8.90
Sale of treasury shares during the year	-	-	-	-	75.75	75.75
Exercise of share options	1.33	-	-	-	(1.33)	-
Profit for the year	-	-	-	339.07	-	339.07
Balance as at 31 March 2019	243.69	145.75	721.29	2,902.53	(437.07)	3,757.77

See accompanying notes to the standalone financial statements

As per our report of even date attached for **B S R & Associates LLP**

Chartered Accountants
ICAI Firm's registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 24 April 2019

for **Agro Tech Foods Limited**

CIN: L15142TG1986PLC006957

Sachin Gopal
Managing Director & CEO
DIN 07439079

Lt.Gen.D.B. Singh
Director
DIN 00239637

Arijit Datta
Chief Financial Officer

Jyoti Chawla
Company Secretary

Place: Gurugram
Date: 24 April 2019

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 Reporting entity

Agro Tech Foods Limited (the 'Company') is a company domiciled in India, with its registered office situated at 31, Sarojini Devi Road, Secunderabad, Telangana - 500 003, India. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily engaged in the business of manufacturing and trading of food and food products to consumers and institutional customers.

2 Basis of preparation

A. Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 24 April 2019.

Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest millions, unless otherwise indicated.

C. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Liabilities for shared-based payment arrangement	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 32 - leases: whether an arrangement contains a lease; and
- Note 32 - lease classification;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 42 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 31 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life of property, plant and equipment.
- Note 5 - useful life of intangible assets and impairment of intangible assets having indefinite useful life.
- Notes 6, 7, 10, 11 and 13 - impairment of financial assets.

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established internal control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

If third party information such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which these valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 15 (e) - share-based payments;
- Note 44 - financial instruments.

3. Significant accounting policies

(a) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs

directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by internal assessment and technical valuation carried out wherever necessary, and is recognised in the statement of profit and loss. Depreciation for assets purchased/ sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

S. No	Asset	Useful Life
1	Buildings	
(a)	Buildings (other than factory buildings) other than RCC frame structure.	30 years
(b)	Factory buildings	30 years
(c)	Fences, wells, tube-wells	5 years
2	Roads	
(a)	Carpeted Roads - RCC	10 years
3	Plant and Machinery	
(a)	Plant and Machinery other than continuous process plant	15 years
4	Furniture and fittings	10 years
5	Motor vehicles	
(a)	Motor buses, motor lorries and motor cars*	5 years
6	Office equipment	5 years
7 (a)	Computers and data processing units servers and networks*	5 years
7 (b)	End-user devices such as desktops, laptops etc.*	2 to 3 years
8	Laboratory Equipment	10 years
9	Electrical installations and equipment	10 years
10	Servers and networks*	5 years
11	Handsets*	2 years
12	Vehicles*	5 years
13	Assets given to employees under a scheme*	5 years

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

* The Company believes the useful lives as given above best represent the useful life of these assets based on internal assessment and technical evaluation carried out where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Freehold land is not depreciated.

Leasehold assets are amortised over a period of the lease or useful life of asset whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

iv. Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date.

(b) Intangible assets

Intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment loss, if any.

Amortisation

Amortisation is calculated to write off the cost of intangible assets having definite useful life less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Useful life
Computer software	5 to 10 years

Intangible assets that have an indefinite useful life are not subjected to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Amortisation method, useful lives and residual values for assets other than above are reviewed at each financial year-end and adjusted if appropriate.

(c) Impairment

(i) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

(ii) Non -financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(d) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the inception or reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the leases and those for the other elements on the basis of the relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then the asset and liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as the payments are being made and an imputed finance cost on the liability is recognised using incremental borrowing rates.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the

liability for each period. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

(e) Inventories

Inventories are valued at the lower of weighted average cost (including prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Work-in-progress is valued at input material cost plus conversion cost as applicable.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

Stock-in-trade is valued at the lower of net realisable value and cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

Finished goods are valued at lower of net realisable value and cost (including prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition).

Goods-in-transit/ with third parties and at godowns are valued at cost which represents the costs incurred upto the stage at which the goods are in transit with third parties and at godowns.

(f) Financial instruments

i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii. Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial

assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the financial statements.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(g) Revenue recognition

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the condensed interim statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the standard did not have any material impact to the standalone financial statements of the Company.

Revenue from contracts represents amount received and receivable from customers for sale of goods and for services rendered. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for returns, taxes, trade discounts, allowances, rebates, price concessions and other incentives, if any, as specified in the contract with the customer. Returns, discounts, allowances and rebates are estimated using judgement based on historical experience and

the specific terms of the arrangement with the customers. Taxes collected on behalf of the government are excluded from revenue.

The Company disaggregates revenue from contracts with customers by the geography.

Recognition of dividend income, interest income or expense:

Dividend income is recognised in the statement of profit and loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using effective interest method.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- a. the gross carrying amount of financial asset; or
- b. the amortised cost of financial liability

In calculating the interest income and expenses, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However for the financial assets that have become credit impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of financial asset. If the asset is no longer credit impaired, then calculation of interest income reverts to gross basis.

(h) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

exchange rates at the date when the fair value is determined.

(i) Income-tax

Income-tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set-off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable the statement of profit and loss at the time of transaction.

- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and the relate to income tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(j) Provisions and contingent liabilities

i. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

ii. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii. Onerous Contracts

Provision for onerous contracts i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be recognised to settle a present obligation as a result of an obligating event based on the reliable estimate of such an obligation.

(k) Employee benefits

i. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

ii. Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods,

discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 31st March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

iv. Voluntary retirement scheme benefits

Voluntary retirement scheme benefits are recognised as an expense in the year they are incurred.

(l) Share-based payments

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in other equity, over the vesting period. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. The Company has availed exemption given under Ind AS 101 and has not applied the fair value to the equity instruments that were vested before the date of transition to Ind AS i.e. 1 April 2016.

(m) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, demand deposit with bank, other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings under current liabilities as on Balance Sheet date.

(n) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits. Treasury shares are excluded for the purpose of calculating basic and diluted earnings per share.

(o) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income and expenses associated with investing and financing activities. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily take a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they are incurred in the statement of profit and loss.

(q) Treasury Shares

The Company has created an Employee Welfare Trust – Agro Tech ESOP Trust ('ATET') for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. ATET purchases shares of the Company out of funds borrowed from the Company. The Company treats ATET as its extension and shares held by

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

ATET are treated as treasury shares. Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit on sale of treasury shares by ATET trust is recognised in ATET reserve.

(r) Recent accounting pronouncements

Ind AS issued but not yet effective:

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for periods beginning on or after 1 April 2019.

(1) Ind AS 116 - Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

Leases in which the Company is a lessee

The Company will recognise new assets and liabilities (if any) for its operating leases of warehouses and offices facilities (see Note 32). The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease unless the payments are

structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous as described in Note 3(d). Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

Transition

The Company plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

(2) Ind AS 12 Income-taxes (amendments relating to income tax consequences of dividend and uncertainty over income-tax treatments)

The amendment relating to income-tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in the statement of profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any significant impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its standalone financial statements.

(3) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any significant impact on its financial statements.

(4) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and

the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

(5) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect this amendment to have any significant impact on its financial statements.

(6) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures.

(7) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not currently have any interests in joint ventures.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)
Note 4 - Property, plant and equipment and capital work-in-progress
Reconciliation of carrying amount

(₹ in millions except for share data or otherwise stated)

Description	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 1 April 2018	Additions	Disposals (refer note 34)	As at 31 March 2019	As at 1 April 2018	Depreciation for the year	Disposals (refer note 34)	As at 31 March 2019
Freehold land	97.29	-	4.46	92.83	-	-	-	92.83
Buildings	588.35	29.53	51.30	566.58	37.45	21.69	4.26	54.88
Roads	39.27	0.26	0.79	38.74	8.00	4.55	0.61	11.94
Plant and equipment	793.89	201.47	164.84	830.52	101.57	55.75	22.47	134.85
Laboratory equipment	20.51	1.23	0.85	20.89	5.81	2.95	0.26	8.50
Furniture and fixtures	78.69	9.95	12.17	76.47	17.71	8.89	2.85	23.75
Office equipment	35.82	2.92	9.81	28.93	17.24	6.94	5.64	18.54
Electrical equipment	99.16	8.46	18.47	89.15	24.98	12.48	5.43	32.03
Computer and data Process	109.84	3.39	3.14	110.09	53.67	22.71	1.90	74.48
Leasehold improvements - buildings	9.48	-	-	9.48	3.88	1.94	-	5.82
Leasehold improvements - electrical equipment	3.99	0.23	0.09	4.13	2.60	1.27	0.07	3.80
Leasehold improvements - furniture and fittings	8.42	0.41	0.01	8.82	5.09	2.44	0.03	7.50
Total	1,884.71	257.85	265.93	1,876.63	278.01	141.61	43.52	1,500.54
Add: Capital work-in-progress								119.88
Grand Total								1,620.42

Description	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As at 1 April 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Depreciation for the year	Disposals	As at 31 March 2018
Freehold land	97.29	-	-	97.29	-	-	-	97.29
Buildings	577.09	11.26	-	588.35	15.79	21.66	-	37.45
Roads	38.66	0.61	-	39.27	3.40	4.60	-	8.00
Plant and equipment	676.28	117.61	-	793.89	48.68	52.89	-	101.57
Laboratory equipment	20.08	0.44	0.01	20.51	2.89	2.92	-	5.81
Furniture and fixtures	75.56	3.13	-	78.69	8.63	9.08	-	17.71
Office equipment	32.28	3.56	0.02	35.82	8.82	8.42	-	17.24
Electrical equipment	91.05	8.11	-	99.16	12.08	12.90	-	24.98
Computer and data Process	106.97	3.94	1.07	109.84	28.17	25.50	-	53.67
Leasehold improvements - buildings	9.48	-	-	9.48	1.94	1.94	-	3.88
Leasehold improvements - electrical equipment	3.99	-	-	3.99	1.30	1.30	-	2.60
Leasehold improvements - furniture and fittings	8.42	-	-	8.42	2.54	2.55	-	5.09
Total	1,737.15	148.66	1.10	1,884.71	134.24	143.76	-	278.01
Add: Capital work-in-progress								149.05
Grand Total								1,755.76

Note: (a) Refer note 31 for disclosure of contractual commitments for acquisitions of property, plant and equipment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

Note 5 - Intangible assets

Reconciliation of carrying amount

(₹ in millions except for share data or otherwise stated)

Description	Gross carrying amount		Accumulated amortisation		Net Carrying amount
	As at 1 April 2018	As at 31 March 2019	As at 1 April 2018	Disposals As at 31 March 2019	As at 31 March 2019
Trademarks (Refer note "a" below)	122.16	122.16	-	-	122.16
Computer software	179.72	179.72	61.83	26.12	91.77
Total	301.88	301.88	61.83	26.12	213.93

Description	Gross carrying amount		Accumulated amortisation		Net Carrying amount
	As at 1 April 2017	As at 31 March 2018	As at 1 April 2017	Disposals As at 31 March 2018	As at 31 March 2018
Trademarks (Refer note "a" below)	122.16	122.16	-	-	122.16
Computer software	179.72	179.72	30.87	30.96	117.89
Total	301.88	301.88	30.87	30.96	240.05

Note:

(a) Trademarks represent the purchase consideration paid for the brand viz 'Sundrop'. As estimated by the Management, this trademark has an indefinite useful life. Hence, the same is not amortised as per Ind AS 36 "Impairment of Assets" and only tested for impairment. Also refer note 33.

Note 6 - Non-current investments

Particulars	Face value		No. of shares		Amount	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Investments in subsidiaries						
Investment in equity instruments						
Carried at cost less provision for other than temporary impairment						
Unquoted						
Investments in wholly owned subsidiaries (fully paid up)						
Sundrop Foods India Private Limited	₹ 10 each	2,000,000	2,000,000	20.00	20.00	20.00
Agro Tech Foods (Bangladesh) Pvt. Ltd*	BDT 10 each	16,000,000	15,000,000	124.39	116.01	116.01
Sundrop Foods Lanka (Private) Limited	LKR 10 each	5,000,000	5,000,000	23.95	23.95	23.95
			168.34	168.34	159.96	159.96
Aggregate value of unquoted non-current investments			168.34	168.34	159.96	159.96
Aggregate provision for impairment in value of non-current investments			-	-	-	-

Aggregate value of unquoted non-current investments

Aggregate provision for impairment in value of non-current investments

*Includes share application money pending for allotment ₹ 8.38 (31 March 2018: Nil) towards 1,000,000 equity shares (31 March 2018: Nil) of BDT 10 each.

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Note 7 - Non-current loans receivables		
Security deposits		
Unsecured, considered good	28.26	43.19
Less: Allowance for doubtful deposits	(0.56)	(0.56)
	27.70	42.63
Note 8 - Other non-current assets		
Unsecured		
Considered good:		
Capital advances	88.28	41.53
Advances other than capital advances		
Advances with Government, public bodies and others	99.46	107.44
Other advances	17.59	17.59
Prepaid rent	71.73	63.20
Income-tax assets (net)*	89.35	81.89
Considered doubtful:		
Advances with Government and public bodies	6.12	6.12
Other advances	22.62	22.62
Less: Allowance for doubtful advances	(28.74)	(28.74)
	366.41	311.65
*Also refer note 30.		
Note 9 - Inventories[^]		
Raw materials	352.81	468.99
Goods-in-transit-raw materials	12.39	3.37
Packing materials	86.94	83.85
Goods-in-transit-packing materials	7.63	9.12
Finished goods	346.30	345.89
Goods-in-transit-finished goods	27.09	25.00
Stock-in-trade	4.69	5.88
	837.85	942.10

[^] Refer note 3(e) for method of valuation for inventories.

The write down (reversal) of inventories to net realisable value during the year amounted to ₹ 0.30 (31 March 2018: ₹ 7.21). The write down is included in cost of materials consumed or changes in inventories of finished goods and stock-in trade.

Note 10 - Current investments

Investments in mutual funds - quoted (carried at fair value through profit and loss (FVTPL))	350.66	-
	350.66	-
Aggregate book value/ market value of quoted current investments	350.66	-
Aggregate provision for impairment in value of current investments	-	-

Information about the Company's exposure to price risks and fair value measurement, are included in Note 44.

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Note 11 - Trade receivables		
Unsecured, considered good	865.11	550.65
Less: Provision for impairment	(56.25)	(51.29)
	<u>808.86</u>	<u>499.36</u>
Information about the Company's exposure to credit and currency risk, loss allowances related to trade receivables are disclosed in Note 44.		
Note 12 - Cash and bank balances		
<i>Cash and cash equivalents:</i>		
Cheques on hand	0.60	1.44
Balances with banks - in current accounts	31.75	22.52
Fixed deposits	-	46.19
	<u>32.35</u>	<u>70.15</u>
<i>Other bank balances:</i>		
Unpaid dividend accounts	3.45	3.26
Fixed deposits*	0.87	218.60
	<u>4.32</u>	<u>221.86</u>
* Includes margin money deposits ₹ 0.87 (31 March 2018 ₹ 0.60).		
Note 13 - Other financial assets		
Insurance claims receivables (refer note 34)	144.09	-
Interest accrued	-	2.21
Other receivable	1.17	14.05
	<u>145.26</u>	<u>16.26</u>
Note 14 - Other current assets		
Advances other than capital advances		
Unsecured, considered good		
Advances with Government, public bodies and others	107.77	104.27
Other advances	46.37	37.32
Prepaid rent	0.69	0.69
Other receivables*	0.26	0.81
Unsecured, considered doubtful		
Other advances	11.70	11.70
Less: Provision for doubtful advances	(11.70)	(11.70)
	<u>155.09</u>	<u>143.09</u>

* Includes receivable from related party as disclosed under note 38.

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Note 15 - Share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
Equity shares 25,000,000 (31 March 2018: 25,000,000), equity shares of ₹ 10 each par value	250.00	250.00
Preference shares 1,000,000 (31 March 2018: 1,000,000), cumulative redeemable preference shares, of ₹ 100 each par value	100.00	100.00
	<u>350.00</u>	<u>350.00</u>
Issued		
Equity shares 24,372,139 (31 March 2018: 24,372,139), equity shares of ₹ 10 each par value	243.72	243.72
	<u>243.72</u>	<u>243.72</u>
Subscribed and fully paid-up		
Equity shares fully paid 24,369,264 (31 March 2018: 24,369,264), equity shares of ₹ 10 each fully paid up	243.69	243.69
	<u>243.69</u>	<u>243.69</u>

Rights, preferences and restrictions attached to the equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to their share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Notes:

(a) Shares in respect of equity in the Company held by its holding or ultimate holding company, including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate :

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
Holding company				
CAG Tech (Mauritius) Limited*	12,616,619	126.17	12,616,619	126.17
	<u>12,616,619</u>	<u>126.17</u>	<u>12,616,619</u>	<u>126.17</u>

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

(b) Details of shareholders holding more than 5% of total number of equity shares:

Particulars	As at		As at	
	31 March 2019		31 March 2018	
	Number of shares	% holding	Number of shares	% holding
CAG Tech (Mauritius) Limited*	12,616,619	51.77	12,616,619	51.77

* CAG Tech (Mauritius) Limited is the holding company and is an indirect subsidiary of Conagra Brands Inc. (formerly known as ConAgra Foods Inc.) (ultimate holding company).

(c) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at		As at	
	31 March 2019		31 March 2018	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
Balance at the beginning of the reporting year	24,369,264	243.69	24,369,264	243.69
Shares issued during the year	-	-	-	-
Balance at the end of the reporting year	24,369,264	243.69	24,369,264	243.69

(d) During the five previous financial years ended 31 March 2019, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

(e) Share based payments

The Company instituted the "Agro Tech Foods Limited Employee Stock Option Plan" ("Plan") to grant equity based incentives to its eligible employees. The Company has established a trust called the Agro Tech ESOP Trust ("Trust") to implement the Plan. The Company has given advance to the Trust for purchase of the Company's shares and advance outstanding as at 31 March 2019 is ₹ 402.28 (₹ 502.38 as at 31 March 2018).

Under the plan a maximum of 23,436,926 options will be granted to the eligible employees. All these options are planned to be settled in equity at the time of exercise at the option of the employee. These options have an exercise price of ₹ 561.00, ₹ 597.55 and ₹ 589.75 per share granted during the years ended 31 March 2014, 31 March 2015 and 31 March 2016 respectively and vests on a graded basis as follows:

Vesting period from the grant date	Vesting schedule
On completion of 12 months	25%
On completion of 24 months	25%
On completion of 36 months	25%
On completion of 48 months	25%

Stock option activity under the plan was as follows:

Movement in the options under the scheme as below :

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Options outstanding at the beginning of the year	804,987	972,140
Options granted during the year	-	-
Options exercised during the year	(6,799)	(115,125)
Options forfeited during the year	(6,261)	(52,028)
Shares under option at the end of the year	791,927	804,987

Fair value Measurement:

The fair value of the employee share based payment is determined using the Black Scholes model on the date of grant. No new grants have been issued during the year ended 31 March 2019 and 31 March 2018.

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Note 16 - Other equity

Particulars	General reserve	Securities premium	Retained earnings	Treasury Shares	Share options outstanding account	Agro Tech ESOP Trust (ATET) reserve	Total
Balance as at 1 April 2017	127.05	721.29	2,374.86	(571.33)	163.26	2.40	2817.53
Additions:							
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	(0.03)	-	-	-	(0.03)
Sale of treasury shares by the Trust	-	-	-	58.51	-	-	58.51
Profit on sale of treasury shares by the Trust	-	-	-	-	-	6.77	6.77
Net profit after tax transferred from the statement of profit and loss	-	-	316.48	-	-	-	316.48
Employee share based payment (Refer note 15(e))	-	-	-	-	14.15	-	14.15
Exercise of share options	17.37	-	-	-	(17.37)	-	-
	144.42	721.29	2,691.31	(512.82)	160.04	9.17	3,213.41
Deductions:							
Dividends	-	-	46.49	-	-	-	46.49
Tax on dividend	-	-	9.92	-	-	-	9.92
Balance as at 31 March 2018	144.42	721.29	2,634.90	(512.82)	160.04	9.17	3,157.00
Balance as at 1 April 2018	144.42	721.29	2,634.90	(512.82)	160.04	9.17	3,157.00
Additions:							
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	(0.50)	-	-	-	(0.50)
Sale of treasury shares by the Trust	-	-	-	75.75	-	-	75.75
Profit on sale of treasury shares by the Trust	-	-	-	-	-	8.90	8.90
Net profit after tax transferred from the statement of profit and loss	-	-	339.07	-	-	-	339.07
Employee share based payment (Refer note 15(e))	-	-	-	-	4.80	-	4.80
Exercise of share options	1.33	-	-	-	(1.33)	-	-
	145.75	721.29	2,973.47	(437.07)	163.51	18.07	3,585.02
Deductions:							
Dividends	-	-	58.42	-	-	-	58.42
Tax on dividend	-	-	12.52	-	-	-	12.52
Balance as at 31 March 2019	145.75	721.29	2,902.53	(437.07)	163.51	18.07	3,514.08

Nature and purpose of other reserves

General Reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Agro Tech ESOP Trust (ATET) reserve

Profit on sale of treasury shares by Agro Tech ESOP Trust is recognised in ATET reserve.

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Dividends

The following dividends were declared and paid by the Company during the year.

Particulars	As at 31 March 2019	As at 31 March 2018
₹ 2.50 per equity share (31 March 2018: ₹ 2) to equity shareholders	58.42	46.49
Dividend distribution tax (DDT) on dividend	12.52	9.92
	<u>70.94</u>	<u>56.41</u>

After the reporting dates dividend of ₹ 2.50 (31 March 2018: ₹ 2.50) per equity share were proposed by the Directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

Particulars	As at 31 March 2019	As at 31 March 2018
Note 17 - Non-current provisions		
Provision for employee benefits		
Compensated absences	13.52	12.66
	<u>13.52</u>	<u>12.66</u>
Note 18 - Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Refer note below)	44.38	57.71
Total outstanding dues of creditors other than micro enterprises and small enterprises*	643.65	637.51
	<u>688.03</u>	<u>695.22</u>

Note:

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting date has been made in the standalone financial statements based on information received and available with the Company and has been relied upon by the auditors.

Further, in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	44.38	57.71
- Interest	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-
* Includes payables to related parties as disclosed under note 38.		
Information about Company's exposure to currency and liquidity risks related to the trade payables are included in note 44.		
Note 19 - Other financial liabilities		
Payables for purchase of property, plant and equipment	2.61	7.36
Unclaimed dividends*	3.45	3.26
Payroll related liabilities	38.90	35.36
Other liabilities	6.35	7.80
	<u>51.31</u>	<u>53.78</u>
* Investor education and protection fund shall be credited when due.		
Information about Company's exposure to currency and liquidity risks related to the above financial liabilities are included in note 44.		
Note 20 - Other current liabilities		
Advance from customers	14.77	17.23
Statutory liabilities (including provident fund, tax deducted at source and others)	15.06	14.48
Current tax liabilities, (net)	5.26	5.26
	<u>35.09</u>	<u>36.97</u>
Note 21 -Provisions		
Provision for employee benefits:		
Gratuity (Refer note 42)	6.38	5.22
Compensated absences	5.48	5.57
Others:		
Provision for indirect tax matters	41.88	55.49
	<u>53.74</u>	<u>66.28</u>
Movement of provision for indirect tax matters		
Opening balance	55.49	57.68
Provision created / (utilised / reversed), net	(13.61)	(2.19)
Closing balance	<u>41.88</u>	<u>55.49</u>

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 22 - Revenue from operations		
Sale of products*	8,230.56	8,106.31
Other operating revenues	4.78	10.99
	<u>8,235.34</u>	<u>8,117.30</u>
* The Company disaggregates revenue from contracts with customers by the geography. Disaggregation of revenue by the geography is not an operating segment as disclosed in note 37.		
Location		
India	8,194.53	8,081.40
Outside India	36.03	24.91
Total	<u>8,230.56</u>	<u>8,106.31</u>
Geographical revenue is allocated based on the location of the customers.		
Gross to net revenue disclosure		
Revenue at contracted price	8,658.06	8,439.87
Less : Trade allowances and rebates	427.50	333.56
Net revenue recognised during the year	<u>8,230.56</u>	<u>8,106.31</u>
Note 23 - Other income		
Gain on sale of investments in mutual funds	27.53	2.29
Fair value gain on financial assets measured at fair value through profit and loss	0.66	-
Interest income	9.58	6.50
	<u>37.77</u>	<u>8.79</u>
Note 24 - Cost of materials consumed		
Opening stock		
Raw materials	472.36	723.03
Packing materials	92.97	88.45
Add: Purchases		
Raw materials	3,499.34	3,314.50
Packing materials	590.25	574.65
Less: Closing stock		
Raw materials	365.20	472.36
Packing materials	94.57	92.97
	<u>4,195.15</u>	<u>4,135.30</u>
Note 25 - Purchase of stock-in-trade		
Stock-in-trade	1,426.25	1,281.83
	<u>1,426.25</u>	<u>1,281.83</u>
Note 26 - Changes in inventories of finished goods and stock-in-trade		
Opening inventory:		
Finished goods	370.89	344.32
Stock-in-trade	5.88	5.21
Closing inventory:		
Finished goods	373.39	370.89
Stock-in-trade	4.69	5.88
Increase in inventory	<u>(1.31)</u>	<u>(27.24)</u>

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 27 - Employee benefit expenses		
Salaries, wages and bonus	403.79	391.51
Contribution to provident and other funds (Refer note 42)	34.06	31.60
Employee share based payment expense	4.80	14.15
Staff welfare expenses	13.92	12.95
	<u>456.57</u>	<u>450.21</u>
Note 28 - Finance costs		
Interest expense	0.94	2.53
	<u>0.94</u>	<u>2.53</u>
Note 29 - Other expenses		
Consumption of stores and spares	23.99	20.20
Excise duty	-	7.21
Power and fuel	60.29	46.02
Processing charges	81.36	60.79
Rent (Refer note 32)	234.55	242.21
Rates and taxes	23.97	25.29
Repairs and maintenance:		
- Machinery	6.04	7.62
- Buildings	0.28	0.18
- Others	21.32	21.80
Insurance	10.31	11.56
Printing and stationery	2.93	2.83
Software expenses	22.92	24.25
Communication expenses	19.15	21.67
Travelling expenses	65.88	67.17
Auditors' remuneration (Refer note 35)	7.06	5.89
Outward freight	366.62	323.44
Brokerage/ commission	38.61	45.60
Distribution expenses	238.08	218.28
Legal and professional charges	69.06	77.77
Advertisement and sales promotion	143.66	324.21
Royalty	26.97	24.90
Provision for doubtful debts	4.96	-
Loss on sale/ retirement of property, plant and equipment, net	1.89	0.33
Loss on foreign currency transactions, net	1.48	0.71
Bank charges	0.82	0.81
Miscellaneous expenses	40.58	38.67
	<u>1,512.78</u>	<u>1,619.41</u>
Note 30 - Income-tax		
(a) Amounts recognised in the statement of profit and loss		
Tax expense for the year		
Current tax	179.87	169.79
Current tax in respect of earlier years	1.60	-
	<u>181.47</u>	<u>169.79</u>
Deferred tax charge	0.98	3.06
Deferred tax (credit) in respect of earlier years	(6.52)	-
	<u>175.93</u>	<u>172.85</u>

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(b) Amounts recognised in other comprehensive income		
Current tax	(0.27)	(0.01)
	<u>(0.27)</u>	<u>(0.01)</u>
(c) Reconciliation of effective tax rate		
Profit before tax	515.00	489.33
Tax using the Company's domestic tax rate @ 34.944% (2018 @ 34.608%)	179.96	169.35
Tax effect of:		
Employee share based payment expense	-	4.90
Adjustment of tax relating to the earlier years	(4.92)	-
Weighted deduction on research and development expenditure	(2.36)	(2.66)
Others	3.25	1.26
	<u>175.93</u>	<u>172.85</u>

(d) Recognised deferred tax assets and liabilities :

Particulars	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities)/ Asset, net	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
	On provision for doubtful advances, trade receivables and other assets	30.82	28.81	-	-	30.82
On expenditure allowed on payment basis	12.48	12.09	-	-	12.48	12.09
Property, plant and equipment	-	-	175.09	171.84	(175.09)	(171.84)
Other items	0.06	-	-	6.33	0.06	(6.33)
	<u>43.36</u>	40.90	<u>175.09</u>	178.17	<u>(131.73)</u>	(137.27)

(e) Movement in temporary differences

Particulars	As at 1 April 2018	Recognised in statement of profit and loss	Recognised in OCI	Utilisation of MAT	As at 31 March 2019
On provision for doubtful advances, trade receivables and other assets	28.81	2.01	-	-	30.82
On expenditure allowed on payment basis	12.09	0.39	-	-	12.48
Property, plant and equipment	(171.84)	(3.25)	-	-	(175.09)
Other items	(6.33)	6.39	-	-	0.06
	<u>(137.27)</u>	5.54	-	-	<u>(131.73)</u>

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

(e) Movement in temporary differences (continued)

Particulars	As at 1 April 2017	Recognised in statement of profit and loss	Recognised in OCI	Utilisation of MAT	As at 31 March 2018
On provision for doubtful advances, trade receivables and other assets	29.02	(0.21)	-	-	28.81
On expenditure allowed on payment basis	13.74	(1.65)	-	-	12.09
Property, plant and equipment	(170.64)	(1.20)	-	-	(171.84)
Other items	(6.33)	-	-	-	(6.33)
MAT credit entitlement	20.28	-	-	(20.28)	-
	<u>(113.92)</u>	<u>(3.06)</u>	<u>-</u>	<u>(20.28)</u>	<u>(137.27)</u>

(f) The following table provides the details of income-tax assets net and current tax liabilities (net):

Particulars	As at 31 March 2019	As at 31 March 2018
Income-tax assets, (net)	89.35	81.89
Current tax liabilities, (net)	5.26	5.26
	<u>84.09</u>	<u>76.63</u>

Note 31 Contingent liabilities and commitments

Particulars	As at 31 March 2019	As at 31 March 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	337.47	23.44
Contingent liabilities:		
Claims against the Company not acknowledged as debts in respect of :		
- Indirect tax and direct tax matters, under dispute	264.13	296.37
- Other matters, under dispute	0.50	0.50

(a) Also refer note 43

(b) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before various tax authorities. The amounts included above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such dispute. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions. The Company has accrued appropriate provision wherever required.

Note 32 - Operating leases

(i) The Company leases warehouses and office facilities under cancellable and non-cancellable operating lease agreements. Total rental expense under cancellable operating lease was ₹ 46.12 (31 March 2018 : ₹ 49.99) and under non-cancellable portion was ₹ 26.42 (31 March 2018: ₹ 24.54) inclusive of maintenance and other charges, which has been disclosed as rent.

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

(ii) The Company has certain cancellable arrangements with contract packers (which conveys a right to use an asset in return for a payment or a series of payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental expenses of ₹ 162.01 (31 March 2018: ₹ 167.68) in respect of obligation under operating leases have been recognised in the statement of profit and loss. Management has concluded that it is impracticable to separate lease and non-lease payment. The lease payment disclosed in this note also includes non-lease payments.

Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating lease are as under:

Particulars	As at 31 March 2019	As at 31 March 2018
Due within one year	30.06	10.81
Due later than one year and not later than five years	133.45	27.14
Later than five years	152.90	54.63
	<u>316.41</u>	<u>92.58</u>

Note 33 - Intangible assets - Trademarks

Trademarks represent the purchase consideration paid for brand viz. "Sundrop". Sundrop brand has an indefinite useful life is measured at cost and are not subject to amortisation, but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. On the balance sheet date, the Management reassesses the value of brand through an independent valuer to ensure that the recoverable amount of the asset is not lower than its carrying amount. Key assumptions used in the estimation of the recoverable amount are set out below :

Particulars	As at 31 March 2019	As at 31 March 2018
Pre tax discount rate	25.40%	25.60%
Terminal growth rate	1.00%	1.00%

The Management believes that any reasonable possible change in the key assumptions that would not cause the carrying amount to exceed the recoverable amount of the asset.

Note 34 - Exceptional items

On 04 November 2018, a fire broke out at one of the manufacturing facilities of the Company which caused damage to the Company's property, plant, equipment and inventories. The Company lodged claim with the insurance company for losses suffered which is under survey by the insurance company. The Company has recorded a loss of ₹ 251.76 arising from such incident for the year ended 31 March 2019. Further, the Company has also recognised a minimum insurance claim receivable for equivalent amounts and has been disclosed under note 13 in these standalone financial statements. The aforementioned losses and the corresponding credit arising from insurance claim receivable has been presented on a net basis (₹ Nil) under Exceptional items in these standalone financial statements. There are no disputes made by the insurance company against such claim till the date of these standalone financial statements. The Company has received on account payments of ₹ 100 from the insurance company and ₹ 6.77 from the scrap vendor. The same has been adjusted with the amount recoverable from the insurance company.

Also, the Company is in the process of determining its final claim for loss of property, plant and equipment and losses incurred due to interruption of business and has accordingly not recorded any further claim arising therefrom at this stage.

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Note 35 - Auditors' remuneration (excluding applicable taxes):

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As Auditor		
Statutory audit	3.03	2.76
Tax audit	0.22	0.20
Limited reviews	0.80	0.73
Fees for certifications	1.33	1.21
Others	0.77	0.42
Reimbursement of expenses	0.91	0.57
	<u>7.06</u>	<u>5.89</u>

Note 36 - Earnings per equity share ("EPS")

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Net profit attributable to the equity shareholders	339.07	316.48
Weighted average number of equity shares outstanding of ₹ 10 each during the year		
Basic outstanding shares	24,369,264	24,369,264
Less: Weighted average shares held with the Agro Tech ESOP Trust	961,078	1,099,228
(b) Weighted average shares used for computing basic EPS	23,408,186	23,270,036
Add: Dilutive effect of stock options	31,834	3,680
(c) Weighted average shares used for computing diluted EPS	23,440,020	23,273,716
(d) Basic earnings per share (₹) (a/b)	14.49	13.60
(e) Diluted earnings per share (₹) (a/c)	14.47	13.60

Note 37 - Segmental information

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by industry classes. The operating segment of the Company has been identified as "Foods" as the CODM reviews the business performance at an overall Company level as one segment.

Information about major customers

Revenue from specific customers exceeding 10% of total revenue for the years ended 31 March 2019 and 31 March 2018 are as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
One customer		
Amount	1,158.20	1,196.26
Percent	14.07%	14.74%

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Note 38 - Related parties

Relationships	Name of related parties
1. Ultimate holding company	Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)
2. Holding company	CAG Tech (Mauritius) Limited
3. Subsidiary companies	Sundrop Foods India Private Limited Agro Tech Foods (Bangladesh) Pvt. Ltd. Sundrop Foods Lanka (Private) Limited
4. Fellow subsidiary company	ConAgra Foods Export Company, Inc.
5. Key Management Personnel (KMP)	
Managing Director & CEO	Mr. Sachin Gopal
Chief Financial Officer	Mr. Arijit Datta
Company Secretary	Ms. Jyoti Chawla (appointed w.e.f. 26 July 2017)
Independent Directors	Lt. Gen.D.B. Singh Mr. Sanjaya Kulkarni Mr. Arun Bewoor Mr. Narendra Ambwani Ms. Veena Vishindas Gidwani
6. Post-employment benefit trusts	Agro Tech Foods Management Staff Gratuity Fund Agro Tech Foods Non-Management Gratuity Fund Agro Tech Foods Provident Fund Agro Tech Foods Superannuation Fund

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

(a) Related party transactions during the year

Particulars	Relationship	For the year ended 31 March 2019	For the year ended 31 March 2018
Sundrop Foods India Private Limited	Subsidiary		
Distribution service received from subsidiary		143.80	130.91
Sundrop Foods Lanka (Private) Limited	Subsidiary		
Sale of materials		0.58	1.46
Agro Tech Foods (Bangladesh) Pvt. Ltd.	Subsidiary		
Purchase of materials		-	0.23
Investment in equity shares application money (refer note 6)		8.38	-
ConAgra Foods Export Company, Inc.	Fellow subsidiary		
Purchase of materials		1.04	-
Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate holding company		
Royalty		26.96	24.11
Recovery of expenses		0.22	3.27
Income earned on services rendered		-	5.55
CAG Tech (Mauritius) Limited	Holding company		
Dividend (on payment basis)		31.54	25.23
Key Managerial Personnel Compensation	Key Management Personnel		
Short-term employee benefits*		35.49	33.37
Post-employment defined benefits*		2.01	1.95
Sitting fees and commission to independent directors		5.85	6.58
Agro Tech Foods Management Staff Gratuity Fund	Post-employment benefit trusts		
Contribution during the year		5.22	3.52
Agro Tech Foods Provident Fund	Post-employment benefit trusts		
Contribution during the year		34.63	32.87
Agro Tech Foods Superannuation Fund	Post-employment benefit trusts		
Contribution during the year		6.87	6.83

*Remuneration as given above does not include long-term compensated absences benefit accrued, gratuity benefit accrued and insurance premium since the same are computed for all the employees together and the amounts attributable to the managerial personnel cannot be ascertained separately. Share-based compensation expense allocable to key management personnel is not included in the remuneration disclosed above.

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

(b) Related party balances as at balance sheet date

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Receivable from related parties			
Sundrop Foods Lanka (Private) Limited	Subsidiary	0.26	0.81
Payable to related parties			
Agro Tech Foods Management Staff Gratuity Fund	Post-employment benefit trusts	6.38	5.22
Agro Tech Foods Provident Fund	Post-employment benefit trusts	2.36	1.16
Agro Tech Foods Superannuation Fund	Post-employment benefit trusts	0.58	0.56
Sundrop Foods India Private Limited	Subsidiary	56.54	47.38
Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate holding company	3.45	3.33
Key Managerial Personnel Compensation	Key Managerial Personnel	7.62	5.69
Independent Directors	Independent Directors	2.95	3.20

Note: The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors

Note 39 - Corporate social responsibility

During the year, the Company has spent ₹ 4.62 (31 March 2018: ₹1.64) for Social welfare program called "Poshan". The program which is designed to address malnourishment amongst children, works with Government Anganwadi's and Child Malnourishment Treatment Centers using Peanut Butter which is a rich source of protein and highly effective to fight malnutrition. The amount includes allocable manufacturing overhead and it represents about 1.06% (31 March 2018: 0.39%) of last 3 years average profit. This amount is booked under the head of miscellaneous expenses and charged to the statement of profit and loss.

Gross amount required to be spent by the Company during the year : ₹ 8.69 (31 March 2018: ₹ 8.44)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount spent other than for construction/ acquisition of any asset	4.62	1.64
Amount accrued and not paid	-	-
	<u>4.62</u>	<u>1.64</u>

Note 40 - Research and development expenses

Revenue expenditure on research and development is expensed as incurred. Capital expenditure incurred on research and development ('R&D') is capitalised as property, plant and equipment and depreciated in accordance with the depreciation policy of the Company. The details are as below:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Capital expenditure	0.12	-
Revenue expenditure	19.14	18.86
	<u>19.26</u>	<u>18.86</u>

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Note 41 - Capital management

The Company's policy is to maintain a stable and strong capital structure with focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends of equity share holders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of Company's capital management, capital includes issued capital and all other equity reserves and debt includes short-term working capital demand loan. The Company does not have any borrowings or loans and it believes that the working capital is sufficient to meet its current requirements.

Note 42 - Employee Benefits

a) The employee benefit schemes are as under:

i. Provident fund :

All employees of the Company receive benefits under the Provident Fund which is a defined benefit plan wherein the Company provides the guarantee of a specified return on contribution. The contribution is made both by the employee and the Company equal to 12% of the employees' salary. These contributions are made to the Fund administered and managed by the Company's own Trust. (Refer note 43).

ii. Superannuation fund:

The Company has a Defined Contribution Scheme to provide pension to the eligible employees. The Company makes monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are administered by Company's own Trust which has subscribed to "Group Superannuation Policy" of ICICI Prudential Life Insurance Company Limited. The Company's monthly contributions are charged to the statement of profit and loss.

iii. Gratuity :

In accordance with the 'The Payment of Gratuity Act, 1972' of India, the Company provides for Gratuity, a Defined Retirement Benefit Scheme (the Gratuity Plan), covering eligible employees. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to statement of profit and loss. The Gratuity Plan is a funded Plan administered by Company's own Trust which has subscribed to "Group Gratuity Scheme" of ICICI Prudential Life Insurance Company Limited.

iv. Compensated absences :

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the statement of profit and loss.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

b) The following table sets out the particulars of the employee benefits as required under the Ind AS 19- "Employee Benefits".

i) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year for Gratuity are as follows:

Particulars	31 March 2019			31 March 2018		
	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)
Opening balance (A)	52.95	47.73	5.22	51.33	47.81	3.52
Current service cost	5.77	-	5.77	5.26	-	5.26
Interest cost	3.50	-	3.50	3.36	-	3.36
Expected returns	-	3.65	(3.65)	-	3.44	(3.44)
Total amount recognised in the statement of profit and loss (B)	9.27	3.65	5.62	8.62	3.44	5.18
Remeasurements						
Loss/ (gain) from change in financial assumptions	0.72	-	0.72	(1.53)	-	(1.53)
Experience losses - experience	0.01	-	0.01	1.24	-	1.24
Return on plan assets, greater/ less than discount rate	-	(0.03)	0.03	-	(0.33)	0.33
Total amount recognised in other comprehensive income (C)	0.73	(0.03)	0.76	(0.29)	(0.33)	0.04
Contributions (D)	-	5.22	(5.22)	-	3.52	(3.52)
Benefit paid (E)	(3.95)	(3.95)	-	(6.71)	(6.71)	-
Closing Balance (A+B+C+D+E)	59.01	52.62	6.38	52.95	47.73	5.22

ii) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year for Provident Fund are as follows:

Particulars	31 March 2019			31 March 2018		
	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)
Opening balance (A)	331.13	347.10	(15.97)	295.17	324.53	(29.36)
Current service cost	10.20	-	10.20	11.06	-	11.06
Interest cost	25.68	-	25.68	20.38	-	20.38
Expected returns	-	27.13	(27.13)	-	20.38	(20.38)
Total amount to be recognised in the statement of profit and loss (B)	35.88	27.13	8.75	31.44	20.38	11.06
Remeasurements						
Actuarial loss/ (gain) experience	2.48	-	2.48	(2.23)	-	(2.23)
Actuarial gain on plan assets	-	(7.05)	7.05	-	(14.56)	14.56
Total amount to be recognised in other comprehensive income (C)	2.48	(7.05)	9.53	(2.23)	(14.56)	12.33
Contributions (D)	24.43	34.63	(10.20)	22.87	32.87	(10.00)
Transfer in (E)	0.47	0.47	-	0.20	0.20	-
Benefits paid (F)	(94.13)	(94.13)	-	(16.32)	(16.32)	-
Closing Balance (A+B+C+D+E+F)**	300.26	308.15	(7.88)	331.13	347.10	(15.97)

** The Company has not recognised an asset amounting to ₹ 7.88 (31 March 2018: ₹ 15.97) as there are no future economic benefits available to the Company in the form of reduction in future contribution or a cash refund.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

iii) Significant estimates: Actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

Particulars	Gratuity		Provident Fund	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate	7.45%	7.65%	7.43%	7.64%
Expected rate of return on plan assets	7.45%	7.65%	8.65%	8.55%
Salary escalation rate	7.00%	7.00%	7.00%	7.00%

Discount rate : The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets : This is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate : The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iv) Details of plan assets

Particulars	Gratuity		Provident Fund	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Government of India securities	-	-	36.20%	31.89%
PSU bonds	-	-	44.32%	45.88%
Special deposits	-	-	-	3.07%
State Government securities	-	-	19.48%	19.16%
Fund managed by ICICI Prudential Life Insurance Company Limited*	100%	100%	-	-
Total	100%	100%	100%	100%

*The Company makes annual contribution to the ICICI Prudential Life Insurance Company Limited.

v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Particulars	As at	As at
	31 March 2019	31 March 2018
Provident Fund		
A. Discount rate		
a. Discount rate - 100 basis points	306.60	340.11
b. Discount rate +100 basis points	297.28	330.16
B. Interest rate guarantee for planned asset		
a. Rate - 100 basis points	298.78	330.16
b. Rate +100 basis points	307.10	339.66
Gratuity		
A. Discount rate		
a. Discount rate - 100 basis points	62.91	56.46
b. Discount rate +100 basis points	50.57	49.85
B. Salary increase rate		
a. Rate - 100 basis points	55.53	49.80
b. Rate +100 basis points	62.89	56.44

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi) Maturity profile of defined benefit obligation :

Particulars	Gratuity		Provident Fund	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Year 1	16.98	14.35	32.17	30.07
Year 2	3.22	4.33	48.72	45.53
Year 3	5.52	2.88	26.53	24.79
Year 4	3.70	5.59	21.82	20.39
Year 5	5.58	3.24	55.74	52.09
Year 6 to 10	26.73	25.22	146.75	137.15

Note - 43 On 28th February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has re-computed its liability towards PF for the month of March 2019 and has made a provision for it in the books of account. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

Note 44 - Financial instruments - fair values and risk management

The Company's principal financial liabilities comprise trade payables and other liabilities. The Company's principal financial assets include loans, investments, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Agro Tech Foods Limited

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Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2019, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets										
Investments in subsidiaries	6	-	-	168.34	-	168.34	-	-	-	-
Non-current loans receivables	7	-	-	27.70	-	27.70	-	-	-	-
Investments in mutual funds	10	350.66	-	-	-	350.66	350.66	-	-	350.66
Trade receivables	11	-	-	808.86	-	808.86	-	-	-	-
Cash and cash equivalents	12	-	-	32.35	-	32.35	-	-	-	-
Bank balances (other than cash and cash equivalents)	12	-	-	4.32	-	4.32	-	-	-	-
Other financial assets	13	-	-	145.26	-	145.26	-	-	-	-
		350.66	-	1,186.83	-	1,537.49	350.66	-	-	350.66
Financial liabilities not measured at fair value										
Trade payables	18	-	-	-	688.03	688.03	-	-	-	-
Other financial liabilities	19	-	-	-	51.31	51.31	-	-	-	-
		-	-	-	739.34	739.34	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2018, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Investments in subsidiaries	6	-	-	159.96	-	159.96	-	-	-	-
Non-current loans receivables	7	-	-	42.63	-	42.63	-	-	-	-
Trade Receivables	11	-	-	499.36	-	499.36	-	-	-	-
Cash and cash equivalents	12	-	-	70.15	-	70.15	-	-	-	-
Bank balances (other than cash and cash equivalents)	12	-	-	221.86	-	221.86	-	-	-	-
Other financial assets	13	-	-	16.26	-	16.26	-	-	-	-
		-	-	1,010.22	-	1,010.22	-	-	-	-
Financial liabilities not measured at fair value										
Trade payables	18	-	-	-	695.22	695.22	-	-	-	-
Other financial liabilities	19	-	-	-	53.78	53.78	-	-	-	-
		-	-	-	749.00	749.00	-	-	-	-

Measurement of fair values

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature.

The fair valuation of investments in mutual funds is classified as level 1 in the fair value hierarchy as they are determined based on their quoted prices.

The fair valuation of derivative financial assets are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

The fair value of cash and cash equivalents, bank balances, investments, trade receivables, other financial assets, trade payables and liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- i. Credit Risk
- ii. Liquidity Risk
- iii. Market Risk

Risk Management framework:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's risk management policy is set by the Risk Management Committee. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale, retail or institutional customers, their industry, trading history with the Company and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

The Company's exposure to credit risk for trade receivables by type of counterparty is as follows:

Movement in the allowance for impairment in trade receivables

Particulars	31 March 2019	31 March 2018
Opening balance	51.29	51.89
Changes in allowance for impairment in trade receivables	4.96	(0.60)
Net remeasurement of loss allowance	56.25	51.29

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Company's reputation.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019 and 31 March 2018:

Particulars	As at 31 March 2019			
	Carrying value	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities				
Trade payables	688.03	688.03	-	-
Other financial liabilities	51.31	51.31	-	-
	739.34	739.34	-	-

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	As at 31 March 2018			
	Carrying value	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities				
Trade payables	695.22	695.22	-	-
Other financial liabilities	53.78	53.78	-	-
	749.00	749.00	-	-

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Since, the Company does not have any borrowings having floating rate of interest, hence there is no interest rate risk.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The functional currency of the Company is INR and maximum sales transactions are denominated in INR itself. Foreign currency transactions are mainly denominated in USD.

Exposure to currency risk

The following is the nominal value of outstanding derivative contracts entered into by the Company for hedging currency and interest rate related risks as at:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Foreign Currency (USD) (Absolute figure)	Amount in ₹ millions	Foreign Currency (USD) (Absolute figure)	Amount in ₹ millions
Trade payables	93,846	6.52	-	-

The particulars of un-hedged foreign exposure as at balance sheet date is as under

Particulars	As at 31 March 2019		As at 31 March 2018	
	Foreign Currency (USD) (Absolute figure)	Amount in ₹ millions	Foreign Currency (USD) (Absolute figure)	Amount in ₹ millions
Trade payables	1,334	0.09	137,026	8.92
Trade receivables	34,766	2.42	30,148	1.96

Sensitivity Analysis:

The profit or loss is sensitive to foreign exchange gain/ (loss) as a result of changes in foreign exchange rates.

Particulars	Impact on profit for the year ended	
	31 March 2019	31 March 2018
Foreign exchange rate - Increases by 5%	0.12	(0.35)
Foreign exchange rate - Decreases by 5%	(0.12)	0.35

Agro Tech Foods Limited

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Price risk exposure

The Company's exposure to price risk arises from investments held by the Company in the mutual fund units and classified as fair value through profit or loss in the standalone balance sheet. To manage its price risk arising from investments in mutual fund units, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company. The exposure of the Company's mutual fund investments to security price changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Investments in mutual fund units	350.66	-

Sensitivity Analysis:

The profit or loss is sensitive to market price as a result of changes in price of mutual funds.

Particulars	Impact on profit for the year ended	
	31 March 2019	31 March 2018
Market price - Increases by 5%	17.53	-
Market price - Decreases by 5%	(17.53)	-

Note 45 - During the year ended 31 March 2019 and 31 March 2018 no material foreseeable loss was incurred for any long-term contract including derivative contracts.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 24 April 2019

for **Agro Tech Foods Limited**
CIN: L15142TG1986PLC006957

Sachin Gopal
Managing Director & CEO
DIN 07439079

Arijit Datta
Chief Financial Officer

Place: Gurugram
Date: 24 April 2019

Lt.Gen.D.B. Singh
Director
DIN 00239637

Jyoti Chawla
Company Secretary

Consolidated Financial Statements

Agro Tech Foods Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AGRO TECH FOODS LIMITED

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Agro Tech Foods Limited (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state

of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

Revenue Recognition

See note 3(h) and 21 to the consolidated financial statements

The key audit matter

The principal products of the Group comprises food products which are mainly sold through distributors, modern trade and direct sale channels canteen sales department amongst others. Revenue is recognised when the customer obtains control of the goods.

We identified revenue recognition as a key audit matter because there is a risk of revenue being overstated due to fraud resulting from the pressure that management may feel to achieve performance targets at the year end. The Group focuses on revenue as a key performance indicator, which could create an incentive for revenue to be recognised before control has been transferred.

How the matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

1. We assessed the appropriateness of the revenue recognition accounting policies by comparing them with applicable accounting standards.
2. We evaluated the design of controls and operating effectiveness of the relevant controls with respect to revenue recognition.
3. We performed substantive testing by selecting samples of revenue transactions recorded during the year by verifying the underlying documents.
4. We carried out analytical procedures on revenue recognised during the year to identify unusual variances.

Agro Tech Foods Limited

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

	<ol style="list-style-type: none"> 5. We performed confirmation procedures on selected customer balances at the balance sheet date. 6. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period. 7. We tested manual journal entries posted to revenue to identify unusual items.
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Tax litigations – provisions and contingencies
See note 30 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group is involved in several ongoing direct and indirect tax litigations in various states of India.</p> <p>The Group recognises a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.</p> <p>A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.</p> <p>We have identified tax litigations, provisions and contingencies as a key audit matter because it requires the management to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations. The Group operates under several tax laws and some of these have a significant impact on the consolidated financial statements of the Group.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> 1. We tested the effectiveness of controls around the recording and assessment of tax provisions and contingent liabilities. 2. We used our own local tax specialists to assess the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities. 3. We assessed the relevant historical and recent judgments passed by the court authorities as well as obtained formal confirmations from the external counsel, where appropriate; 4. Discussed the open cases with the legal head of the Group to assess the reasonableness of the provision or contingency; and 5. Considered the adequacy of the Group's disclosures made in relation to taxation related provisions and contingencies in the consolidated financial statements.

Accuracy of estimation from the fire accident at a factory in Unnao and related consequences:
See note 33 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>On 04 November 2018, a fire broke out at one of the manufacturing facilities of the Holding Company which caused damage to the Holding Company's property, plant, equipment and inventory.</p> <p>The Holding Company was insured for fire incidents including property, plant and equipment, inventories</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> 1. Inquired management about the losses incurred and the status of the claims filed with the

Agro Tech Foods Limited

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

and business interruption and has applied for the claim towards the losses incurred.

The recognition of the claim by the Holding Company involves significant judgement. Since the claim is under process, the Holding Company restricted the recognition of the claim to the extent of book value of the assets lost that were covered under the insurance policy.

insurance companies. We also inspected the correspondences made with the insurance company by the Holding Company with respect to the status/ processing of the claim.

2. Assessed the timing and adequacy of the claim income recognition from the insurance companies. We have checked that the Holding Company has recognised the insurance claim receivable to the extent of book value of the assets lost, that were covered under the insurance policy.
3. We have verified the on account payments received by the Holding Company, pending settlement of the claim.
4. We also assessed the adequacy of the disclosures (in note 33) made in relation to the said matter in the consolidated financial statements.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles

generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements :

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's

report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures and joint operations to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Agro Tech Foods Limited

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of two subsidiaries, whose financial statements/financial information reflect total assets of ₹ 122.64 million as at 31 March 2019, total revenues of ₹1.84 million and net cash flows amounting to ₹ 2.88 million for the year ended on that date, as considered in the consolidated Financial statements.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act read with relevant Rules issued thereunder;
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019, taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31

Agro Tech Foods Limited

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

March 2019 on the consolidated financial position of the Group. Refer Note 30 to the consolidated financial statements;

- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019;
- iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by its Subsidiary Company incorporated in India; and
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial

statements since they do not pertain to the financial year ended 31 March 2019.

- C. With respect to the matter to be included in the Auditor's report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid / provided during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act read with Schedule V. The remuneration paid / provided to one director by the Holding Company, was in excess of the limit laid down under Section 197 read with Schedule V of the Act, which was approved in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act. The Subsidiary company incorporated in India, has not paid/ provided any managerial remuneration to any directors during the financial year ended 31 March 2019. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm's Registration No. 116231W/ W-100024

Vikash Somani

Partner

Membership No: 061272

Place: Gurugram

Date: 24 April 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AGRO TECH FOODS LIMITED FOR THE YEAR ENDED 31 MARCH 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Agro Tech Foods Limited (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as

required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's

Agro Tech Foods Limited

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated Financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated Financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration No.116231W/ W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Gurugram
Date: 24 April 2019

Agro Tech Foods Limited

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2019

(₹ in millions except for share data or otherwise stated)

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	4	1,588.74	1,691.91
Capital work-in-progress	4	123.51	152.39
Intangible assets	5	213.93	240.05
Financial assets			
(i) Non-current loans receivables	6	29.28	44.24
Deferred tax assets (net)	29	17.63	8.95
Other non-current assets	7	370.83	314.29
Total non-current assets		<u>2,343.92</u>	<u>2,451.83</u>
Current assets			
Inventories	8	840.25	945.25
Financial assets			
(i) Investments	9	350.66	-
(ii) Trade receivables	10	810.13	499.98
(iii) Cash and cash equivalents	11	44.28	86.27
(iv) Bank balances other than (iii) above	11	4.32	221.86
(v) Other financial assets	12	145.27	16.53
Other current assets	13	156.49	145.43
Total current assets		<u>2,351.40</u>	<u>1,915.32</u>
Total assets		<u>4,695.32</u>	<u>4,367.15</u>
Equity and liabilities			
Equity			
Equity share capital	14	243.69	243.69
Other equity	15	3,520.21	3,153.09
Equity attributable to owners of the Company		<u>3,763.90</u>	<u>3,396.78</u>
Non-controlling interest		-	-
Total equity		<u>3,763.90</u>	<u>3,396.78</u>
Liabilities			
Non-current liabilities			
Provisions	16	17.23	16.40
Deferred tax liabilities, net	29	131.73	137.27
Total non-current liabilities		<u>148.96</u>	<u>153.67</u>
Current liabilities			
Financial liabilities			
(i) Trade payables			
Total outstanding dues of micro enterprises and small enterprises	17	44.38	57.71
Total outstanding dues of creditors other than micro enterprises and small enterprises	17	590.56	594.15
(ii) Other financial liabilities	18	55.46	57.49
Other current liabilities	19	37.80	40.45
Provisions	20	54.26	66.90
Total current liabilities		<u>782.46</u>	<u>816.70</u>
Total liabilities		<u>931.42</u>	<u>970.37</u>
Total equity and liabilities		<u>4,695.32</u>	<u>4,367.15</u>

Significant accounting policies
See accompanying notes to the consolidated financial statements

As per our report of even date attached
for **B S R & Associates LLP**

Chartered Accountants
ICAI Firm's registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No.061272
Place: Gurugram
Date: 24 April 2019

for **Agro Tech Foods Limited**
CIN: L15142TG1986PLC006957

Sachin Gopal
Managing Director & CEO
DIN 07439079

Arijit Datta
Chief Financial Officer

Place: Gurugram
Date: 24 April 2019

Lt.Gen.D.B. Singh
Director
DIN 00239637
Jyoti Chawla
Company Secretary

Agro Tech Foods Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

(₹ in millions except for share data or otherwise stated)

Particulars	Note No.	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from operations			
Sale of products	21	8,231.83	8,105.77
Other operating revenues	21	4.78	10.99
		<u>8,236.61</u>	<u>8,116.76</u>
Other income	22	38.03	9.44
Total income		<u>8,274.64</u>	<u>8,126.20</u>
Expenses			
Cost of materials consumed	23	4,195.74	4,135.49
Purchase of stock-in-trade	24	1,426.64	1,282.69
Changes in inventories of finished goods and stock-in-trade	25	(0.20)	(28.65)
Employee benefits expense	26	556.13	539.72
Finance costs	27	0.94	2.53
Depreciation and amortisation expense	4, 5	173.06	179.51
Other expenses	28	1,411.16	1,527.32
Total expenses		<u>7,763.47</u>	<u>7,638.61</u>
Profit before exceptional items and tax		<u>511.17</u>	<u>487.59</u>
Exceptional items	42	-	-
Profit before tax		<u>511.17</u>	<u>487.59</u>
Tax expense	29 (a)	168.63	171.96
Profit for the year (A)		<u>342.54</u>	<u>315.63</u>
Other comprehensive income			
<i>Items that will not be reclassified subsequently to the statement of profit or loss</i>			
Remeasurement of the net defined benefit obligation		0.27	(0.27)
Income-tax relating to those items	29 (b)	-	0.08
<i>Items that will be reclassified subsequently to the statement of profit or loss</i>			
Foreign currency translation reserve		5.80	(4.89)
Other comprehensive income for the year (B)		<u>6.07</u>	<u>(5.08)</u>
Total comprehensive income for the year (A+B)		<u>348.61</u>	<u>310.55</u>
Profit attributable to:			
Owners of the Company		342.54	315.63
Non-controlling interest		-	-
Profit for the year		<u>342.54</u>	<u>315.63</u>
Other comprehensive income attributable to:			
Owners of the Company		6.07	(5.08)
Non-controlling interest		-	-
Other comprehensive income for the year		<u>6.07</u>	<u>(5.08)</u>
Total comprehensive income attributable to:			
Owners of the Company		348.61	310.55
Non-controlling interest		-	-
Total comprehensive income for the year		<u>348.61</u>	<u>310.55</u>
Earnings per share (nominal value of ₹ 10 each)	35		
Basic [in ₹]		14.63	13.56
Diluted [in ₹]		14.61	13.56
Weighted average number of equity shares used in computing earnings per shares:			
- Basic		23,408,186	23,270,036
- Diluted		23,440,020	23,273,716

Significant accounting policies 3
See accompanying notes to the consolidated financial statements
As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants
ICAI Firm's registration No. 116231W/W-100024

Vikash Somani

Partner
Membership No.061272

Place: Gurugram
Date: 24 April 2019

for **Agro Tech Foods Limited**

CIN: L15142TG1986PLC006957

Sachin Gopal
Managing Director & CEO
DIN 07439079

Arijit Datta
Chief Financial Officer

Place: Gurugram
Date: 24 April 2019

Lt.Gen.D.B. Singh
Director
DIN 00239637

Jyoti Chawla
Company Secretary

Agro Tech Foods Limited

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(₹ in millions except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
Profit before tax	511.17	487.59
Adjustments for:		
Depreciation and amortisation expense	173.06	179.51
Loss on sale/ retirement of property, plant and equipment, net	1.89	0.33
Gain on sale of investments in mutual funds	(27.53)	(2.29)
Fair value gain on financial assets measured at fair value through profit and loss, net	(0.66)	-
Interest income	(9.84)	(7.15)
Finance costs	0.94	2.53
Employee share based payment expenses	4.80	14.15
Proceeds from the insurance company	100.00	-
Provision for doubtful debts, (net)	4.96	-
Change in operating assets and liabilities		
Increase in trade receivables	(315.11)	(105.59)
Decrease in inventories	105.00	215.76
Increase in loans and other financial assets	(2.66)	(38.34)
Increase in other current and non-current assets	(11.61)	(69.16)
(Decrease)/ increase in trade payables and other financial liabilities	(14.39)	110.92
Decrease in other current and non-current provisions	(11.54)	0.84
Increase/ (decrease) in other current and non-current liabilities	(2.65)	(30.66)
Cash generated from operations	505.83	758.44
Income taxes paid, net	(192.85)	(154.87)
Net cash inflow from operating activities	312.98	603.57
Cash flows from investing activities		
Payments for property, plant and equipment	(290.75)	(173.25)
Proceeds from sale of property, plant and equipment	9.64	0.77
Interest received	12.31	5.63
Purchase of current investments in mutual funds	(3,839.10)	(444.00)
Proceeds from sale of investments in mutual funds	3,516.63	446.29
Investment in bank deposits (having original maturity of more than 3 months)	217.54	(215.23)
Net cash outflow used in investing activities	(373.73)	(379.79)

Agro Tech Foods Limited

CONSOLIDATED CASH FLOW STATEMENT (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2019
Cash flows from financing activities		
Repayment of short term loans to banks, net	-	(150.00)
Sale of treasury shares	84.65	65.28
Dividend paid (including dividend distribution tax)	(70.75)	(56.34)
Finance costs paid	(0.94)	(2.53)
Net cash outflow from financing activities	<u>12.96</u>	<u>(143.59)</u>
Net increase in cash and cash equivalents	(47.79)	80.19
Cash and cash equivalents at the beginning of the financial year	86.27	10.76
Exchange differences on translation of foreign currency	5.80	(4.68)
Cash and cash equivalents at end of the year	<u>44.28</u>	<u>86.27</u>

Cash and cash equivalents as per above comprise of the following:

Particulars	As at 31 March 2019	As at 31 March 2018
Cheques on hand	0.60	1.44
Balances with banks		
-in current accounts	40.91	33.19
Deposits with maturity less than three months	2.77	51.64
Balances as per statement of cash flows	<u>44.28</u>	<u>86.27</u>

See accompanying notes to the consolidated financial statements

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 24 April 2019

for **Agro Tech Foods Limited**
CIN: L15142TG1986PLC006957

Sachin Gopal
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Chief Financial Officer

Place: Gurugram
Date: 24 April 2019

Lt.Gen.D.B. Singh
Director
DIN 00239637

Jyoti Chawla
Company Secretary

Agro Tech Foods Limited

Consolidated statement of changes in equity

(₹ in millions except for share data or otherwise stated)

Particulars	Other Equity					Total equity attributable to equity holders of the Company	Total equity attributable to Non-controlling interest	Total				
	Equity share capital	Reserves and surplus	Treasury Shares	Foreign currency translation reserve	Share options outstanding (AIEI) account reserve							
Balance as at 1 April 2017	243.69	127.05	721.29	2,373.64	(571.33)	3.21	163.26	2.40	3,063.21	-	3,063.21	
Changes in equity for the year ended 31 March 2018												
Dividends (including corporate dividend tax)	-	-	-	(56.41)	-	-	-	-	-	(56.41)	-	(56.41)
Employee Share based payment (Refer note 14(e))	-	-	-	-	-	-	14.15	-	-	14.15	-	14.15
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	(0.19)	-	-	-	-	-	(0.19)	-	(0.19)
Profit on sale of shares transferred by Trust	-	-	-	-	-	-	-	6.77	-	6.77	-	6.77
Sale of treasury shares during the year	-	-	-	-	58.51	-	-	-	-	58.51	-	58.51
Exercise of share options	17.37	-	-	-	-	-	(17.37)	-	-	-	-	-
Profit for the year	-	-	-	315.63	-	-	-	-	-	315.63	-	315.63
Foreign currency translation reserve	-	-	-	-	(4.89)	-	-	-	-	(4.89)	-	(4.89)
Balance as at 31 March 2018	243.69	144.42	721.29	2,632.67	(512.82)	(1.68)	160.04	9.17	3,396.78	-	3,396.78	
Changes in equity for the year ended 31 March 2019												
Dividends (including corporate dividend tax)	-	-	-	(70.94)	-	-	-	-	-	(70.94)	-	(70.94)
Employee Share based payment (Refer note 14(e))	-	-	-	-	-	-	4.80	-	-	4.80	-	4.80
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	0.27	-	-	-	-	-	0.27	-	0.27
Profit on sale of shares transferred by Trust	-	-	-	-	-	-	-	8.90	-	8.90	-	8.90
Sale of treasury shares during the year	-	-	-	-	75.75	-	-	-	-	75.75	-	75.75
Exercise of share options	1.33	-	-	-	-	-	(1.33)	-	-	-	-	-
Profit for the year	-	-	-	342.54	-	-	-	-	-	342.54	-	342.54
Foreign currency translation reserve	-	-	-	-	-	5.80	-	-	-	5.80	-	5.80
Balance as at 31 March 2019	243.69	145.75	721.29	2,904.54	(437.07)	4.12	163.51	18.07	3,763.90	-	3,763.90	

See accompanying notes to the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

ICAI Firm's registration No. 116231W/W-100024

Vikash Somani

Partner

Membership No.061272

Place: Gurugram

Date: 24 April 2019

for **Agro Tech Foods Limited**

CIN: L15142TG1986PLC006957

Sachin Gopal

Managing Director & CEO

DIN 07439079

Arijit Datta

Chief Financial Officer

Place: Gurugram

Date: 24 April 2019

Lt.Gen.D.B. Singh

Director

DIN 00239637

Jyoti Chawla

Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Reporting entity

Agro Tech Foods Limited (the "Company" or "the Holding Company") is a company domiciled in India, with its registered office situated at 31, Sarojini Devi Road, Secunderabad, Telangana - 500 003, India. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily engaged in the business of manufacturing and trading of food and food products to consumers and institutional customers.

The consolidated financial statements of the Company for the year ended 31 March 2019 comprise the Company (Agro Tech Foods Limited) and its wholly owned subsidiaries Sundrop Foods India Private Limited (incorporated in India), Agro Tech Foods (Bangladesh) Pvt. Ltd. (incorporated in Bangladesh) and Sundrop Foods Lanka (Private) Limited (incorporated in Sri Lanka). These entities have together been referred to as the 'Group'.

2 Basis of preparation

A. Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 24 April 2019.

Details of the Group's accounting policies are included in Note 3.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest millions unless otherwise indicated.

C. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Liabilities for shared-based payment arrangement	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 31 - leases: whether an arrangement contains a lease; and
- Note 31 - lease classification;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 41 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life of property, plant and equipment.
- Note 5 - useful life of intangible assets and impairment of intangible assets having indefinite useful life.
- Notes 6, 9, 10 and 12 - impairment of financial assets.

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

E. Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established internal control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which these valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 14(e) - share-based payments;
- Note 43 - financial instruments.

3. Significant accounting policies

(a) Basis of consolidation

i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii. Transactions eliminated on consolidation

Intra - Group balances and transactions, and any unrealised income and expenses arising from intra - Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iii. Subsidiaries considered in the consolidated financial statements:

Name of the Company	Country of Incorporation	Ownership interest (in %)	
		As at 31 March 2019	As at 31 March 2018
Subsidiary companies:			
Sundrop Foods India Private Limited	India	100	100
Agro Tech Foods (Bangladesh) Pvt. Ltd	Bangladesh	100	100
Sundrop Foods Lanka (Private) Limited	Srilanka	100	100

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

iv. Principles of consolidation

These consolidated financial statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter-company transactions.

(b) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment, are measured at cost which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by internal assessment and technical valuation carried out wherever necessary, and is recognised in the statement of profit and loss. Depreciation for assets purchased / sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

S. No	Asset	Useful Life
1	Buildings	
(a)	Buildings (other than factory buildings) other than RCC frame structure.	30 years
(b)	Factory buildings	30 years
(c)	Fences, wells, tube-wells	5 years
2	Roads	
(a)	Carpeted Roads - RCC	10 years
3	Plant and Machinery	
(a)	Plant and Machinery other than continuous process plant	15 years
4	Furniture and fittings	10 years
5	Motor vehicles	
(a)	Motor buses, motor lorries and motor cars*	5 years
6	Office equipment	5 years
7	(a) Computers and data processing units servers and networks*	5 years
	(b) End-user devices such as desktops, laptops etc.*	2 to 3 years
8	Laboratory Equipment	10 years
9	Electrical installations and equipment	10 years
10	Servers and networks*	5 years
11	Handsets*	2 years
12	Vehicles*	5 years
13	Assets given to employees under a scheme*	5 years

* The Group believes the useful lives as given above best represent the useful life of these assets based on internal assessment and technical evaluation carried out where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Freehold land is not depreciated.

Leasehold assets are amortised over a period of the lease or useful life of asset whichever is lower.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

iv. Capital work-in-progress includes cost of property, plant and equipment under installation/ under development as at the balance sheet date.

(c) Intangible assets

Intangible assets including those acquired by the Group in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment loss, if any.

Amortisation

Amortisation is calculated to write off the cost of intangible assets having definite useful life less their

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in statement of profit and loss.

The estimated useful lives are as follows:

Asset	Useful life
Computer software	5 to 10 years

Intangible assets that have an indefinite useful life are not subjected to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Amortisation method, useful lives and residual values for other than are reviewed at each financial year-end and adjusted if appropriate.

(d) Impairment

(i) Financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

(ii) Non -financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost

to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the inception or reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the leases and those for the other elements on the basis of the relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then the asset and liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as the payments are being made and an imputed finance cost on the liability is recognised using incremental borrowing rates.

As a lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

(f) Inventories

Inventories are valued at the lower of weighted average cost (including prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Work-in-progress is valued at input material cost plus conversion cost as applicable.

Stock-in-trade is valued at the lower of net realisable value and cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

Finished goods are valued at lower of net realisable value and cost (including prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition).

Goods-in-transit/ with third parties and at godowns are valued at cost which represents the costs incurred upto the stage at which the goods are in transit with third parties and at godowns.

(g) Financial instruments

i. Recognition and initial measurement

The Group initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through the statement of profit and loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii. Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(h) Revenue recognition

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the condensed interim statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the standard did not have any material impact to the consolidated financial statements of the Group.

Revenue from contracts represents amount received and receivable from customers for sale of goods and for services rendered. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for returns, taxes, trade discounts, allowances, rebates, price concessions and other incentives, if any, as specified in the contract with the customer. Returns, discounts, allowances and rebates are estimated using judgement based on historical experience and the specific terms of the arrangement with the customers. Taxes collected on behalf of the government are excluded from revenue.

The Group disaggregates revenue from contracts with customers by the geography.

Recognition of dividend income, interest income or expense:

Dividend income is recognised in the statement of profit and loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using effective interest method.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- a. the gross carrying amount of financial asset; or
- b. the amortised cost of financial liability

(i) Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at their functional currency spot rates at the date the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(j) Income-tax

Income-tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set-off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable the statement of profit and loss at the time of transaction.

- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and the relate to income tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(k) Provisions and contingent liabilities

i. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii. Onerous Contracts

Provision for onerous contracts i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be recognised to settle a present obligation as a result of an obligating event based on the reliable estimate of such an obligation.

(I) Employee benefits

i. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

ii. Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current

and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 31st March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

iv. Voluntary retirement scheme benefits

Voluntary retirement scheme benefits are recognised as an expense in the year they are incurred.

(m) Share-based payments

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the vesting period. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. The Company has availed exemption given under Ind AS 101 and has not applied the fair value to the equity instruments that were vested before the date of transition to Ind AS i.e. 1 April 2016.

(n) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, demand deposit with bank, other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are shown within borrowings under current liabilities as on Balance Sheet date.

(o) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been

issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits. Treasury shares are excluded for the purpose of calculating basic and diluted earnings per share.

(p) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income and expenses associated with investing and financing activities. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

(q) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they are incurred in the statement of profit and loss.

(r) Treasury shares

The Holding Company has created an Employee Welfare Trust – Agro Tech ESOP Trust ('ATET') for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. ATET purchases shares of the Holding Company out of funds borrowed from the Holding Company. The Holding Company treats ATET as its extension and shares held by ATET are treated as treasury shares. Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit on sale of treasury shares by ATET trust is recognised in ATET reserve.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(s) Recent accounting pronouncements

Standards issued but not yet effective:

On 30 March 2019, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for periods beginning on or after 1 April 2019:

(1) Ind AS 116 - Leases

The Group is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

Leases in which the Group is a lessee

The Group will assess and if needed recognise new assets and liabilities (if any) for its operating leases of warehouses and offices facilities (see Note 31). The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous as described in Note 3(d). Instead, the Group will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

ii. Transition

The Group plans to apply Ind AS 116 initially on 1 April 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

(2) Ind AS 12 Income-taxes (amendments relating to income tax consequences of dividend and uncertainty over income-tax treatments)

The amendment relating to income-tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in the statement of profit and loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any significant impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

would depend upon the probability. The Group does not expect any significant impact of the amendment on its consolidated financial statements.

(3) Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any significant impact on its consolidated financial statements.

(4) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its consolidated financial statements.

(5) Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect this amendment to have any significant impact on its consolidated financial statements.

(6) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures.

(7) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group does not currently have any interests in joint ventures.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Note 4 - Property, plant and equipment and capital work-in-progress
Reconciliation of carrying amount

(₹ in millions except for share data or otherwise stated)

Description	Gross carrying amount			Accumulated depreciation				Net carrying amount			
	As at 1 April 2018	Exchange differences	Additions (refer note 33)	Disposals	As at 31 March 2019	As at 1 April 2018	Exchange differences	Depreciation for the year	Disposals	As at 31 March 2019	As at 31 March 2019
Freehold land	113.90	1.06	-	4.46	110.50	-	-	-	-	-	110.50
Buildings	639.56	3.26	30.07	51.30	621.59	40.07	0.15	24.44	4.26	60.40	561.19
Roads	39.27	-	0.26	0.79	38.74	8.00	-	4.55	0.61	11.94	26.80
Plant and equipment	815.38	1.48	203.68	164.84	855.70	103.72	0.12	58.17	22.47	139.54	716.16
Laboratory equipment	20.51	-	1.23	0.85	20.89	5.81	-	2.95	0.26	8.50	12.39
Furniture and fixtures	79.16	0.03	9.96	12.17	76.98	17.78	-	8.99	2.85	23.92	53.06
Office equipment	35.91	-	2.92	9.81	29.02	17.26	-	6.96	5.64	18.58	10.44
Electrical equipment	99.16	-	8.46	18.47	89.15	24.98	-	12.48	5.43	32.03	57.12
Computer and data Process	110.03	0.01	3.39	3.14	110.29	53.68	-	22.75	1.90	74.53	35.76
Leasehold improvements - buildings	9.48	-	-	-	9.48	3.88	-	1.94	-	5.82	3.66
Leasehold improvements - electrical equipment	3.99	-	0.23	0.09	4.13	2.60	-	1.27	0.07	3.80	0.33
Leasehold improvements - furniture and fittings	8.42	-	0.41	0.01	8.82	5.08	-	2.44	0.03	7.49	1.33
Total	1,974.77	5.84	260.61	265.93	1,975.29	282.86	0.27	146.94	43.52	386.55	1,588.74
Add: Capital work-in-progress											123.51
Grand Total											1,712.25
Description	Gross carrying amount			Accumulated depreciation				Net Carrying amount			
	As at 1 April 2017	Exchange differences	Additions (refer note 33)	Disposals	As at 31 March 2018	As at 1 April 2017	Exchange differences	Depreciation for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Freehold land	114.60	(0.70)	-	-	113.90	-	-	-	-	-	113.90
Buildings	629.44	(2.16)	12.28	-	639.56	15.82	-	24.25	-	40.07	599.49
Roads	38.66	-	0.61	-	39.27	3.40	-	4.60	-	8.00	31.27
Plant and equipment	698.12	(0.93)	118.19	-	815.38	48.72	-	55.00	-	103.72	711.66
Laboratory equipment	20.08	-	0.44	0.01	20.51	2.89	-	2.92	-	5.81	14.70
Furniture and fixtures	75.90	(0.01)	3.27	-	79.16	8.63	-	9.15	-	17.78	61.38
Office equipment	32.35	-	3.58	0.02	35.91	8.82	-	8.44	-	17.26	18.65
Electrical equipment	91.05	-	8.11	-	99.16	12.08	-	12.90	-	24.98	74.18
Computer and data Process	107.01	-	4.09	1.07	110.03	28.17	-	25.51	-	53.68	56.35
Leasehold improvements-buildings	9.48	-	-	-	9.48	1.94	-	1.94	-	3.88	5.60
Leasehold improvements-electrical equipment	3.99	-	-	-	3.99	1.30	-	1.30	-	2.60	1.39
Leasehold improvements-furniture and fittings	8.42	-	-	-	8.42	2.54	-	2.54	-	5.08	3.34
Total	1,829.10	(3.80)	150.57	1.10	1,974.77	134.31	-	148.55	-	282.86	1,691.91
Add: Capital work-in-progress											152.39
Grand Total											1,844.30

Note: (a) Refer note 30 for disclosure of contractual commitments for acquisitions of property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 5 - Intangible assets

Reconciliation of carrying amount

(₹ in millions except for share data or otherwise stated)

Description	Gross carrying amount			Accumulated amortisation			Net Carrying amount
	As at 1 April 2018	Additions	Disposals	As at 31 March 2019	As at 31 March 2019	As at 31 March 2019	
Trademarks (Refer note "a" below)	122.16	-	-	122.16	-	122.16	
Computer software	179.72	-	-	179.72	26.12	91.77	
Total	301.88	-	-	301.88	26.12	213.93	

Description	Gross carrying amount			Accumulated amortisation			Net Carrying amount
	Deemed cost as at 1 April 2017	Additions	Disposals	Deemed cost as at 1 April 2016	Amortisation for the year	Disposals	
Trademarks (Refer note "a" below)	122.16	-	-	122.16	-	-	122.16
Computer software	179.72	-	-	179.72	30.96	-	117.89
Total	301.88	-	-	301.88	30.96	61.83	240.05

Note:

(a) Trademarks represent the purchase consideration paid for the brand viz 'Sundrop'. As estimated by the Management, this trademarks have an indefinite useful life. Hence, the same is not amortised as per Ind AS 36 "Impairment of Assets" and only tested for impairment. Also refer note 32.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Note 6 - Non-current loans receivables		
Security deposits		
Unsecured, considered good	29.84	44.80
Less: Allowance for doubtful deposits	(0.56)	(0.56)
	<u>29.28</u>	<u>44.24</u>
Note 7 - Other non-current assets		
Unsecured		
Considered good:		
Capital advances	88.28	42.67
<i>Advances other than capital advances</i>		
Advances with Government, public bodies and others	99.46	107.44
Other advances	17.59	17.59
Prepaid rent	71.73	63.20
Income-tax assets (net)*	93.77	83.39
Considered doubtful:		
Advances with Government and public bodies	6.12	6.12
Other advances	22.62	22.62
Less: Allowance for doubtful advances	(28.74)	(28.74)
	<u>370.83</u>	<u>314.29</u>
*Also refer note 29.		
Note 8 - Inventories[^]		
Raw materials	354.14	470.36
Goods-in-transit-raw materials	12.39	3.37
Packing materials	87.71	84.22
Goods-in-transit-packing materials	7.63	9.12
Finished goods	346.36	345.91
Goods-in-transit-finished goods	27.33	25.00
Stock-in-trade	4.69	7.27
	<u>840.25</u>	<u>945.25</u>

[^] Refer note 3(f) for method of valuation for inventories.

The write down (reversal) of inventories to net realisable value during the year amounted to ₹ 0.30 (31 March 2018: ₹ 7.21). The write down is included in cost of materials consumed or changes in inventories of finished goods and stock-in trade.

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Note 9 - Current investments		
Investments in mutual funds - quoted (carried at fair value through profit and loss (FVTPL))	350.66	-
	<u>350.66</u>	<u>-</u>
Aggregate book value/ market value of quoted current investments	350.66	-
Aggregate provision for impairment in value of current investments	-	-
Information about the Group's exposure to credit and market risks, and fair value measurement, are included in Note 43.		
Note 10 - Trade receivables		
Unsecured, considered good	866.38	551.27
Less: Provision for impairment	(56.25)	(51.29)
	<u>810.13</u>	<u>499.98</u>
Information about the Group's exposure to credit and currency risk, loss allowances related to trade receivables are disclosed in Note 43.		
Note 11 - Cash and bank balances		
Cash and cash equivalents:		
Cheques on hand	0.60	1.44
Balances with banks - in current accounts	40.91	33.19
Fixed deposits	2.77	51.64
	<u>44.28</u>	<u>86.27</u>
Other bank balances:		
Unpaid dividend accounts	3.45	3.26
Fixed deposits*	0.87	218.60
	<u>4.32</u>	<u>221.86</u>
* Includes margin money deposits ₹ 0.87 (31 March 2018 ₹ 0.60).		
Note 12 - Other financial assets		
Insurance claims receivable (refer note 33)	144.09	-
Interest accrued	0.01	2.48
Other receivable	1.17	14.05
	<u>145.27</u>	<u>16.53</u>
Note 13 - Other current assets		
Advances other than capital advances		
Unsecured, considered good		
Advances with Government, public bodies and others	108.21	104.48
Other advances	47.59	40.26
Prepaid rent	0.69	0.69
Unsecured, considered doubtful		
Other advances	11.70	11.70
Less: Provision for doubtful advances	(11.70)	(11.70)
	<u>156.49</u>	<u>145.43</u>

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Note 14 - Share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
Equity shares 25,000,000 (31 March 2018: 25,000,000), equity shares of ₹ 10 each par value	250.00	250.00
Preference shares 1,000,000 (31 March 2018: 1,000,000), cumulative redeemable preference shares, of ₹ 100 each par value	100.00	100.00
	<u>350.00</u>	<u>350.00</u>
Issued		
Equity shares 24,372,139 (31 March 2018: 24,372,139), equity shares of ₹ 10 each par value	243.72	243.72
	<u>243.72</u>	<u>243.72</u>
Subscribed and fully paid-up		
Equity shares fully paid 24,369,264 (31 March 2018: 24,369,264), equity shares of ₹ 10 each fully paid up	243.69	243.69
	<u>243.69</u>	<u>243.69</u>

Rights, preferences and restrictions attached to the equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to their share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Notes:

(a) Shares in respect of equity in the Company held by its holding or ultimate holding company, including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate :

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
Holding Company				
CAG Tech (Mauritius) Limited*	12,616,619	126.17	12,616,619	126.17
	<u>12,616,619</u>	<u>126.17</u>	<u>12,616,619</u>	<u>126.17</u>

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

(b) Details of shareholders holding more than 5% of total number of equity shares:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
CAG Tech (Mauritius) Limited*	12,616,619	51.77	12,616,619	51.77

* CAG Tech (Mauritius) Limited is the holding company and is an indirect subsidiary of Conagra Brands Inc. (formerly known as ConAgra Foods Inc.) (ultimate holding company).

(c) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
Balance at the beginning of the reporting year	24,369,264	243.69	24,369,264	243.69
Shares issued during the year	-	-	-	-
Balance at the end of the reporting year	24,369,264	243.69	24,369,264	243.69

(d) During the five previous financial years ended 31 March 2019, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

(e) Share based payments

The Holding Company instituted the "Agro Tech Foods Limited Employee Stock Option Plan" ("Plan") to grant equity based incentives to its eligible employees. The Holding Company has established a trust called the Agro Tech ESOP Trust ("Trust") to implement the Plan. The Holding Company has given advance to the Trust for purchase of the Company's shares and advance outstanding as at 31 March 2019 is ₹ 402.28 (₹ 502.38 as at 31 March 2018).

Under the plan a maximum of 23,436,926 options will be granted to the eligible employees. All these options are planned to be settled in equity at the time of exercise at the option of the employee. These options have an exercise price of ₹ 561.00, ₹ 597.55 and ₹ 589.75 per share granted during the years ended 31 March 2014, 31 March 2015 and 31 March 2016 respectively and vests on a graded basis as follows:

Vesting period from the grant date	Vesting schedule
On completion of 12 months	25%
On completion of 24 months	25%
On completion of 36 months	25%
On completion of 48 months	25%

Stock option activity under the plan was as follows:

Movement in the options under the scheme:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Options outstanding at the beginning of the year	804,987	972,140
Options granted during the year	-	-
Options exercised during the year	(6,799)	(115,125)
Options forfeited during the year	(6,261)	(52,028)
Shares under option at the end of the year	791,927	804,987

Fair value Measurement:

The fair value of the employee share based payment is determined using the Black Scholes model on the date of grant. No new grants have been issued during the year ended 31 March 2019 and 31 March 2018.

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Note 15 - Other equity

Particulars	General reserve	Securities premium	Retained earnings	Treasury Shares	Foreign currency translation reserve	Share options outstanding account	Agro Tech ESOP Trust (ATET) reserve	Total
Balance as at 1 April 2017	127.05	721.29	2,373.64	(571.33)	3.21	163.26	2.40	2,819.52
Additions:								
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	(0.19)	-	-	-	-	(0.19)
Sale of treasury shares by the Trust	-	-	-	58.51	-	-	-	58.51
Profit on sale of treasury shares by the Trust	-	-	-	-	-	-	6.77	6.77
Net profit after tax transferred from the statement of profit and loss	-	-	315.63	-	-	-	-	315.63
Employee share based payment (Refer note 14(e))	-	-	-	-	-	14.15	-	14.15
Foreign currency translation reserve	-	-	-	-	(4.89)	-	-	(4.89)
Exercise of share options	17.37	-	-	-	-	(17.37)	-	-
	144.42	721.29	2,689.08	(512.82)	(1.68)	160.04	9.17	3,209.50
Deductions:								
Dividends	-	-	46.49	-	-	-	-	46.49
Tax on dividend	-	-	9.92	-	-	-	-	9.92
Balance as at 31 March 2018	144.42	721.29	2,632.67	(512.82)	(1.68)	160.04	9.17	3,153.09
Balance as at 1 April 2018	144.42	721.29	2,632.67	(512.82)	(1.68)	160.04	9.17	3,153.09
Additions:								
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	0.27	-	-	-	-	0.27
Sale of treasury shares by the Trust	-	-	-	75.75	-	-	-	75.75
Profit on sale of treasury shares by the Trust	-	-	-	-	-	-	8.90	8.90
Net profit after tax transferred from the statement of profit and loss	-	-	342.54	-	-	-	-	342.54
Employee share based payment (Refer note 14(e))	-	-	-	-	-	4.80	-	4.80
Foreign currency translation reserve	-	-	-	-	5.80	-	-	5.80
Exercise of share options	1.33	-	-	-	-	(1.33)	-	-
	145.75	721.29	2,975.48	(437.07)	4.12	163.51	18.07	3,591.15
Deductions:								
Dividends	-	-	58.42	-	-	-	-	58.42
Tax on dividend	-	-	12.52	-	-	-	-	12.52
Balance as at 31 March 2019	145.75	721.29	2,904.54	(437.07)	4.12	163.51	18.07	3,520.21

Nature and purpose of other reserves

General Reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Agro Tech ESOP Trust (ATET) reserve

Profit on sale of treasury shares by Agro Tech ESOP Trust is recognised in ATET reserve.

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Dividends

The following dividends were declared and paid by the Company during the year.

Particulars	As at 31 March 2019	As at 31 March 2018
₹ 2.50 per equity share (31 March 2018: ₹ 2) to equity shareholders	58.42	46.49
Dividend distribution tax (DDT) on dividend	12.52	9.92
	<u>70.94</u>	<u>56.41</u>

After the reporting dates dividend of ₹ 2.50 (31 March 2018: ₹ 2.50) per equity share were proposed by the Directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

Particulars	As at 31 March 2019	As at 31 March 2018
Note 16 - Non-current provisions		
Provision for employee benefits		
Compensated absences	16.51	15.22
Gratuity (Refer note 41)	0.72	1.18
	<u>17.23</u>	<u>16.40</u>

Note 17 - Trade payables

Total outstanding dues of micro enterprises and small enterprises (Refer note below)	44.38	57.71
Total outstanding dues of creditors other than micro enterprises and small enterprises*	590.56	594.15
	<u>634.94</u>	<u>651.86</u>

Note:

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting date has been made in the consolidated financial statements based on information received and available with the Group. Further, in the view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Group has not received any claim for interest from any supplier under the said Act.

Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	44.38	57.71
- Interest	-	-
The amount of interest paid by the Group in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-
* Includes payables to related parties as disclosed under note 37.		
Information about Group's exposure to currency and liquidity risks related to the trade payable are included in note 43.		
Note 18 - Other financial liabilities		
Payables for purchase of property, plant and equipment	2.61	7.36
Unclaimed dividends*	3.45	3.26
Payroll related liabilities	43.05	39.07
Other liabilities	6.35	7.80
	<u>55.46</u>	<u>57.49</u>
* Investor education and protection fund shall be credited when due.		
Information about Group's exposure to currency and liquidity risks related to the above financial liabilities are included in note 43.		
Note 19 - Other current liabilities		
Advance from customers	14.77	17.23
Statutory liabilities (including provident fund, tax deducted at source and others)	17.77	17.96
Current tax liabilities, (net)	5.26	5.26
	<u>37.80</u>	<u>40.45</u>
Note 20 - Provisions		
Provision for employee benefits:		
Gratuity (Refer note 41)	6.38	5.22
Compensated absences	6.00	6.19
Others:		
Provision for indirect tax matters	41.88	55.49
	<u>54.26</u>	<u>66.90</u>
Movement of provision for indirect tax matters		
Opening balance	55.49	57.68
Provision created / (utilised / reversed), net	(13.61)	(2.19)
Closing balance	<u>41.88</u>	<u>55.49</u>

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 21 - Revenue from operations		
Sale of products*	8,231.83	8,105.77
Other operating revenues	4.78	10.99
	<u>8,236.61</u>	<u>8,116.76</u>
* The Group disaggregates revenue from contracts with customers by the geography. Disaggregation of revenue by the geography is not an operating segment as disclosed in note 36.		
Location		
India	8,195.69	8,082.63
Outside India	36.14	23.14
Total	<u>8,231.83</u>	<u>8,105.77</u>
Geographical revenue is allocated based on the location of the customers.		
Gross to net revenue disclosure		
Revenue at contracted price	8,659.33	8,439.33
Less : Trade allowances and rebates	427.50	333.56
Net revenue recognised during the year	<u>8,231.83</u>	<u>8,105.77</u>
Note 22 - Other income		
Gain on sale of investments in mutual funds	27.53	2.29
Fair value gain on financial assets measured at fair value through profit and loss	0.66	-
Interest income	9.84	7.15
	<u>38.03</u>	<u>9.44</u>
Note 23 - Cost of materials consumed		
Opening stock		
Raw materials	473.73	723.03
Packing materials	93.34	88.45
Add: Purchases		
Raw materials	3,499.88	3,316.05
Packing materials	590.66	575.03
Less: Closing stock		
Raw materials	366.53	473.73
Packing materials	95.34	93.34
	<u>4,195.74</u>	<u>4,135.49</u>
Note 24 - Purchase of stock-in-trade		
Stock-in-trade	1,426.64	1,282.69
	<u>1,426.64</u>	<u>1,282.69</u>
Note 25 - Changes in inventories of finished goods and stock-in-trade		
Opening inventory:		
Finished goods	370.91	344.32
Stock-in-trade	7.27	5.21
Closing inventory:		
Finished goods	373.69	370.91
Stock-in-trade	4.69	7.27
Increase in inventory	<u>(0.20)</u>	<u>(28.65)</u>

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Note 26 - Employee benefit expenses		
Salaries, wages and bonus	489.62	469.17
Contribution to provident and other funds (Refer note 41)	47.78	43.41
Employee share based payment expense	4.80	14.15
Staff welfare expenses	13.93	12.99
	<u>556.13</u>	<u>539.72</u>
Note 27 - Finance costs		
Interest expense	0.94	2.53
	<u>0.94</u>	<u>2.53</u>
Note 28 - Other expenses		
Consumption of stores and spares	23.99	20.42
Excise duty	-	7.21
Power and fuel	60.58	46.29
Processing charges	81.36	60.79
Rent (Refer note 31)	235.99	243.62
Rates and taxes	24.08	25.43
Repairs and maintenance:		
- Machinery	6.04	7.62
- Buildings	0.28	0.18
- Others	21.35	21.81
Insurance	10.89	11.93
Printing and stationery	2.96	2.87
Software expenses	22.92	24.25
Communication expenses	22.21	24.43
Travelling expenses	94.67	90.74
Auditors' remuneration (Refer note 34)	7.83	6.59
Outward freight	366.62	323.44
Brokerage/ commission	38.61	45.60
Distribution expenses	96.46	92.16
Legal and professional charges	73.03	81.15
Advertisement and sales promotion	144.08	324.21
Royalty	26.97	24.90
Provision for doubtful debts	4.96	-
Loss on sale/ retirement of property, plant and equipment, net	1.89	0.33
Loss on foreign currency transactions, net	1.30	0.72
Bank charges	0.87	0.88
Miscellaneous expenses	41.22	39.75
	<u>1,411.16</u>	<u>1,527.32</u>

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Note 29 - Income-tax

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Amounts recognised in the statement of profit and loss		
Tax expense for the year		
Current tax	182.34	173.12
Income-tax in respect of earlier years	0.13	-
	<u>182.47</u>	<u>173.12</u>
Deferred tax (credit)	(5.39)	(1.16)
Deferred tax in respect of earlier years	(8.45)	-
	<u>168.63</u>	<u>171.96</u>
(b) Amounts recognised in other comprehensive income		
Current tax	- *	(0.08)
	<u>-</u>	<u>(0.08)</u>

*amount is below the rounding off norm adopted by the Group. The actual amount in ₹ terms is ₹ 3,255.

(c) Reconciliation of effective tax rate

Profit before tax	<u>511.17</u>	<u>487.59</u>
Tax using the Group's domestic tax rate	179.12	168.75
Tax effect of:		
Adjustment of tax relating to the earlier years	(9.29)	-
Employee share based payment expense	-	4.90
Weighted deduction on research and development expenditure	(2.36)	(2.66)
MAT credit entitlement	(0.96)	-
Deferred tax credit for deduction under Section 80JJAA of the Income-tax Act,1961.	(1.33)	-
Others	3.44	0.97
	<u>168.63</u>	<u>171.96</u>

(d) Recognised deferred tax assets and liabilities:

Particulars	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities)/ Asset, net	
	As at	As at	As at	As at	As at	As at
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
On provision for doubtful advances, trade receivables and other assets	30.82	28.81	-	-	30.82	28.81
On expenditure allowed on payment basis	15.48	12.97	-	-	15.48	12.97
Property, plant and equipment	-	-	184.11	171.84	(184.11)	(171.84)
Other items	0.06	-	-	6.33	0.06	(6.33)
MAT credit entitlement	2.31	-	-	-	2.31	-
Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd.	20.07	7.43	-	-	20.07	7.43
Unabsorbed loss of Sundrop Foods Lanka (Private) Limited	1.27	0.64	-	-	1.27	0.64
	<u>70.01</u>	<u>49.85</u>	<u>184.11</u>	<u>178.17</u>	<u>(114.10)</u>	<u>(128.32)</u>
Deferred tax assets					17.63	8.95
Deferred tax liabilities					(131.73)	(137.27)
Net deferred tax liabilities					<u>(114.10)</u>	<u>(128.32)</u>

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

(e) Movement in temporary differences

Particulars	As at 1 April 2018	Recognised in statement of profit and loss [^]	Recognised in OCI	Utilisation of MAT	As at 31 March 2019
On provision for doubtful advances, trade receivables and other assets	28.81	2.01	-	-	30.82
On expenditure allowed on payment basis	12.97	2.51	-	-	15.48
Property, plant and equipment	(171.84)	(12.27)	-	-	(184.11)
Other items	(6.33)	6.39	-	-	0.06
MAT credit entitlement	-	2.31	-	-	2.31
Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd.	7.43	12.64	-	-	20.07
Unabsorbed loss of Sundrop Foods Lanka (Private) Limited	0.64	0.63	-	-	1.27
	(128.32)	14.22	-	-	(114.10)

Particulars	As at 1 April 2017	Recognised in statement of profit and loss [^]	Recognised in OCI	Utilisation of MAT	As at 31 March 2018
On provision for doubtful advances, trade receivables and other assets	29.02	(0.21)	-	-	28.81
On expenditure allowed on payment basis	14.34	(1.37)	-	-	12.97
Property, plant and equipment	(175.96)	4.12	-	-	(171.84)
Other items	(6.33)	-	-	-	(6.33)
MAT credit entitlement	20.28	-	-	(20.28)	-
Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd.	9.22	(1.79)	-	-	7.43
Unabsorbed loss of Sundrop Foods Lanka (Private) Limited	0.44	0.20	-	-	0.64
	(108.99)	0.95	-	(20.28)	(128.32)

[^] net of exchange gain/loss

(f) The following table provides the details of income-tax assets and current tax liabilities :

Particulars	As at 31 March 2019	As at 1 April 2018
Income-tax assets, (net)	93.77	83.39
Current tax liabilities, (net)	5.26	5.26
	88.51	78.13

Note 30 - Contingent liabilities and commitments:

Particulars	As at 31 March 2019	As at 1 April 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	337.47	25.13
Contingent liabilities:		
Claims against the Group not acknowledged as debts in respect of :		
- Indirect tax and direct tax matters, under dispute	264.13	296.37
- Other matters, under dispute	0.50	0.50

a) Also refer note 42

b) The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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including litigation before various tax authorities. The amounts included above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such dispute. The Group's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial conditions. The Group has accrued appropriate provision wherever required.

Note 31 Operating leases

- (i) The Group leases warehouses and office facilities under cancellable and non-cancellable operating lease agreements. Total rental expense under cancellable operating leases was ₹ 47.56 (31 March 2018: ₹ 51.40) and under non-cancellable portion was ₹ 26.42 (31 March 2018: ₹ 24.54) inclusive of maintenance and other charges, which has been disclosed as rent.
- (ii) The Group has certain cancellable arrangements with contract packers (which conveys a right to use an asset in return for a payment or a series of payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental expenses of ₹ 162.01 (31 March 2018: ₹ 167.68) in respect of obligation under operating leases have been recognised in the statement of profit and loss. Management has concluded that it is impracticable to separate lease and non-lease payment. The lease payment disclosed in this note also includes non lease payments.

Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating lease are as under:

Particulars	As at 31 March 2019	As at 31 March 2018
Due within one year	30.06	10.81
Due later than one year and not later then five years	133.45	27.14
Later than five years	152.90	54.63
	316.41	92.58

Note 32 Intangible assets - Trademarks

Trademarks represents the purchase consideration paid for brand viz. "Sundrop". Sundrop brand has an indefinite useful life is measured at cost and is not subject to amortised, but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. On the balance sheet date, the Management reassesses the value of brand through an independent valuer to ensure that the recoverable amount of the asset is not lower than its carrying amount. Key assumptions used in the estimation of the recoverable amount are set out below.

Particulars	As at 31 March 2019	As at 31 March 2018
Pre tax discount rate	25.40%	25.60%
Terminal growth rate	1.00%	1.00%

The management believes that any reasonable possible change in the key assumptions that would not cause the carrying amount to exceed the recoverable amount of the asset.

Note 33 - Exceptional items

On 04 November 2018, a fire broke out at one of the manufacturing facilities of the Holding Company which caused damage to the Holding Company's property, plant, equipment and inventories. The Holding Company lodged claim with the insurance company for losses suffered which is under survey by the insurance company. The Holding Company has recorded a loss of ₹ 251.76 arising from such incident for the year ended 31 March 2019. Further, the Holding Company has also recognised a minimum insurance claim receivable for equivalent amounts and has been disclosed under note 12 in these consolidated financial statements. The aforementioned losses and the corresponding credit arising from insurance claim

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receivable has been presented on a net basis (₹ Nil) under Exceptional items in these consolidated financial statements. There are no disputes made by the insurance company against such claim till the date of these consolidated financial statements. The Holding Company has received on account payments of ₹ 100 from the insurance company and ₹ 6.77 from the scrap vendor. The same has been adjusted with the amount recoverable from the insurance company.

Also, the Holding Company is in the process of determining its final claim for loss of property, plant and equipment and losses incurred due to interruption of business and has accordingly not recorded any further claim arising therefrom at this stage.

Note 34 - Auditors' remuneration (excluding applicable taxes):

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
As Auditor		
Statutory audit	3.64	3.30
Tax audit	0.35	0.32
Limited reviews	0.80	0.73
Fees for certifications	1.33	1.21
Others	0.77	0.42
Reimbursement of expenses	0.94	0.61
	<u>7.83</u>	<u>6.59</u>

Note 35 - Earnings per equity share ("EPS")

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a) Net profit attributable to the equity shareholders	342.54	315.63
Weighted average number of equity shares outstanding of ₹ 10 each during the year		
Basic outstanding shares	24,369,264	24,369,264
Less: Weighted average shares held with the Agro Tech ESOP Trust	961,078	1,099,228
(b) Weighted average shares used for computing basic EPS	23,408,186	23,270,036
Add: Dilutive effect of stock options	31,834	3,680
(c) Weighted average shares used for computing diluted EPS	23,440,020	23,273,716
(d) Basic earnings per share (₹) (a/b)	14.63	13.56
(e) Diluted earnings per share (₹) (a/c)	14.61	13.56

Note 36 Segmental information

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on analysis of various performance indicators by industry classes. The operating segment of the Group has been identified as "Foods" as the CODM reviews the business performance at an overall Group level as one segment.

Information about major customers

Revenue from specific customers exceeding 10% of total revenue for the years ended 31 March 2019 and 31 March 2018 are as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
One customer	1,158.20	1,196.26
Percent	14.07%	14.76%

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Note 37 Related parties

Relationships	Name of related parties
1. Ultimate holding company	Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)
2. Holding company	CAG Tech (Mauritius) Limited
3. Fellow subsidiary company	ConAgra Foods Export Company, Inc.
4. Key Management Personnel (KMP)	
Managing Director & Chief Executive Officer	Mr. Sachin Gopal
Chief Financial Officer	Mr. Arijit Datta
Company Secretary	Ms. Jyoti Chawla (appointed w.e.f. 26 July 2017)
Independent Directors	Lt. Gen.D.B. Singh Mr. Sanjaya Kulkarni Mr. Arun Bewoor Mr. Narendra Ambwani Ms. Veena Vishindas Gidwani
5. Post-employment benefit trusts	Agro Tech Foods Management Staff Gratuity Fund Agro Tech Foods Non-Management Gratuity Fund Agro Tech Foods Provident Fund Agro Tech Foods Superannuation Fund

(a) Related party transactions during the year

Particulars	Relationship	For the year ended 31 March 2019	For the year ended 31 March 2018
ConAgra Foods Export Company, Inc.	Fellow subsidiary		
Purchase of materials		1.04	-
Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate holding company		
Royalty		26.96	24.11
Recovery of expenses		0.22	3.27
Income earned on services rendered		-	5.55
CAG Tech (Mauritius) Limited	Holding company		
Dividend (on payment basis)		31.54	25.23
Key Managerial Personnel Compensation	Key Management Personnel		
Short-term employee benefits*		35.49	33.37
Post-employment defined benefits*		2.01	1.95
Sitting fees and commission to independent directors		5.85	6.58
Agro Tech Foods Management Staff Gratuity Fund	Post-employment benefit trusts		
Contribution during the year		5.22	3.52
Agro Tech Foods Provident Fund	Post-employment benefit trusts		
Contribution during the year		34.63	32.87
Agro Tech Foods Superannuation Fund	Post-employment benefit trusts		
Contribution during the year		6.87	6.83

*Remuneration as given above does not include long-term compensated absences benefit accrued, gratuity benefit accrued and insurance premium since the same are computed for all the employees together and the amounts attributable to the managerial personnel cannot be ascertained separately. Share-based compensation expense allocable to key management personnel is not included in the remuneration disclosed above.

Agro Tech Foods Limited

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(₹ in millions except for share data or otherwise stated)

(b) Related party balances as at balance sheet date

Particulars	Relationship	As at 31 March 2019	As at 31 March 2018
Payable to related parties			
Agro Tech Foods Management Staff Gratuity Fund	Post-employment benefit trusts	6.38	5.22
Agro Tech Foods Provident Fund	Post-employment benefit trusts	2.36	1.16
Agro Tech Foods Superannuation Fund	Post-employment benefit trusts	0.58	0.56
Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate holding Company	3.45	3.33
Key Managerial Personnel Compensation	Key Managerial Personnel	7.62	8.31
Independent Directors	Independent Directors	2.95	3.20

Note: The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors

Note 38 - Corporate social responsibility

During the year, the Holding Company has spent ₹ 4.62 (31 March 2018: ₹ 1.64) for Social welfare program called "Poshan". The program which is designed to address malnourishment amongst children, works with Government Anganwadi's and Child Malnourishment Treatment Centers using Peanut Butter which is a rich source of protein and highly effective to fight malnutrition. The amount includes allocable manufacturing overhead and it represents about 1.06% (31 March 2018: 0.39%) of last 3 years average profit. This amount is booked under the head of miscellaneous expenses and charged to the statement of profit and loss.

Gross amount required to be spent by the Holding Company during the year : ₹ 8.69 (31 March 2018: ₹ 8.44)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount spent other than for construction/ acquisition of any asset	4.62	1.64
Amount accrued and not paid	-	-
	<u>4.62</u>	<u>1.64</u>

Note 39 Research and Development expenses

Revenue expenditure on research and development is expensed as incurred. Capital expenditure incurred on research and development ('R&D') is capitalised as property, plant and equipment and depreciated in accordance with the depreciation policy of the Group. The details are as below:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Capital expenditure	0.12	-
Revenue expenditure	19.14	18.86
	<u>19.26</u>	<u>18.86</u>

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Note 40 - Capital management

The Group's policy is to maintain a stable and strong capital structure with focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the group monitors the return on capital, as well as the level of dividends of equity share holders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of Group's capital management, capital includes issued capital and all other equity reserves and debt includes short-term working capital demand loan. The Group does not have any borrowings or loans and it believes that the working capital is sufficient to meet its current requirements.

Note 41 - Employee Benefits

a) The employee benefit schemes are as under:

i. Provident fund :

All employees of the Company receive benefits under the Provident Fund which is a defined benefit plan wherein the Company provides the guarantee of a specified return on contribution. The contribution is made both by the employee and the Company equal to 12% of the employees' salary. These contributions are made to the Fund administered and managed by the Company's own Trust. (Refer note 42).

ii. Superannuation fund:

The Company has a Defined Contribution Scheme to provide pension to the eligible employees. The Company makes monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are administered by Company's own Trust which has subscribed to "Group Superannuation Policy" of ICICI Prudential Life Insurance Company Limited. The Company's monthly contributions are charged to the statement of profit and loss.

iii. Gratuity :

In accordance with the 'The Payment of Gratuity Act, 1972' of India, the Company provides for Gratuity, a Defined Retirement Benefit Scheme (the Gratuity Plan), covering eligible employees. Liabilities with regard to such Gratuity Plan are determined by an actuarial valuation as at the end of the year and are charged to statement of profit and loss. The Gratuity Plan is a funded Plan administered by Company's own Trust which has subscribed to "Group Gratuity Scheme" of ICICI Prudential Life Insurance Company Limited.

iv. Compensated absences :

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the statement of profit and loss.

b) The following table sets out the particulars of the employee benefits as required under the Ind AS 19-"Employee Benefits".

i) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year for Gratuity are as follows:

Particulars	31 March 2019			31 March 2018		
	Present value of obligation	Fair value of plan assets	Net liability/ (asset)	Present value of obligation	Fair value of plan assets	Net liability/ (asset)
Opening balance (A)	55.34	48.94	6.40	52.61	48.38	4.23
Current service cost	7.44	-	7.44	6.14	-	6.14
Interest cost	3.68	-	3.68	3.45	-	3.45
Expected returns	-	3.74	(3.74)	-	3.46	(3.46)
Total amount recognised in the statement of profit and loss (B)	11.12	3.74	7.38	9.59	3.46	6.13

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(₹ in millions except for share data or otherwise stated)

Particulars	31 March 2019			31 March 2018		
	Present value of obligation	Fair value of plan assets	Net liability/ (asset)	Present value of obligation	Fair value of plan assets	Net liability/ (asset)
Remeasurements						
Loss/ (gain) from change in financial assumptions	0.79	-	0.79	(1.66)	-	(1.66)
Experience (gains)/ losses - experience	(1.04)	-	(1.04)	1.64	-	1.64
Return on plan assets, greater/ less than discount rate	-	0.02	(0.02)	-	(0.29)	0.29
Total amount recognised in other comprehensive income (C)	(0.25)	0.02	(0.27)	(0.02)	(0.29)	0.27
Contributions (D)	-	6.41	(6.41)	-	4.23	(4.23)
Benefit paid (E)	(4.07)	(4.07)	-	(6.84)	(6.84)	-
Closing Balance (A+B+C+D+E)	62.14	55.04	7.10	55.34	48.94	6.40

ii) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year for Provident Fund are as follows:

Particulars	31 March 2019			31 March 2018		
	Present value of obligation	Fair value of plan assets	Net liability/ (asset)	Present value of obligation	Fair value of plan assets	Net liability/ (asset)
Opening balance (A)	331.13	347.10	(15.97)	295.17	324.53	(29.36)
Current service cost	10.20	-	10.20	11.06	-	11.06
Interest cost	25.68	-	25.68	20.38	-	20.38
Expected returns	-	27.13	(27.13)	-	20.38	(20.38)
Total amount to be recognised in statement of profit and loss (B)	35.88	27.13	8.75	31.44	20.38	11.06
Remeasurements						
Actuarial (gain)/ loss experience	2.48	-	2.48	(2.23)	-	(2.23)
Actuarial gain/ (loss) on plan assets	-	(7.05)	7.05	-	(14.56)	14.56
Total amount to be recognised in other comprehensive income (C)	2.48	(7.05)	9.53	(2.23)	(14.56)	12.33
Contributions (D)	24.43	34.63	(10.20)	22.87	32.87	(10.00)
Transfer in (E)	0.47	0.47	-	0.20	0.20	-
Benefits paid (F)	(94.13)	(94.13)	-	(16.32)	(16.32)	-
Closing Balance (A+B+C+D+E+F)**	300.26	308.15	(7.88)	331.13	347.10	(15.97)

** The Company has not recognised an asset amounting to ₹ 7.88 (31 March 2018: ₹ 15.97) as there are no future economic benefits available to the Company in the form of reduction in future contribution or a cash refund.

iii) Significant estimates: Actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

Particulars	Gratuity		Provident Fund	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Discount rate	7.45%	7.65%	7.43%	7.64%
Expected rate of return on plan assets	7.45%	7.65%	8.65%	8.55%
Salary escalation rate	7.00%	7.00%	7.00%	7.00%

Discount rate : The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets : This is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

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Salary escalation rate : The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iv) Details of plan assets

Particulars	Gratuity		Provident Fund	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Government of India securities	-	-	36.20%	31.89%
PSU bonds	-	-	44.32%	45.88%
Special deposits	-	-	-	3.07%
State Government securities	-	-	19.48%	19.16%
Fund managed by ICICI Prudential Life Insurance Company Limited*	100%	100%	-	-
Total	100%	100%	100%	100%

*The Company makes annual contribution to the ICICI Prudential Life Insurance Company Limited.

v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Particulars	Gratuity		Provident Fund	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
A. Discount rate				
a. Discount rate - 100 basis points	66.45	59.16	306.60	340.11
b. Discount rate +100 basis points	53.35	51.98	297.28	330.16
B. Salary increase Rate				
a. Rate - 100 basis points	58.30	51.92	298.78	330.16
b. Rate +100 basis points	66.42	59.14	307.10	339.66

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi) Maturity profile of defined benefit obligation:

Particulars	Gratuity		Provident Fund	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Year 1	17.04	14.41	32.17	30.07
Year 2	3.35	4.39	48.72	45.53
Year 3	5.72	3.02	26.53	24.79
Year 4	3.97	5.80	21.82	20.39
Year 5	5.92	3.51	55.74	52.09
Year 6 to 10	27.93	26.13	146.75	137.15

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Note 42 - On 28th February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Group has re-computed its liability towards PF for the month of March 2019 and has made a provision for it in the books of account. In respect of the earlier periods/years, the Group has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.

Note 43 - Financial instruments - fair values and risk management

The Group's principal financial liabilities comprise trade payables and other liabilities. The Group's principal financial assets include loans, investments, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivative for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2019, including their levels in the fair value hierarchy.

Particulars	Carrying amount					Fair value				
	Note	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Non-current loans receivables	6	-	-	29.28	-	29.28	-	-	-	-
Investments in mutual funds	9	350.66	-	-	-	350.66	350.66	-	-	-
Trade receivables	10	-	-	810.13	-	810.13	-	-	-	-
Cash and cash equivalents	11	-	-	44.28	-	44.28	-	-	-	-
Bank balances	11	-	-	4.32	-	4.32	-	-	-	-
(other than cash and cash equivalents)										
Other financial assets	12	-	-	145.27	-	145.27	-	-	-	-
		350.66	-	1,033.28	-	1,383.94	350.66	-	-	-
Financial liabilities not measured at fair value										
Trade payables	17	-	-	-	634.94	634.94	-	-	-	-
Other financial liabilities	18	-	-	-	55.46	55.46	-	-	-	-
		-	-	-	690.40	690.40	-	-	-	-

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The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2018, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Non-current loans receivables	6	-	-	44.24	-	44.24	-	-	-	-
Trade receivables	10	-	-	499.98	-	499.98	-	-	-	-
Cash and cash equivalents	11	-	-	86.27	-	86.27	-	-	-	-
Bank balances (other than cash and cash equivalents)	11	-	-	221.86	-	221.86	-	-	-	-
Other financial assets	12	-	-	16.53	-	16.53	-	-	-	-
		-	-	868.88	-	868.88	-	-	-	-
Financial liabilities not measured at fair value										
Trade payables	17	-	-	-	651.86	651.86	-	-	-	-
Other financial liabilities	18	-	-	-	57.49	57.49	-	-	-	-
		-	-	-	709.35	709.35	-	-	-	-

Measurement of fair values

The carrying amount of the current financial assets and current financial liabilities are considered to be same as their fair values, due to their short term nature.

The fair valuation of investments in mutual funds is classified as level 1 in the fair value hierarchy as they are determined based on their quoted prices.

The fair valuation of derivative financial assets are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

The fair value of cash and cash equivalents, bank balances, investments, trade receivables, other financial assets, trade payables and liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- i. Credit Risk
- ii. Liquidity Risk
- iii. Market Risk

Risk Management framework:

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's risk management policy is set by the Risk Management Committee. The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale, retail or institutional customers, their industry, trading history with the group and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

The Group's exposure to credit risk for trade receivables by type of counterparty is as follows:

Movement in the allowance for impairment in trade receivables

Particulars	31 March 2019	31 March 2018
Opening balance	51.29	51.89
Changes in allowance for impairment in trade receivables	4.96	(0.60)
Net remeasurement of loss allowance	56.25	51.29

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Group's reputation.

The Group monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019 and 31 March 2018:

Particulars	As at 31 March 2019			
	Carrying value	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities				
Trade payables	634.94	634.94	-	-
Other financial liabilities	55.46	55.46	-	-
	690.40	691.79	-	-

Particulars	As at 31 March 2018			
	Carrying value	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities				
Trade payables	651.86	651.86	-	-
Other financial liabilities	57.49	57.49	-	-
	709.35	709.35	-	-

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Since, the group does not have any borrowings having floating rate of interest, hence there is no Interest rate risk.

Currency risk

The Group is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Group. The functional currency of the Group is INR and maximum sales transactions are denominated in INR itself. Foreign currency transactions are mainly denominated in USD.

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Exposure to currency risk

The following is the nominal value of outstanding derivative contracts entered into by the Group for hedging currency and interest rate related risks as at:

The Group uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The use of this foreign exchange forward contracts reduces the risk or cost to the Group and the Group does not use the foreign exchange forward contracts for trading or speculation purposes.

Particulars	As at 31 March 2019		As at 31 March 2018	
	Foreign Currency (USD) (Absolute figure)	Amount in ₹ millions	Foreign Currency (USD) (Absolute figure)	Amount in ₹ millions
Trade payables	93,846	6.52	-	-

The particulars of un-hedged foreign currency exposure as at balance sheet date is as under

Particulars	As at 31 March 2019		As at 31 March 2018	
	Foreign Currency (USD) (Absolute figure)	Amount in ₹ millions	Foreign Currency (USD) (Absolute figure)	Amount in ₹ millions
Trade payables	1,334	0.09	137,026	8.92
Trade receivables	31,004	2.16	17,620	1.15

Sensitivity Analysis:

The profit or loss is sensitive to foreign exchange gain/ (loss) as a result of changes in foreign exchange rates.

Particulars	Impact on profit for the year ended	
	31 March 2019	31 March 2018
Foreign exchange rate - Increases by 5%	0.10	(0.39)
Foreign exchange rate - Decreases by 5%	(0.10)	0.39

Price risk exposure

The Group's exposure to price risk arises from investments held by the Group in the mutual fund units and classified as fair value through profit or loss in the consolidated balance sheet. To manage its price risk arising from investments in mutual fund units, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group. The exposure of the Group's mutual fund investments to security price changes at the end of the reporting period are as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Investments in mutual funds	350.66	-

Sensitivity Analysis:

The profit or loss is sensitive to market price as a result of changes in price of mutual funds.

Particulars	Impact on profit for the year ended	
	31 March 2019	31 March 2018
Market price - Increases by 5%	17.53	-
Market price - Decreases by 5%	(17.53)	Nil

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Note 44 -Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

(₹ in millions except for share data or otherwise stated)

As at 31 March 2019									
Name of the Entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total		
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated comprehensive income	Amount	As % of consolidated comprehensive income	Amount	Amount
Parent									
Agro Tech Foods Limited	99.84%	3,757.77	98.99%	339.07	87.52%	5.31	98.79%	344.38	
India Subsidiary									
Sundrop Foods India Private Limited	1.49%	56.07	4.40%	15.08	12.48%	0.76	4.54%	15.84	
Foreign Subsidiaries									
Agro Tech Foods Bangladesh Pvt. Ltd.	2.91%	109.56	(2.36%)	(8.10)	-	-	(2.32%)	(8.10)	
Sundrop Foods Lanka (Private) Limited	0.30%	11.19	(1.06%)	(3.63)	-	-	(1.04%)	(3.63)	
Adjustments arising out of consolidation	(4.53%)	(170.69)	0.04%	0.12	-	-	0.03%	0.11	
Total	100%	3763.90	100%	342.54	100%	6.07	100%	348.61	
As at 31 March 2018									
Name of the Entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total		
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated comprehensive income	Amount	Amount
Parent									
Agro Tech Foods Limited	100.12%	3400.69	100.27%	316.48	96.85%	(4.92)	100.33%	311.56	
India Subsidiary									
Sundrop Foods India Private Limited	1.18%	40.22	2.47%	7.81	3.15%	(0.16)	2.46%	7.65	
Foreign Subsidiaries									
Agro Tech Foods Bangladesh Pvt. Ltd.	3.02%	102.75	(2.20%)	(6.93)	-	-	(2.23%)	(6.93)	
Sundrop Foods Lanka (Private) Limited	0.46%	15.55	(0.50%)	(1.58)	-	-	(0.51%)	(1.58)	
Adjustments arising out of consolidation	(4.78%)	(162.43)	(0.05%)	(0.15)	-	-	(0.05%)	(0.15)	
Total	100%	3,396.78	100%	315.63	100%	(5.08)	100%	310.55	

Agro Tech Foods Limited

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(₹ in millions except for share data or otherwise stated)

Note 45 - During the year ended 31 March 2019 and 31 March 2018 no material foreseeable loss was incurred for any long-term contract including derivative contracts.

As per our report of even date attached
for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's registration No. 116231W/W-100024

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 24 April 2019

for **Agro Tech Foods Limited**
CIN: L15142TG1986PLC006957

Sachin Gopal
Managing Director & CEO
DIN 07439079

Arijit Datta
Chief Financial Officer

Place: Gurugram
Date: 24 April 2019

Lt.Gen.D.B. Singh
Director
DIN 00239637

Jyoti Chawla
Company Secretary

Agro Tech Foods Limited

FORM FOR NECS MANDATE / BANK MANDATE

I/We, _____ do hereby authorise Agro Tech Foods Limited to credit my dividend amount directly to my Bank Account as per details furnished below by National Electronic Clearing Services (NECS) – NECS Mandate*

Print the details of my Bank Account as furnished below on my dividend warrant which will be mailed to me –Bank Mandate. *

(*Strike out whichever is not applicable)

1. Shareholder's Name : _____
(in Block Letters)
2. Folio No. : _____
3. No. of Shares : _____
4. Bank Name : _____
5. Branch Name : _____
6. Account Number : _____
(as appearing on cheque book)
7. Ledger Folio No. of the Account : _____
(if appearing on Cheque Book)
8. Account type [Please tick] : S.B Current Cash credit
9. 9-Digit Code Number of the Bank & Branch appearing on the MICR Cheque issued by the Bank.
(Please attach photocopy of a cheque or a blank cancelled cheque issued by your Bank relating to your above account for Verifying the accuracy of the code number)

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed or not effected at all for reasons beyond the control of the Company. I/We would not hold AGRO TECH FOODS LIMITED responsible.

Date:

Signature of the Sole/First Shareholder

Agro Tech Foods Limited

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

AGRO TECH FOODS LIMITED

CIN:L15142TG1986PLC006957

Registered Office : 31, Sarojini Devi Road, Secunderabad – 500 003, Tel. No.040-66650240

Fax No.040-27800947, India www.atfoods.com

32nd Annual General Meeting – 17th July, 2019

Name of the Member(s)																					
Registered address																					
Email																					
Folio No./Client ID	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				
DP ID	<table border="1" style="width: 100%; border-collapse: collapse;"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>																				

I/ We, being the Member(s) ofShares of the above named company, hereby appoint

Name : Email :

Address :

.....Signature :
or failing him / her

Name : Email :

Address :

.....Signature :
or failing him / her

Name : Email :

Address :

.....Signature :

Agro Tech Foods Limited

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 32nd Annual General Meeting of the Company, to be held on Wednesday, 17th July, 2019 at 10.00 AM at Hotel Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad – 500 016, Telangana, India and at any adjournment thereof in respect of such Resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note)		
		For	Against	Abstain
Ordinary business				
1.	Adoption of Accounts for the financial year ended 31 st March, 2019			
2.	Declaration of Dividend			
3.	Reappointment of Ms. Jill Ann Rahman, who retires by rotation and being eligible offers herself for reappointment			
4.	Appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants as the Statutory Auditors of the Company, to hold office from the conclusion of this 32 nd Annual General Meeting until the conclusion of the 37 th Annual General Meeting of the Company, in place of M/s. B S R & Associates LLP., who were not eligible to be reappointed as Auditors of the Company and to authorize the Board of Directors to fix their remuneration			
Special business				
5.	Reappointment of Lt. Gen D B Singh, who has already attained the age of 75 years, as a non-executive Independent Director of the Company for a second term of five years from the date of Annual General Meeting i.e. 17 th July, 2019 to 16 th July, 2024, not be liable to retire by rotation			
6.	Reappointment of Mr. Sanjaya Kulkarni as a non-executive Independent Director of the Company for a second term of five years from the date of Annual General Meeting i.e. 17 th July, 2019 to 16 th July, 2024, not be liable to retire by rotation			
7.	Reappointment of Mr. Arun Bewoor, who has already attained the age of 75 years, as a non-executive Independent Director of the Company for a second term of five years from the date of Annual General Meeting i.e. 17 th July, 2019 to 16 th July, 2024, not be liable to retire by rotation			
8.	Reappointment of Mr. Narendra Ambwani as a non-executive Independent Director of the Company for a second term of five years from the date of Annual General Meeting i.e. 17 th July, 2019 to 16 th July, 2024, not be liable to retire by rotation			
9.	Reappointment of Ms. Veena Vishindas Gidwani as a non-executive Independent Director of the Company for a second term of five years Director from the date of Annual General Meeting i.e. 17 th July, 2019 to 16 th July, 2024, not be liable to retire by rotation			
10.	Approval of Remuneration of M/s. Vajralingam & Co., Cost Accountants as Cost Auditors			

Signed this Day of 2019

.....
Signature of the Member

.....
Signature of the proxy holder(s)

Affix ₹ 1
Revenue
Stamp

Note:

- i) This form must be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.
- ii) It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

Agro Tech Foods Limited

Agro Tech Foods Limited

CIN: L15142TG1986PLC006957

Registered Office : 31, Sarojini Devi Road, Secunderabad – 500 003, India

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall

I hereby record my presence at the THIRTY SECOND ANNUAL GENERAL MEETING being held at Hotel Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad – 500 016, Telangana, India on Wednesday, 17th July, 2019.

Folio No./ Client ID/DPID No.....

Full Name of the Shareholder

Signature

.....

.....

(in block letters)

Full Name of Proxy*

Signature

.....

.....

(in block letters)

* (To be filled in if the Proxy attends instead of the Member)

Agro Tech Foods Limited

