Agro Tech Foods Limited

14th August, 2017

The Secretary,
Mumbai Stock Exchange,
27th Floor, 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

Dear Sirs,

Sub: **Submission of Annual Report under Regulation 34 (1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34 (1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report of the Company for the financial year 2016-2017 as approved and adopted by the shareholders at the Annual General Meeting held on 26th July, 2017.

Request you to take this on record.

Thanking you,

Yours faithfully,
For Agro Tech Foods Limited

Jyoti

JYOTI CHAWLA
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl. a/a.

ATFL an affiliate of ConAgra Foods
Food you love

Agro Tech Foods Limited

Annual Report 2017



Making the food India loves.

Agro Tech Foods Limited

Board of Directors

Directors	Anna Elizabeth Biehn * (DIN 06925818)	Chairperson
	Javier Eduardo Alarcon Ruiz * (DIN 06563158)	
	Michael D Walter * (DIN 00863955)	
	Jill Ann Rahman @ (DIN 07693684)	Chairperson
	Steven Lee Harrison @ (DIN 07491599)	
	Denise Lynn Dahl @ (DIN 07583110)	
	Lt Gen D B Singh (DIN 00239637)	
	Sanjaya Kulkarni (DIN 00102575)	
	Arun Bewoor (DIN 00024276)	
	Narendra Ambwani (DIN 00236658)	
	Veena Vishindas Gidwani (DIN 06890544)	
	Pradip Ghosh Chaudhuri * (DIN 02650577)	Whole-time Director
	Sachin Gopal @ (DIN 07439079)	Managing Director
Leadership Team	Arijit Datta	Chief Financial Officer
	Asheesh Sharma	Vice President - Marketing
	Dharmesh K Srivastava	Vice President – Supply Chain
	Lalit Vij	Head of Procurement & Business Development
	N Narasimha Rao	Sr. Vice President–Human Resources & Corporate Communication
	Nilesh Agarwal	Head of Sales
	Sanjay Srivastava	Head of Manufacturing
	Satish Kumar Singh	Vice President - Research, Quality & Innovation
Company Secretary	Phani K Mangipudi*	
Auditors	M/s. B S R & Associates LLP Chartered Accountants, Hyderabad	
Registered Office	31, Sarojini Devi Road Secunderabad - 500 003, India Website: www.atfoods.com Tel No. 66333444, Fax No. 27800947 CIN : L15142TG1986PLC006957	
Registrars & Share Transfer Agents	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500032	

* Ms. Anna Elizabeth Biehn resigned as Director and Chairperson with effect from 30th December, 2016; Mr. Javier Eduardo Alarcon Ruiz resigned as Director with effect from 15th July, 2016; Mr. Michael D Walter resigned as Director with effect from 26th April, 2016, Dr. Pradip Ghosh Chaudhuri retired as Whole-time Director with effect from 30th June, 2016 and Mr. Phani K Mangipudi resigned as Company Secretary with effect from 31st January, 2017.

@ Ms. Jill Ann Rahman has been appointed as Director and Chairperson with effect from 18th January, 2017; Mr. Steven Lee Harrison has been appointed as Director with effect from 26th April, 2016; Ms. Denise Lynn Dahl has been appointed as Director with effect from 24th August, 2016, Mr. Sachin Gopal has been appointed as Managing Director with effect from 1st July, 2016.

NOTICE TO MEMBERS

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Agro Tech Foods Limited will be held on Wednesday, the 26th July, 2017 at 10.00 A.M. at The Manohar, Old Airport Exit Road, Begumpet, Hyderabad – 500 016, Telangana to transact the following businesses :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year Ended at 31st March, 2017, 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, 2017.
3. To appoint a Director in place of Mr. Steven Lee Harrison who retires by rotation and being eligible, offers himself for reappointment.
4. To ratify the appointment of M/s. B S R & Associates LLP, Chartered Accountants (ICAI Registration.No.116231W/W-100024), as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

5. To appoint Ms. Denise Lynn Dahl, an Additional Director of the Company, who vacates office at this Meeting and to consider and, if thought fit, to pass with or without modification, the following Ordinary Resolution of which the prescribed Notice under Section 160 of the Companies Act, 2013 along with deposit of ₹ 1,00,000/- has been received by the Company. Ms. Denise Lynn Dahl has filed her consent pursuant to the provisions of section 152 of the Companies Act, 2013 to act as Director, if appointed.

   "RESOLVED that Ms. Denise Lynn Dahl be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

6. 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 2017-18, 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, 19th July, 2017 to Wednesday, 26th July, 2017 (both days inclusive). Share Transfers received in order by 6.00 p.m. on 18th July, 2017, 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 on 18th August, 2017, to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on 26th July, 2017, or to their mandatees. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership as on 18th July, 2017, 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), 2015, an Explanatory Statement in respect of item Nos. 5 to 6 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 Annual Report.

   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. 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 last page of the Annual Report.
5. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, 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, 18th July, 2017, 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, 22nd July, 2017 and will end at 5.00 P.M. on Tuesday 25th July, 2017. 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 Mr. Tumuluru Krishna Murty, Practicing Company Secretary, 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.
6. 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.

7. 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.
8. Members are requested to notify any change in their address immediately to Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit 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.
10. The Annual Report for 2016-17 including the Notice for the 30th 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 2016-17 are being sent by the permitted mode.
11. 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.
12. Unclaimed dividend for the financial year ended 31st March, 2010 will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') on 3rd September, 2017, pursuant to the provisions of Section 205A of the Companies Act, 1956 / Section 124 of the Companies Act, 2013, once notified. In respect of the said unclaimed dividend, it will not be possible to entertain claims received by Karvy Computershare Private Limited, Registrar and Share Transfer Agents after 25th July, 2017.

    Details of unclaimed dividend in respect of the financial year ended 31st March, 2010 and up to and including the financial year ended 31st March, 2015 are available on the Company's website www.atfoods.com under Investor Relations.
13. Members are requested to contact M/s. Karvy Computershare 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 101(1) OF THE COMPANIES ACT, 2013 AND THE LISTING AGREEMENT

Item No. 5

Ms. Denise Lynn Dahl was appointed as an Additional Director of the Company on 24th August, 2016 pursuant to Section 161 of the Companies Act, 2013 read with Article 130 of the Articles of Association of the Company and holds office up to the date of this Annual General Meeting. Notice under Section 160 of the Companies Act, 2013 along with the requisite deposit of Rs.1,00,000/- has been received from a Member proposing the appointment of Ms. Denise Lynn Dahl as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation. Ms. Denise Lynn Dahl filed her consent and declaration pursuant to the provisions of Section 152 of the Companies Act, 2013 and the provisions of the Companies (Appointment & Qualification of Directors) Rules, 2014, to act as Director, if appointed.

Interest of Directors :

Ms. Denise Lynn Dahl 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. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year 2017-18 at a fee not exceeding ₹1,20,000/- (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. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2017-18.

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: 3rd May, 2017

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.

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

Mr. Steven Lee Harrison

Steve Harrison manages International R&D, Labeling and Regulatory for ConAgra Foods Inc. He also serves as the chair for the Institute of Food Technologists – Aksarben Section to bring together food scientist, researchers and university staff/ student in the Nebraska food industry. He has 20 years of experience in research and development in the food and beverage industry. Prior to ConAgra Steve led each of The Coca-Cola Company's International R&D Centers. In these roles he and his family lived in Brazil, Hong Kong, China and United Kingdom. During this time he also served as the Juice Business General Manager for Europe, Eurasia, Middle East and Africa. In the GM role, Steve doubled the juice business and created media with efficiencies equal to the best creative of brand Coca-Cola. Steve holds a B.S. in Chemistry from University of Idaho, M.S. in Food Science and Ph.D. in Food Science with minor in Analytical Chemistry from Washington State University. His DIN is 07491599.

Companies (other than Agro Tech Foods Limited) in which Steven Lee Harrison holds Directorship and Committee Membership:

Directorship:

None

Chairman of Board Committees

None

Member of Board Committees

None

Shareholding in the Company:

Steven Lee Harrison does not hold any equity shares in the Company.

Ms. Denise Lynn Dahl

A CPA from the State of Michigan and MBA in Integrative Management from the Michigan State University, Denise is an accomplished finance leader with extensive international experience managing complexity in challenging business environments. She has expertise in transforming financial business partnering, developing control processes and policies, negotiating complex contracts, establishing foreign subsidiaries and improving financial results. With exceptional interpersonal skills and proven ability to influence and motivate key stakeholders, Denise has been a strategic leader with experience in managing teams at corporate level as well as in seed and mature markets. Over the last 22 years, Denise has worked in some of the world's leading companies like Herman Miller Inc. and Mead Johnson Nutrition Company and is currently employed with ConAgra Foods Inc. as Vice President, International Finance responsible for Company's international finance organization, encompassing operations in over 50 countries.

Her DIN is 07583110

Companies (other than Agro Tech Foods Limited) in which Denise Lynn Dahl holds Directorship and Committee Membership:

Directorship:

Verde Valle, Mexico

Chairman of Board Committees

None

Member of Board Committees

None

Shareholding in the Company:

Denise Lynn Dahl does not hold any equity shares in the Company.

Attendance record of the Directors seeking appointment/re-appointment

Directors	Number of Meetings	
	Held	Attended
Steven Lee Harrison	4	3
Denise Lynn Dahl	4	2

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.

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, 2017.

1. PERFORMANCE OF THE COMPANY

1.1 Results

Your Company's performance for the year ended 31st March, 2017 is as follows:

(₹ Millions)

	2016-17	2015-16
Net Sales	**8,043.19**	7,801.94
Other Income	**23.67**	20.16
Total Income	**8,066.86**	7,822.10
Operating Expenses	**7,433.38**	7,252.80
PBDIT	**633.48**	569.30
Depreciation	**172.24**	160.12
Interest	**45.48**	53.28
Profit before Tax and exceptional item	**415.76**	355.90
Exceptional item	**42.09**	-
Profit Before Tax (PBT)	**457.85**	355.90
Taxes	**168.28**	122.31
Profit After Tax (PAT)	**289.57**	233.59

Net Sales for the year at ₹ 8,043.19 MM were 3% higher than Prior Year. This reflected a continued strong growth in the 3 core categories of Act II Ready to Cook Popcorn, Act II Nachoz and Sundrop Peanut Butter which increased revenues by 13% on a consolidated basis to reach a turnover of c Rs.150 crore. Sundrop Oils & Crystal Oils grew by 3% and 4% respectively while the Vending Business declined by 64%. Your Company continues to refine the business model for Ready to Eat Popcorn and Extruded Snacks which in addition to providing a platform for overall growth will also begin to be growth drivers in their own right with refinement of the model. Profit Before Tax & exceptional item increased by 17% driven by improved Gross Margin and lower Interest Costs, while Profit After Tax increased by 24% benefiting from a higher Profit Before Tax and Interest on Income Tax refund of ₹ 42.09 MM partially offset by an Income Tax disallowance pertaining to the period 2012-2015 increasing our Income Tax payout by ₹14.5 MM.

1.2 Key Indicators

(₹ Millions)

	2016-17	2015-16
Gross Margin (GM)	**1,880.66**	1,826.48
GM %	**23.4%**	23.4%
Advertising & Sales Promotion	**412.76**	426.50
A&P %	**5.1%**	5.5%

Gross Margin increased by 3% in line with the increase in Net Sales resulting in GM% steady at 23.4%. This reflects largely the impact of a steadily growing GM on the core drivers of Act II Ready to Cook Popcorn, Act II Nachoz and Sundrop Peanut Butter. The strong double digit growth in revenue in these categories reflects a working combination of continued distribution expansion, steady investments in media and a strong value proposition.

2. DIVIDEND

Given the continued strong performance of the Company, your Directors are pleased to recommend a Dividend of ₹ 2/- per equity share of the face value of ₹ 10/- each for the year ended 31st March, 2017 subject to the approval of the shareholders at the Annual General Meeting to be held on 26th July, 2017.

(₹ Millions)

	2016-17	2015-16
Profit after Tax	**289.57**	233.59
Profit brought forward from Previous year	**2,275.56**	2,041.97
Surplus available for Appropriation	**2,565.13**	2,275.56
Dividend paid at the rate of ₹ 2 /- each*	**48.74**	-
Dividend Distribution Tax	**9.92**	-
Forward to the following year	**2,506.47**	2,275.56

*Dividend related to FY 15-16 paid in current year. Also refer note no. 2.2 in notes to accounts.

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 safe guarding 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 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) 2015.

In line with the requirements of new Companies Act, 2013, your Company has constituted new 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

A steadily improving outlook for business in India means that the Food industry as well is recovering from a sluggish phase into a phase of more steady and sustained growth. Your Company is well placed to capture a fair share of this growth having taken significant measures in the last few years in both manufacturing capacities and distribution expansion.

We expect to be able to continue to deliver strong growth and take advantage of the significant capital investments we have recently completed behind products with clear competitive advantage and "right to win".

7. OPPORTUNITIES AND THREATS

The Indian food industry is still at a nascent stage and we expect it to record solid growth rates for several years to come. This represents a significant opportunity for your Company given that we have already made balanced capital investments to develop a portfolio capable of delivering steady profitable growth.

In the FY'16 Director's Report we had commented on the continuing opportunity presented by digitization in today's world. We are happy to report therefore that in FY'17 we have seen continued growth in the digital space with our E commerce business growing by over 100% over the Prior Year and we will continue to work to leverage this opportunity.

In addition we also see a significant consumption opportunity presented by rising incomes at the bottom of the pyramid, which will initially provide your Company the feasibility of being a carrier to expand our town coverage and over time become a business in its' own right. This requires however, a cost structure which is extremely competitive besides having a diversified manufacturing footprint. To address this your Company has been steadily improving its' footprint and we are happy to report that in March 2017 we opened our fifth Foods facility in Mangaldai (Assam) which joins our four other Foods facilities in Kashipur (UK), Kothur (Telangana), Jhagadia (Gujarat) and Unnao (UP) in our effort to make possible high quality products at the lowest possible delivered cost to our customers.

8. STATE OF THE COMPANY'S AFFAIRS

In FY'17 Act II remained the fastest growing Snacks brand in the Modern Trade and Sundrop Peanut Butter the fastest growing Spread in the Spreads Category, enabling us to deliver strong growth in the Foods business of the Company.

Our strong and profitable position in both the Snacks and the Spreads categories means that we are well placed to seize growth opportunities in both of these categories with a portfolio which is profitable and meets emerging consumer needs.

In FY'16 your Company had increased its investment in Distribution Expansion to employ c 200 additional salesmen. The 200 additional Feet on Street were designed to provide a virtuous cycle of distribution expansion and as per plan enabled us to further increase coverage by an additional c 40,000 stores in FY'17.

As demonstrated by your Company's performance during the demonetization exercise, the share of wholesale in our business is still very low and our widening portfolio particularly at the bottom of the pyramid offers us the opportunity to strengthen our distribution network and gain scale in towns where our presence is currently limited to the top stores servicing the top SEC of the geography. Accordingly in FY'17 your Company also appointed 60 additional Feet on Street in select states for the wholesale channel, a move which is designed to strengthen our town coverage and will help to get scale at our plants, logistics and distribution network.

Your Company will continue to leverage the investments made both in portfolio expansion &distribution expansion to drive growth in both the Snacks & the Spreads categories while maintaining a strong position in the Edible Oils category.

This will enable us to progress towards our goal of being amongst India's "Best Performing Most Respected Food Companies".

9. PRODUCT CATEGORIES

9.1 Snacks:

Steady and sustained media support together with continued Distribution Expansion enabled Act II to deliver double digit volume growth in FY'17 with an acceleration in growth of the strategic Instant Popcorn of c 400 basis points vs exit FY'16. Act II is now amongst the most diversified snack brands in Western Snacks. We will continue to support the brand with further innovation and brand extension to grow as rapidly as possible to our near term goal of making Act II a ₹ 500 crore brand.

As stated in our annual report for FY'16 we had commenced a selective entry into Indian Snacks with Sundrop Peanuts. As we gain a better understanding of this category we will be expanding the product range so that we can be a full scale Snacks player in the rapidly growing Snacks market in India.

In March 2017 our fifth plant commenced commercial production at Mangaldai in Assam. In FY'18 we will be stabilizing our operation at this plant while we commence construction of our 6th facility at Chittoor in Andhra Pradesh which will also be an effective sourcing point for both Tamil Nadu and Karnataka.

The commencement of production at Chittoor will bring us one step closer to our vision of a 7 plant national network leaving only the waiting for necessary regulatory approvals for construction of a plant near Kolkatta.

9.2 Spreads:

In FY'17 our Peanut Butter business grew by 26% in Volume and 18% in Value. The successful launch of the large pack (924 gm) together with penetrative low cost sachet packs enabled us to capture our fair share of revenues of the fast growing Peanut Category driven by sustained media support.

Going forward we will continue to invest behind the Category through sustained media support, continued distribution expansion and additional innovation.

9.3 Edible Oils & Sprays:

In FY'17 we recorded a steady performance on Sundrop Edible Oils with a Volume Growth of 2% and a Value Growth of 3%. Crystal Oil which is sold largely in the states of Andhra Pradesh and Telangana recorded a growth of 3% in Volume and 4% in Value. Your Company continues to support our flagship Sundrop Heart in this Category with adequate level of investments to ensure that our position in this category remains healthy and profitable while delivering the highest returns to our shareholders.

10. RESEARCH, QUALITY & INNOVATION (RQI)

Your Company continues to focus on innovation as a driver of growth. In FY'17 innovation included the launch of the unique Microwave Popcorn Tub which offers an in home experience similar to that of a cinema hall. FY'18 will see us continuing to drive innovation both on our existing products and on brand extensions.

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

The steady growth in the Foods business of the Company means that more jobs are being created both in Manufacturing and Sales. In FY'17 the total number of people associated with the Company either directly or indirectly increased to c 2500 persons as a consequence of continued growth in the business and resultant increase both in selling and manufacturing resources.

Your Company will continue to work 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 Foods Companies".

13. 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 and in receipt of remuneration aggregating ₹8.50 lakhs per month or more during the financial year ending 31st March, 2017 is provided in the Annexure forming part of this Report.

14. 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.

15. 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.

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 form part of the financial statements provided in this Annual Report.

16. 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.

17. CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a good corporate citizen responsible for the communities where we operate, your Company is involved in a CSR activity under the umbrella of 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 source of protein and highly effective to fight malnutrition. In FY'17 we increased the coverage of the program to 12,554 children up from 10,700 children in the prior year. However, spending was lower at 1% due to higher efficiencies in the process and further expansion of the program awaiting necessary governmental approvals. On receipt of approvals we will be in a position to further expand this program and work towards the 2% guideline in the Companies Act, 2013.

As per the Companies Act, 2013, 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 any 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.Anna Biehn, Mr. Michael Walter and Mr. Javier Eduardo Alarcon Ruiz) @ (Mr. Steven Lee Harrison, Ms. Denise Lynn Dahl and Ms. Jill Rahman)* 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. Michael D Walterre signed as Member on 26th April, 2016, Mr. Javier Eduardo Alarcon Ruiz resigned as Member on 15th July, 2016 and Ms. Anna Biehn resigned as Member on 30th December, 2016.

* Mr. Steven Lee Harrison has been appointed as Member on 26th April, 2016, Ms. Denise Lynn Dahl has been appointed as Member on 24th August, 2016 and Ms. Jill Rahman as Member on 18th January, 2017.

18. 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

19. 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

20. 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.

21. FINANCE AND ACCOUNTS

21.1 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.

21.2. Cautionary Statement

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

21.3 Outlook

We believe that your Company now has the combination of a strong product portfolio and a proven business model for distribution expansion leveraging this broader portfolio. We will continue to invest in a balanced manner behind both our brands and expansion of distribution to achieve steady profitable growth.

22. 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, Mr. Steven Lee Harrison retires by rotation and being eligible, offers himself for re-appointment. A brief profile of Mr. Steven Lee Harrison is given in the notice of the 30th Annual General Meeting.

Mr. Javier Eduardo Alarcon Ruiz and Ms. Anna Biehn have resigned as Directors of the Company. The Directors place on record their appreciation of the valuable services rendered and wise counsel given by Mr. Javier Eduardo Alarcon Ruiz and Ms. Anna Biehn during their tenure of Office as Directors.

Ms. Denise Lynn Dahl was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 130 of the Articles of Association of the Company.

She holds office up to the date of the ensuing Annual General Meeting. Notice together with the deposit, as required under Section 160 of the Companies Act, 2013 has been received from a Member proposing the appointment of Ms. Denise Lynn Dahl as Director of the Company at the Annual General Meeting.

A brief profile of Ms. Denise Lynn Dahl is given in the notice of the 30th Annual General Meeting.

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 that:

a. they are persons of integrity and possess relevant expertise and experience;

b. i. they were neither are a promoter of the Company or its holding, subsidiary or associate 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 any pecuniary relationship 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 has or had pecuniary relationship or transaction 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, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. neither they nor 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, 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;

f. 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.

None of the independent Directors will retire at the ensuring Annual General Meeting.

23. MEETINGS OF THE BOARD

The Board of Directors met 4 times during the period April to March in the year 2016-17 on the following dates:

1. 26th April, 2016
2. 27th July, 2016
3. 19th October, 2016
4. 18th January, 2017

24. 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 Clause 49 of the Listing Agreement 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 Mr. Javier Eduardo Alarcon Ruiz@, 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.

@ Mr. Javier Eduardo Alarcon Ruiz has resigned as Director on 15th July, 2016.

*Ms. Denise Lynn Dahl was appointed as Director on 24th August, 2016.

25. 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.

26. 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 Board is evaluated on the basis of the following attributes namely, guiding strategy, nurturing leaders, aligning incentives, managing risks, enhancing the brand and enabling governance.

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

27. 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.

28. AUDITORS

M/s. B S R & Associates LLP, Chartered Accountants, were recommended for appointment as the Statutory Auditors of the Company to hold office from the conclusion of the 27th Annual General Meeting to the conclusion of the 32nd Annual General Meeting. In terms of the first proviso to Section 139 of the Companies Act, 2013, the Auditors' appointment has to be ratified at every Annual General Meeting. Accordingly, the appointment of M/s. B S R & Associates LLP, Chartered Accountants, as the statutory auditors of the Company, is placed for ratification by the shareholders. The Company has received a certificate from M/s. B S R & Associates, LLP to the effect that they are not disqualified from continuing to act as Auditors and would be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013 and Companies (Audit and Audit Rules), 2013. The Report given by the Auditors, M/s. B S R & Associates LLP., Chartered Accountants on the financial statements of the Company 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.

29. SECRETARIAL AUDIT

M/s. Tumuluru & Co, 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 for the financial year 2016-17. 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.

30. 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'17 the number of sales staff on the rolls of the Company were 386.

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

In FY'18 we 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 2016-17 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.

31. 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, 2017 is attached as an Annexure to this Directors' Report.

32. 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 Whole-time Director & Managing Director & CEO 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. No cases reported or filed 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. In terms of provisions of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 0.41 Million (as on 31st March, 2017) of unpaid /unclaimed dividends will be transferred to Investor Education and Protection Fund before 1st September, 2017.

33. 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	**Lt. Gen. D.B. Singh**
Managing Director & CEO	Director
DIN 07439079	DIN 00239637

Dt: 3rd May, 2017

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. 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'17 your Company continued use Technology to drive Competitive Advantage and provide high quality food products to our consumers. This included the launch of the Microwave Popcorn Tub designed to give consumers an in home movie theatre experience in an easy to use format. Your Company also invested in a state of the art grain handling system to handle maize corn designed to compliment the Silos which had already been installed.

3. RESEARCH & DEVELOPMENT (R&D)

Your Company has spent about ₹ 24.12 Million this year towards Research and Development totaling to about 0.30% of the Company's turnover. Specific areas in which R & D was carried out by the Company include development of Extruded Snacks, Savory Peanuts, launch of Tortilla Chips and new flavors of Ready to Eat Popcorn.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO (Accrual basis)

	₹ MM
Foreign Exchange earned in terms of inflows	25.02
Foreign Exchange outgo in terms of outflows	82.52

On Behalf of the Board

Sachin Gopal	**Lt. Gen. D.B. Singh**
Managing Director & CEO	Director
DIN 07439079	DIN 00239637

Dt: 3rd May, 2017

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 2016-17 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17:

S.No.	Name of the Director/KMP and Designation	Remuneration of Directors / KMP for Financial year 2016-17 in ₹	%age increase in the remuneration in the FY 2016-17	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Ms. Anna Biehn Chairperson	-	-	-
2.	Mr. Javier Eduardo Alarcon Ruiz Non-Executive Director	-	-	-
3.	Mr. Michael Walter Non-Executive Director	-	-	-
4.	Lt. Gen. D B Singh Non-Executive Director	1,212,500	-2.02%	2.02:1
5.	Mr. Sanjaya Kulkarni Non-Executive Director	1,212,500	-2.02%	2.02:1
6.	Mr. Narendra Ambwani Non-Executive Director	1,212,500	-2.02%	2.02:1
7.	Mr. Arun Bewoor Non-Executive Director	1,212,500	-2.02%	2.02:1
8.	Ms. Veena Gidwani Non-Executive Director	1,212,500	-2.02%	2.02:1
9.	Dr. Pradip Ghosh Chaudhuri Whole-Time Director *	1,992,637		3.32:1
10.	Mr. Sachin Gopal President & CEO **(Salary considered from 1st April, 2016 to 30th June, 2016)	6,955,174		Not Applicable
	Mr. Sachin Gopal Managing Director& CEO ** (Salary considered from 1st July, 2016 to 31st March, 2017)	20,865,522		34.78:1
11.	Mr. Arijit Datta ***	5,769,076		Not Applicable
12.	Mr. Phani Mangipudi **** Company Secretary	3,378,044		Not Applicable

* Dr. Pradip Ghosh Chaudhuri retired as Whole-Time Director on 30th June, 2016 and hence comparison is not being provided. It excludes gratuity of ₹ 2.6 million paid as retired during the year.

** Mr. Sachin Gopal was appointed as Managing Director from 1st July, 2016. Hence comparison is not being provided. It includes amount of ₹ 5.13 million to be paid after receipt of approval from the Central Government of India.

*** Comparative details of Mr. Arijit Datta are not being provided as he was not a KMP for full year in previous year.

**** Mr. Phani Mangipudi resigned as Company Secretary on 31st January, 2017 and hence comparison is not being provided. It excludes gratuity of ₹ 0.5 million paid as resigned during the 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 425 permanent employees on the rolls of Company as on March 31, 2017;

- The Company follows a practice of benchmarking 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 8% reflecting the efforts put in by the employees for a steady growth in the core consumer foods business by 13% and overall business grew by 3%.
- There was a 6% 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, 2017

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*	57	B.A., MBA	Managing Director & CEO	02.04.2007	36	27,820,696	0.19	Procter & Gamble
2.	N Narasimha Rao	57	B.Sc., Master of Personnel Mgmt.	Sr VP HR &Corporate Communications	24.07.2006	32	15,348,516	-	Reliance Infocom
3.	Asheesh Kumar Sharma	47	B.Sc., PGDBM	VP- Marketing	02.07.2007	25	11,731,539	-	Gillete India Ltd
4.	Satish Kumar Singh	51	M.Sc., M.Tech	VP Research, Quality and Innovation	09.01.2006	27	9,021,121	-	Perfetti Van Melle
5.	Nilesh Agarwal	40	B.Com, PGDBM	Head of Sales	08.06.2008	20	8,369,034	-	Print-O-Graphics
6.	Dharmesh Kumar Srivastava	53	M.Tech. MBA	VP Supply Chain	08.07.2008	28	6,173,580	-	Procter & Gamble
7.	Arijit Datta	39	M.Com, CA	Chief Financial Officer	01.11.2006	14	5,769,076	-	Eveready Industries India Ltd.
8.	Gaurav Gupta	39	B.Tech.PGDBM	General Manager Sales-West	01.06.2004	14	5,589,266	-	
9.	Sanjay K Srivastava	48	B.Sc., B.Tech.	Head of Manufacturing	12.06.2000	27	5,330,012	-	Siel Food & Fertilizers Industries
10.	Lalit Vij	54	B.Com, MBA ICWA	Head of Procurement and Packing Material	16.04.2005	25	5,058,706	-	Siel Food & Fertilizers Industries

B. Employed partly during the year top ten employees in terms of remuneration drawn and employees 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
NIL										

*Please refer MGT-9Remuneration 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 / receivable includes salary, bonus, commission, medical expenses, Company's contribution to Retiral 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: 3rd May, 2017

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

(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, 2017 (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, 2017 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

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. Other .applicable laws, including the following:

(a) Factories Act, 1948

(b) Payment of Gratuity Act, 1972

(c) Employees Provident Fund and Miscellaneous provisions Act, 1952

(d) Employees State Insurance Act 1948

(e) Maternity Benefit Act, 1961

(f) Minimum Wages Act, 1948

(g) Payment of Bonus Act, 1972

(h) Payment of Wages Act 1936

(i) Industrial Dispute Act, 1947

(j) Environment (Protection) Act, 1986

(k) Legal Metrology Act, 2009

(l) Competition Act, 2002

(m) Income-tax Act 1961

(n) Indian Stamp Act, 1899

(0) Food Safety and Standards Act, 2006

(p) Agricultural Produce Grading and Marking Act, 1937

(q) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, to the extent applicable under the Companies Act, 2013

(ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December, 2015.

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

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 ₹ 4.52 Million towards Corporate Social Responsibility representing 1% 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 ₹ 9.23 Million.

b. The Company has responded appropriately to notice received from statutory/regulatory authority and initiated corrective action.

Saravana Kumar
ACS NO. 26944
C. P. No. 11727

Place : Hyderabad
Date : 3rd May, 2017

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.

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. In FY'17 we increased the coverage of the program to 12,554 children up from 10,700 children in the prior 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. Anna Biehn @
7. Mr. Javier Eduardo Alarcon Ruiz@
8. Mr. Michael Walter@
9. Mr. Steven Lee Harrison*
10. Ms. Denise Lynn Dahl*
11. Ms. Jill Ann Rahman*

@ Ms. Anna Elizabeth Biehn has resigned as Director on 30th December, 2016, Mr. Javier Alarcon Ruiz has resigned as Director on 15th July, 2016, Mr. Michael D Walter has resigned as Director on 26th April, 2016 respectively.
*Mr. Steven Lee Harrison has been appointed as Director on 26th April, 2016, Ms. Denise Lynn Dahl has been appointed as Director on 24th August, 2016, Ms. Jill Ann Rahman as Director on 18th January, 2017 respectively.

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 any 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	461.45
Prescribed CSR Expenditure (2% of the average net profit as computed above)	9.23
Details of CSR spent during the financial year:	
Total amount to be spent for the financial year	9.23
Total amount spent during the year (1% of avg. net profit)	4.52
Amount unspent	4.71

Details of amount spent on CSR activities during the financial year 2016-17

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 upto 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 , 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.	9.23 Million	4.52 million	4.52 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. In FY'17we increased the coverage of the program to 12,554 children up from 10,700 children in the prior year. However, spending was lower at 1% due to higher efficiencies in the process and further expansion of the program awaiting necessary governmental approvals. On receipt of approvals we will be in a position to further expand this program and work towards the 2% guideline in the Companies Act. 2013.

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: 3rd May, 2017

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 Revised Clause 49 of the Listing Agreement, entered into by the Company with Stock Exchanges, 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.
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 Revised Clause 49 to the Listing Agreement.

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.

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.

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]

			As at 31 March 2017							For the year ended 31 March 2017 Refer note (c)						
Sl. No.	Name of Subsidiary Company	Reporting currency	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/(loss) after tax	Proposed Dividend	% of Share holding	Country
1	Sundrop Foods India Private Limited	INR MM		20.00	-	12.57	41.04	8.47	-	97.07	7.65	2.47	5.18	-	100.00	India
2	Agro Tech Foods (Bangladesh) Pvt. Ltd.	INR MM	Refer note (a)	121.45	-	(7.24)	115.19	0.98	-	5.24	(0.01)	-	-	-	100.00	Bangladesh
		Taka MM		150.00	-	(8.94)	142.27	1.22	-	6.37	0.03	0.01	0.02	-		
3	Sundrop Foods Lanka (Private) Limited	INR MM	Refer note (b)	21.38	-	(3.87)	17.73	0.22	-	0.89	(1.90)	(0.22)	(1.68)	-	100.00	Sri Lanka
		LKR MM		50.00	-	(9.06)	41.46	0.52	-	1.95	(4.17)	(0.48)	(3.69)	-		

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Notes:

a) The exchange rate used to convert Taka to Rupees "0.8096575958/Taka" for Agro Tech Foods (Bangladesh) Pvt. Ltd. balance sheet items.

b) The exchange rate used to convert LKR to Rupees "0.4275879762/LKR" for Sundrop Foods Lanka (Private) Limited balance sheet items.

c) 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 2017

[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. 040-66333444 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 COMPUTERSHARE 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	78
2.	Others-Processed food products	107	22

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)

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 1/4/2016				No. of Shares held at the end of the year 31/3/2017				% 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	2,422,357	3,000	2,425,357	9.96	2,418,053	3,000	2,421,053	9.93	-0.03
b) Banks / FI	8,389	-	8,389	0.03	12,255	-	12,255	0.05	0.02
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	772,462	800	773,262	3.17	1,234,197	800	1,234,997	5.07	1.90
h) Foreign Venture Capital Funds	-	-	-	-					
i) Others (specify)	-	-	-	-					
Sub-total (B)(1):-	3,203,208	3,800	3,207,008	13.16	3,664,505	3,800	3,668,305	15.05	1.89
2. Non-Institutions									
(a) Bodies Corporate	2,604,008	12,416	2,616,424	10.74	2,211,050	12,116	2,223,166	9.12	-1.62
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	2,006,194	402,482	2,408,676	9.88	2,079,130	390,525	2,469,655	10.13	0.25
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	2,277,386	-	2,277,386	9.35	2,134,416	-	2,134,416	8.76	-0.59

(c) Others (specify)									
- Clearing Members	2,338	-	2,338	0.01	6,499	-	6,499	0.03	0.02
- Foreign Banks	-	200	200	-	-	200	200	-	-
- Non Resident Indians/ NRI Repatriable	105,435	1,100	106,535	0.44	112,721	1,100	113,821	0.47	0.03
- NBFCs Registered with RB	10,000	-	10,000	0.04	11,005	-	11,005	0.05	0.01
- Other Trust	-	-	-	-	1,500	-	1,500	0.01	0.01
- Trusts	1,124,078	-	1,124,078	4.61	1,124,078	-	1,124,078	4.61	-
Sub-total B(2)	8,129,439	416,198	8,545,637	35.07	7,680,399	403,941	8,084,340	33.18	-1.89
Total Public Shareholding									
(B) = B(1) + B(2)	**11,332,647**	**419,998**	**11,752,645**	**48.23**	**11,344,904**	**407,741**	**11,752,645**	**48.23**	**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**23,949,266**	**419,998**	**24,369,264**	**100.00**	**23,961,523**	**407,741**	**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	0	12,616,619	51.77	0	0
	Total							

(iii) Change in Promoters' Shareholding (please specify, if there is no change) for Financial Year 01.04.2016 to 31.03.2017.

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 01.04.2016					
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	
At the end of the year 31.03.2017					

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 01.04.2016					
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 31.03.2017					

v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors and Key Managerial Personnel

1	**Ms. Veena Vishindas Gidwani**	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 01.04.2016		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 31.03.2017		-	-	500	0.002

2	**Mr. Sachin Gopal**	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 01.04.2016		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 31.03.2017		45,672	0.19	45,672	0.19

3	**Mr. Phani K Mangipudi***	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 01.04.2016		10	-	10	-
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 31.01.2017		-	-	10	-

*Mr. Phani Mangipudi resigned as Company Secretary on 31st January, 2017

V. INDEBTEDNESS:

Indebtness 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 01.04.2016				
(i) Principal Amount	956,538,115	-	-	956,538,115
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	1,376,903	-	-	1,376,903
Total (i + ii + iii)	957,915,018	-	-	957,915,018
Change in Indebtedness during the financial year				
Addition	5,507,574,121	-	-	5,507,574,121
Reduction	6,289,244,586			6,289,244,586
Net Change	(781,670,465)	-	-	(781,670,465)
Indebtedness at the end of the financial year 31.03.2017				
(i) Principal Amount	176,212,910	-	-	176,212,910
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	31,644	-	-	31,644
Total (i + ii + iii)	**176,244,553**	**-**	**-**	**176,244,553**

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole Time Director and / or Manager:

Sl. No.	Particulars of Remuneration	Name of WTD – Dr. Pradip Ghosh Chaudhuri- from 1st April, 2016 till 30th June, 2016*	Name of Managing Director – Mr. Sachin Gopal from 1st July, 2016 till 31st March, 2017@	Total Amount
1.	Gross Salary- (a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	1,889,049	20,780,083	22,669,132
	(b) Value of perquisites u/s 17 (20) of the 1961 Income Tax Act,	103,588	85,439	189,027
	(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- Please Specify	-	-	-
	Total (A)	1,992,637	20,865,522	22,858,159
	Ceiling as per the Act	5,783,121	18,218,025	24,001,146

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 Whole-Time Director / Managing Director cannot be ascertained separately. The above amount excludes Gratuity paid to Whole-Time Director of ₹ 2,656,108 on retirement.

* Retired as Whole-time Director on 30th June, 2016.

@ Appointed as Managing Director on 1st July, 2016. The Company has applied to Central Government of India for approval for payment of managerial remuneration in excess of limits as mandated by Section 197 read with Schedule V to the Companies Act, 2013 ('the Act'). Pending approval from the Central Government of India, payment made is below the limits prescribed under the Act. Remuneration includes amount of ₹ 5,126,312/- payable for the period 1st July,2016 to 31st March, 2017 which will be paid post receipt of approval from the Central Government of India.

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	900,000	900,000	900,000	900,000	900,000	4,500,000
	Commission	312,500	312,500	312,500	312,500	312,500	1,562,500
	Others, please specify	-					
	Total (1)	1,212,500	1,212,500	1,212,500	1,212,500	1,212,500	6,062,500
2.	Other Non-Executive Directors						
	Fee for attending board meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B) = (1+2)	1,212,500	1,212,500	1,212,500	1,212,500	1,212,500	6,062,500
	Total Managerial Remuneration						
	Overall ceiling as per the Act						

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
		Sachin Gopal (President and CEO) *	Phani K Mangipudi (CS) **	Arijit Datta (CFO)	
1. a)	Gross Salary- Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	6,926,694	3,749,457	5,526,808	16,202,959
	b) Value of perquisites u/s 17(20) of the Income Tax Act, 1961	28,480	148,249	242,268	418,997
	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 -Specify	-	-	-	-
	Total	6,955,174	3,897,706	5,769,076	16,621,956

* Salary for Mr. Sachin Gopal considered from 1st April, 2016 to 30th June, 2016.

**Mr. Phani Mangipudi resigned as Company Secretary on 31st January, 2017

VII. Penalties / Punishment/Compounding offences:

There were no penalties / punishment / compounding of offences for the year ending 31st March, 2017.

AGRO TECH FOODS LIMITED

Shareholding pattern of top 10 Sharehodlers - Reprot Between 01/04/2016 AND 31/03/2017

			Name of the Share Holder							Cumulative	
Sl. No.	Dpid	Folio/Client-Id	Name of the Share Holder		Jt1	Jt2	Category	Sold	bought	Holding	Date
1	IN300394	15926090	CAG TECH MAURITIUS LIMITED				FPB	0	0	12616619	4/1/2016
	IN300394	15926090	CAG TECH MAURITIUS LIMITED				FPB	0	0	12616619	3/31/2017
2	IN303786	10000965	SBI FMCG FUND				MUT	0	0	96341	4/1/2016
	IN303786	10000965	SBI FMCG FUND				MUT	96341	0	0	5/27/2016
	IN303786	10000965	SBI FMCG FUND				MUT	0	0	0	3/31/2017
	IN303786	10001099	SBI EMERGING BUSINESSES FUND				MUT	0	0	1100000	4/1/2016
	IN303786	10001099	SBI EMERGING BUSINESSES FUND				MUT	0	0	1100000	3/31/2017
3	13900	1601390000001539	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIA	NCE GROWTH FUND			MUT	0	0	353610	4/1/2016
	13900	1601390000001539	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIA	NCE GROWTH FUND			MUT	0	1575	355185	4/15/2016
	13900	1601390000001539	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIA	NCE GROWTH FUND			MUT	355185	0	0	4/29/2016
	13900	1601390000001539	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIA	NCE GROWTH FUND			MUT	0	0	0	3/31/2017
	IN300167	10081207	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL	CAP FUND			MUT	0	0	757561	4/1/2016
	IN300167	10081207	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL	CAP FUND			MUT	0	100000	857561	5/6/2016
	IN300167	10081207	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL	CAP FUND			MUT	0	10680	868241	5/20/2016
	IN300167	10081207	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL	CAP FUND			MUT	0	0	868241	3/31/2017
	IN300167	10109481	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE DUAL	ADVANTAGE FTF III PLAN B			MUT	0	0	10680	4/1/2016
	IN300167	10109481	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE DUAL	ADVANTAGE FTF III PLAN B			MUT	10680	0	0	5/20/2016
	IN300167	10109481	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE DUAL	ADVANTAGE FTF III PLAN B			MUT	0	0	0	3/31/2017
	IN300167	10122648	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE RETI	REMENT FUND - WEALTH CREATION SCHEME			MUT	0	0	25000	4/1/2016
	IN300167	10122648	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE RETI	REMENT FUND - WEALTH CREATION SCHEME			MUT	25000	0	0	7/29/2016
	IN300167	10122648	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE RETI	REMENT FUND - WEALTH CREATION SCHEME			MUT	0	0	0	3/31/2017
	IN300167	10125675	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE EQUI	TY SAVINGS FUND			MUT	0	0	25000	4/1/2016
	IN300167	10125675	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE EQUI	TY SAVINGS FUND			MUT	25000	0	0	7/29/2016
	IN300167	10125675	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE EQUI	TY SAVINGS FUND			MUT	0	0	0	3/31/2017
4	IN300020	11547235	AGRO TECH ESOP TRUST				TRU	0	0	1124078	4/1/2016
	IN300020	11547235	AGRO TECH ESOP TRUST				TRU	0	0	1124078	3/31/2017
5	IN301549	18652179	M3 INVESTMENT PRIVATE LIMITED				LTD	0	0	1061266	4/1/2016
	IN301549	18652179	M3 INVESTMENT PRIVATE LIMITED				LTD	0	0	1061266	3/31/2017
6	IN300360	20014183	JHUNJHUNWALA RAKESH RADHESHYAM				PUB	0	0	942700	4/1/2016
	IN300360	20014183	JHUNJHUNWALA RAKESH RADHESHYAM				PUB	0	0	942700	3/31/2017
	IN305099	20000213	RAKESH JHUNJHUNWALA				PUB	0	0	11000	4/1/2016
	IN305099	20000213	RAKESH JHUNJHUNWALA				PUB	0	0	11000	3/31/2017
7	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	0	0	4/1/2016
	IN300142	10712060	PARI WASHINGTON COMPANY PVT. LTD. A/C PARI WASHING	TON INDIA MASTER FUND, LTD.			FII	0	321584	321584	5/27/2016
	IN300142	10712060	PARI WASHINGTON COMPANY PVT. LTD. A/C PARI WASHING	TON INDIA MASTER FUND, LTD.			FII	0	74800	396384	8/5/2016
	IN300142	10712060	PARI WASHINGTON COMPANY PVT. LTD. A/C PARI WASHING	TON INDIA MASTER FUND, LTD.			FII	0	220081	616465	8/26/2016
	IN300142	10712060	PARI WASHINGTON COMPANY PVT. LTD. A/C PARI WASHING	TON INDIA MASTER FUND, LTD.			FII	0	35375	651840	9/2/2016
	IN300142	10712060	PARI WASHINGTON COMPANY PVT. LTD. A/C PARI WASHING	TON INDIA MASTER FUND, LTD.			FII	0	1862	653702	9/16/2016
	IN300142	10712060	PARI WASHINGTON COMPANY PVT. LTD. A/C PARI WASHING	TON INDIA MASTER FUND, LTD.			FII	0	595	654297	9/23/2016
	IN300142	10712060	PARI WASHINGTON COMPANY PVT. LTD. A/C PARI WASHING	TON INDIA MASTER FUND, LTD.			FII	0	691	654988	9/30/2016
	IN300142	10712060	PARI WASHINGTON COMPANY PVT. LTD. A/C PARI WASHING	TON INDIA MASTER FUND, LTD.			FII	0	6832	661820	10/7/2016
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	7200	669020	10/14/2016
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	12240	681260	1/20/2017
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	0	681260	3/31/2017
8	IN300360	20014601	JHUNJHUNWALA REKHA RAKESH				PUB	0	0	449559	4/1/2016
	IN300360	20014601	JHUNJHUNWALA REKHA RAKESH				PUB	25000	0	424559	7/8/2016
	IN300360	20014601	JHUNJHUNWALA REKHA RAKESH				PUB	0	0	424559	3/31/2017
	IN303559	10009464	REKHA JHUNJHUNWALA				PUB	0	0	75000	4/1/2016
	IN303559	10009464	REKHA JHUNJHUNWALA				PUB	0	0	75000	3/31/2017

AGRO TECH FOODS LIMITED

Shareholding pattern of top 10 Sharehodlers - Reprot Between 01/04/2016 AND 31/03/2017

			Name of the Share Holder							Cumulative	
Sl. No.	Dpid	Folio/Client-Id	Name of the Share Holder		Jt1	Jt2	Category	Sold	bought	Holding	Date
9	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	0	0	0	4/1/2016
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	0	5628	5628	8/19/2016
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	0	72749	78377	8/26/2016
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	0	13835	92212	9/2/2016
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	0	9447	101659	11/4/2016
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	0	0	101659	3/31/2017
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	0	0	0	4/1/2016
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	0	333153	333153	3/24/2017
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	0	0	333153	3/31/2017
10	IN302269	14448478	RAKESH JHUNJHUNWALA	REKHA JHUNJHUNWALA			PUB	0	0	400000	4/1/2016
	IN302269	14448478	RAKESH JHUNJHUNWALA	REKHA JHUNJHUNWALA			PUB	0	0	400000	3/31/2017
11	IN300054	10062426	CATAMARAN MANAGEMENT SERVICES PRIVATE LIMITED				LTD	0	0	392938	4/1/2016
	IN300054	10062426	CATAMARAN MANAGEMENT SERVICES PRIVATE LIMITED				LTD	392938	0	0	5/27/2016
	IN300054	10062426	CATAMARAN MANAGEMENT SERVICES PRIVATE LIMITED				LTD	0	0	0	3/31/2017
12	IN300167	10044058	GOLDMAN SACHS INDIA FUND LIMITED				FPI	0	0	292939	4/1/2016
	IN300167	10044058	GOLDMAN SACHS INDIA FUND LIMITED				FPI	292939	0	0	5/6/2016
	IN300167	10044058	GOLDMAN SACHS INDIA FUND LIMITED				FPI	0	0	0	3/31/2017

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 SEBI (Listing Obligations and Disclosure Requirements) 2015, the Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2017

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. Anna Elizabeth Beihn @	Chairperson	None	-	-	-	-
2	Mr. Javier Eduardo Alarcon Ruiz @	Non-Executive	None	-	-	-	-
3	Mr. Michael D Walter @	Non- Executive	None	-	-	-	-
4	Mr. Steven Lee Harrison *	Non-Executive	None	-	-	-	-
5	Ms. Denise Lynn Dahl *	Non-Executive	None	-	-	-	-
6	Ms. Jill Ann Rahman *	Chairperson	None	-	-	-	-
7	Lt. Gen. D.B. Singh	Independent	None	-	-	-	-
8	Mr. Sanjaya Kulkarni	Independent	None	1	3	1	3
9	Mr. Arun Bewoor	Independent	None	-	3	-	4
10	Mr. Narendra Ambwani	Independent	None	-	7	1	6
11	Ms. Veena Vishinidas Gidwani	Independent	None	-	-	-	-
	Executive						
12	Dr. Pradip Ghosh Chaudhari @	Executive	None	-	-	-	-
13	Mr. Sachin Gopal *	Executive	None	-	-	-	-

@ Ms. Anna Elizabeth Biehn has resigned as Director and Chairperson on 30th December, 2016, Mr. Javier Alarcon Ruiz has resigned as Director on 15th July, 2016, Mr. Michael D Walter has resigned as Director on 26th April, 2016 and Dr. Pradip Ghosh Chaudhari has retired as Whole Time Director on 30th June, 2016 respectively.

* Mr. Steven Lee Harrison has been appointed as Director on 26th April, 2016, Ms. Denise Lynn Dahl has been appointed as Director on 24th August, 2016, Ms. Jill Ann Rahman as Director and Chairperson on 18th January, 2017 and Mr. Sachin Gopal as Managing Director on 1st July, 2016 respectively.

Other directorships exclude foreign companies, private limited companies and alternate directorship

^ 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 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 2016-17 with dates and attendance of Directors:

Four Board Meetings were held during the Financial Year 2016-2017. They were held on 26th April, 2016, 27th July, 2016, 19th October, 2016 and 18th January, 2017.

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	Ms. Anna Elizabeth Biehn @	4	1	Yes
2	Mr. Javier Eduardo Alarcon Ruiz @	4	1	NA
3	Mr. Michael D Walter @	4	1	NA
4	Lt. Gen. D.B. Singh	4	4	Yes
5	Mr. Sanjaya Kulkarni	4	4	Yes
6	Mr. Arun Bewoor	4	4	Yes
7	Mr. Narendra Ambwani	4	4	Yes
8	Ms. Veena Vishindas Gidwani	4	4	Yes
9	Dr. Pradip Ghosh Chaudhuri @	4	1	No
10.	Mr. Steven Lee Harrison *	4	3	Yes
11.	Ms. Denise Lynn Dahl *	4	2	NA
12.	Ms. Jill Ann Rahman *	4	1	NA
13.	Mr. Sachin Gopal *	4	3	Yes
	(AGM - Annual General Meeting)			

@ Ms. Anna Elizabeth Biehn has resigned as Director and Chairperson on 30th December, 2016, Mr. Javier Alarcon Ruiz has resigned as Director on 15th July, 2016, Mr. Michael D Walter has resigned as Director on 26th April, 2016 and Dr. Pradip Ghosh Chaudhari as Whole Time Director on 30th June, 2016 respectively.

*Mr. Steven Lee Harrison has been appointed as Director on 26th April, 2016, Ms. Denise Lynn Dahl has been appointed as Director on 24th August, 2016, Ms. Jill Ann Rahman as Director and Chairperson on 18th January, 2017 and Mr. Sachin Gopal as Managing Director on 1st July, 2016 respectively.

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, 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. Agro Tech Foods Limited complies with the mandatory Standards fully.

iv) 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 18th January, 2017 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.

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, 2017.

For Agro Tech Foods Limited
Sachin Gopal
Managing Director & CEO

Date: 3rd May, 2017

E) 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.

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), 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. Mr. Phani Mangipudi, Company Secretary acts as Secretary to the Committee.**

The Committee met 4 times during the year 2016-2017 on 26th April, 2016, 27th July, 2016, 18th October, 2016 and 17th January, 2017.

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	4
3	Mr. Javier Eduardo Alarcon Ruiz @	4	1
4	Mr. Arun Bewoor	4	4
5	Mr. Narendra Ambwani	4	4
6	Ms. Veena Vishindas Gidwani	4	4
7.	Ms. Denise Lynn Dahl*	4	2

@ Resigned as Director on 15th July, 2016
*Appointed as Director on 24th August, 2016
**Resigned as Company Secretary on 31st January, 2017.

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 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.

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 eight 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. Steven Lee Harrison, Mr. Sanjaya Kulkarni, Mr.Narendra Ambwani, Mr. Arun Bewoor, Ms. Veena Vishindas Gidwani and Ms. Jill Ann Rahman are its Members.

Sl. No.	Name of Director	No. of Meetings held	No. of Meetings attended
1	Ms. Anna Elizabeth Biehn @	2	0
2	Mr. Javier Eduardo Alarcon Ruiz @	2	1
3	Mr. Michael D Walter @	2	1
4	Lt. Gen. D.B. Singh	2	2
5	Mr. Sanjaya Kulkarni	2	2

6	Mr. Arun Bewoor	2	2
7	Mr. Narendra Ambwani	2	2
8	Ms. Veena Vishindas Gidwani	2	2
9	Mr. Steven Lee Harrison *	2	1
10.	Ms. Denise Lynn Dahl *	2	1
11.	Ms. Jill Ann Rahman *	2	0

@ Ms. Anna Elizabeth Biehn has resigned as Director on 30th December, 2016, Mr. Javier Eduardo Alarcon Ruiz has resigned as Director on 15th July, 2016 and Mr. Michael D Walter has resigned as Director on 26th April, 2016.

*Mr. Steven Lee Harrison has been appointed as Director on 26th April, 2016, Ms. Denise Lynn Dahl has been appointed as Director on 24th August, 2016 and Ms. Jill Ann Rahman has been appointed as Director on 18th January, 2017.

The Nomination and Remuneration Committee Meetings were held twice during the year 2016-17 on 26th April, 2016 and 18th January, 2017, to consider the appointment of Mr. Steven Lee Harrison as Director, Mr. Sachin Gopal as Additional Director and Managing Director, remuneration of Managing Director Mr. Sachin Gopal and appointment of Ms. Jill Ann Rahman as Director and Chairperson. Most of the Committee Members were present during the Meeting.

Remuneration policy

The Whole-time Director and Managing Director are paid remuneration as per the terms approved by the Nomination and Remuneration Committee, the Board of Directors of the Company and the shareholders of the Company and subject to such other statutory approvals as may be necessary. The remuneration of the Whole-time Director / Managing Director comprises of salary, perquisites and allowances, contributions to Provident Fund and Superannuation and Gratuity. Further, Whole-time Director / Managing Director 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/payable to Whole-time Director / Managing Director for the year ended 31st March, 2017:

(in ₹)

Name of Director	Sitting Fees (incl. Committee Meetings)	Salary	Contribution to PF and other funds	Other perquisites and allowances	Total
Dr. Pradip Ghosh Chaudhuri *	Nil	690,588	103,588	1,198,461	1,992,637
Mr. Sachin Gopal @	Nil	13,670,163	85,439	7,109,918	20,865,520

* Retired as Whole-time Director on 30th June, 2016. 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 Whole-Time Director/ Managing Director cannot be ascertained separately. The above amount excludes Gratuity paid to Whole-Time Director of ₹ 2,656,108 on retirement.

@ Appointed as Managing Director on 1st July, 2016 (Remuneration pertains to 9 months period from 1st July, 2016 to 31st March, 2017). The Company has applied to Central Government of India for approval for payment of managerial remuneration to managing director in excess of limits as mandated by Section 197 read with Schedule V to the Companies Act, 2013 ('the Act'). Pending approval from the Central Government of India, payment made to managing director is within the limits prescribed under the Act. Remuneration to Mr. Sachin include an amount of ₹ 5,126,312 payable for the period 1st July, 2016 to 31st March, 2017 to Managing Director, will be paid post receipt of approval from the Central Government of India.

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	₹ 75,000.00
Board Meeting	₹ 1,00,000.00
Other Meetings	₹ 25,000.00

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.

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 Board is evaluated on the basis of the following attributes namely, guiding strategy, nurturing leaders, aligning incentives, managing risks, enhancing the brand and enabling governance.

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 2016-17, 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 is working towards setting up a manufacturing plant in Bangladesh to commence its operations. This is an unlisted Company. Sundrop Foods Lanka (Private) Limited has been in corporated on 27th January 2015. The establishment of this subsidiary will enable 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 www.atfoods.com.

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 Mr. Steven Lee Harrison, 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 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	Ms. Anna Elizabeth Biehn @	1	0
2	Mr. Javier Eduardo Alarcon Ruiz @	1	0
3	Mr. Michael D Walter @	1	0
4	Lt. Gen. D.B. Singh	1	1
5	Mr. Sanjaya Kulkarni	1	1
6	Mr. Arun Bewoor	1	1
7	Mr. Narendra Ambwani	1	1
8	Ms. Veena Vishindas Gidwani	1	1
9	Dr. Pradip Ghosh Chaudhuri @	1	0
10	Mr. Steven Lee Harrison *	1	1
11	Mr. Sachin Gopal *	1	1
12	Ms. Denise Lynn Dahl *	1	1
13	Ms. Jill Ann Rahman *	1	1
14	Mr. Arijit Datta	1	1
15	Mr. Phani K Mangipudi @	1	1

@ Ms. Anna Elizabeth Biehn has resigned as Director on 30th December, 2016, Mr. Javier Eduardo Alarcon Ruiz has resigned as Director on 15th July, 2016, Mr. Michael D Walter has resigned on 26th April, 2016, Dr. Pradip Ghosh Chaudhuri has resigned as Whole-Time Director on 30th June, 2016 and Mr. Phani K Mangipudi has resigned as Member on 31st January, 2017.

*Mr. Steven Lee Harrison has been appointed as Director on 26th April, 2016, Mr. Sachin Gopal has been appointed as Managing Director on 1st July, 2016, Ms. Denise Lynn Dahl has been appointed as Director on 24th August, 2016 and Ms. Jill Ann Rahman has been appointed as Director on 18th January, 2017.

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 AS- 18 "Related Party Disclosures"), is set out in Notes to Accounts under serial number 2.34 forming part of the accounts. 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, 2017.

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 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.

(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, 2017, 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, 2017 are disclosed in Note 2.42 in Notes to the standalone 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 the Managing Director & CEO, and the General Manager of M/s. Karvy Computershare Private Limited, the Registrars and Share Transfer Agents. Committee met 17 times during the year 2016-2017. All the applications for share transfers received during the year 2016-2017 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
- 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 and issue of duplicate shares.

The Committee met four times during the year 2016-2017. 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.

Mr. Phani Mangipudi, Company Secretary has been designated as the Compliance Officer. (Mr. Phani Mangipudi has resigned from the services of the Company from 31st January, 2017.)

Investor Communications:

The Company received communications during the financial year ended 31st March, 2017 and none of the communications received were pending as on that date.

	Received	Redressed	Pending
Shareholders/Investors	395	395	-
Stock Exchanges	-	-	-
Securities and Exchange Board of India	-	-	-
Depositories	-	-	-
Court/Dept of Company Affairs/Custodians	-	-	-
Total	**395**	**395**	**-**

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	41	10.38
Transmission of shares	21	5.32
Issue of duplicate share certificates / indemnity Duplicates	14	3.54
Dematerialisation of shares	-	-
Others*	319	80.76
Total	**395**	**100.00**

* This includes the following

a) Change of address
b) Loss/Misplacement of shares
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.

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.

(e) 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 3rd May, 2017.

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.

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 for by the Company, she is employed with ConAgra Foods Inc. / ConAgra Brands Inc.

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, Managing Director & CEO are all 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
2016	The Manohar, Old Airport Exit Road, Begumpet, Hyderabad-500016, Telangana	27th July, 2016	10.00.a.m.
2015	The Manohar, Old Airport Exit Road, Begumpet, Hyderabad-500016, Telangana	24th July, 2015	10.00.a.m.
2014	Residency Hall, Hotel Green Park Greenlands Hyderabad - 500 016, A.P.	17th July, 2014	10.00.a.m.

Special Resolution related to Year :

2016 (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.

2015 (i) Reappointment of Whole-time Director

(ii) Amendment of Agro Tech Employee Stock Option Plan to align it with the SEBI (Share Based Employee Benefits) Regulations, 2014 and its implementation through trust

(iii) Authorization to Agro Tech ESOP Trust to undertake secondary acquisition

(iv) Provisioning of Money by the Company for purchase or subscription of its own shares by Agro Tech ESOP Trust / Trustees for the benefit of participants under the Agro Tech Employee Stock Option Plan.

(v) Keeping the Register of Members, Index of Members and information at Karvy Computershare Pvt. Ltd, Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032

2014 Reappointment of Whole-time Director.

There are no special resolution passed last year through postal ballot.

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 Andhra Prabha / 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 NSE & BSE. 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.

6. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Date and Time : 26th July, 2017 at 10.00 A.M.

Venue : The Manohar, Old Airport Exit Road, Begumpet, Hyderabad-500 016, Telangana.

B. Financial Year 2017-18

First quarter results : July, 2017

Half yearly results : October, 2017

Third quarter results : January, 2018

Annual results : April, 2018

C. Dates of Book Closure : 19th July to 26th July, 2017 (both days inclusive)

D. Dividend payment date : 18th August, 2017

E. Listing on Stock Exchanges : The Company's equity shares are listed on Bombay Stock Exchange, Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and National Stock Exchange, Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. The listing fees for the year 2016-17 has been paid to Bombay and National Stock Exchanges.

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

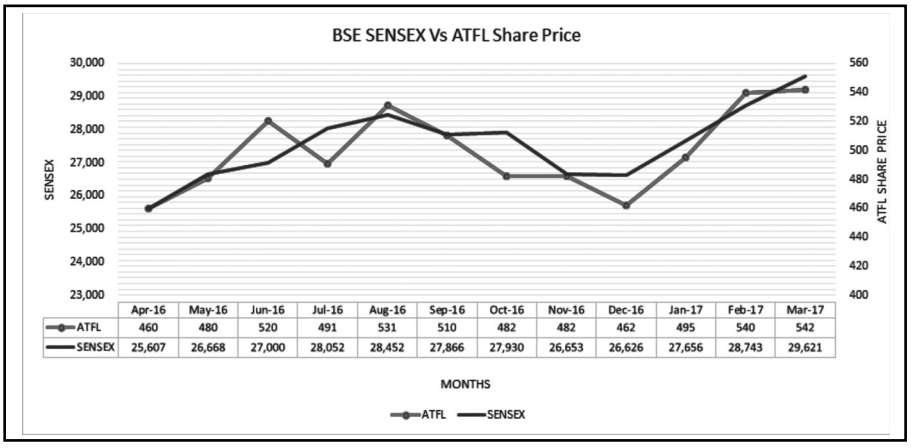
Monthly High/Low quotation of shares traded on Bombay Stock Exchange Limited, (BSE) and National Stock Exchange of India Limited (NSE) for 2016-2017 is given below:

Year	Month	The Stock Exchange Bombay*			National Stock Exchange*			Total volumes BSE & NSE (Nos)
		High ₹	Low ₹	Volumes (Nos)	High ₹	Low ₹	Volumes (Nos)	
2016	April	503.40	455.20	10,110	502.95	453.90	189,459	199,569
2016	May	503.45	450.00	304,459	530.00	451.00	535,212	839,671
2016	June	539.40	485.00	8,340	541.95	480.65	87,219	95,559
2016	July	529.95	487.00	6,539	530.40	483.00	292,646	299,185
2016	August	560.00	482.00	384,964	556.00	480.00	675,834	1,060,798
2016	September	554.80	495.00	21,350	550.00	488.80	97,350	118,700
2016	October	526.80	472.05	20,530	528.90	471.10	170,526	191,056
2016	November	488.00	426.00	11,265	490.00	425.50	126,190	137,455
2016	December	479.45	422.05	17,100	481.90	427.05	40,701	57,801
2017	January	521.50	444.25	37,381	523.00	446.40	773,428	810,809
2017	February	565.00	489.00	49,879	553.00	485.85	268,923	318,802
2017	March	608.80	520.00	50,805	609.00	521.50	288,258	339,063

* Source: Websites of BSE and NSE

H. Stock Performance

Graph – BSE Sensex vs. share price from April'16 to March'17



*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 Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 and they are the Registrars and 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 once in 2 weeks to consider the transfer applications and other proposals.

K. Shareholding Pattern

The distribution of shareholding as on 31st March, 2017 was as under:

Range	No. of Shareholders	% of total Shareholders	No. of shares held	% of shareholding
1- 5000	14,047	94.13	1,304,363	5.35
5001-10000	454	3.05	362,887	1.49
10001-20000	206	1.38	308,080	1.26
20001-30000	57	0.38	144,575	0.59
30001-40000	36	0.24	126,822	0.52
40001-50000	19	0.13	89,731	0.37
50001-100000	44	0.29	335,299	1.38
100001 & Above	60	0.40	21,697,507	89.04
TOTAL	**14,923**	**100.00**	**24,369,264**	**100.00**

The categories of Shareholding as on 31st March, 2017 was as under:

Category	No. of Shares held	% of shareholding
Promoter CAG – Tech (Mauritius) Limited	12,616,619	51.77
Non-resident individuals/ FIIs/OCBs	1,348,818	5.53
Bank/Financial Institutions, Insurance Companies and Mutual Funds	2,433,508	9.99
Directors and their relatives	46,172	0.19
Other Bodies Corporates	2,234,171	9.17
General Public	5,689,976	23.35
Total	**24,369,264**	**100.00**

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 23,961,523 equity shares forming 98.33% 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.

N. 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 : Akrampur Industrial Area, Near T V Tower, Akrampur, Unnao, U.P.209801
Guwahati : Vill-Ramhari, Mangaldai, Distt-Darrang, Assam 784125

O. Address for correspondence

The addresses for correspondence are as under:

For both physical and electronic form	Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500032 Phone: - 040-67161605, 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 name is given below: Agro Tech Foods Limited 31, Sarojini Devi Road, Secunderabad – 500 003. Phone : 040-66333444, Fax : 040-27800947, Email:-

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	Position	Name of the Company	Committee	Position
	Non-Executive Directors					
1.	Ms. Anna Elizabeth Biehn @	Hunts Universal Robina Corporation In Manila, Philippines. Productos Verde Valle In Guadalajara, Mexico	President Director	-	-	-
2.	Mr. Javier Eduardo Alarcon Ruiz @	Hunts Universal Robina Corporation In Manila, Philippines.	Director	-	-	-
3.	Mr. Michael D Walter @	Lindsay Manufacturing Richardson International	Director Director	Lindsay Manufacturing Richardson International	Governance & Nomination Committee Compensation Committee Compensation Committee	Chairman Member Member
4.	Ms. Jill Ann Rahman*	Hunts Universal Robina Corporation, Philippines	Director	-	-	-
		Verde Valle, Mexico	Director	-	-	-
5	Ms. Denise Lynn Dahl*	Verde Valle, Mexico	Director	-	-	-
6	Mr. Steven Lee Harrison*	-	-	-	-	-
7	Lt. Gen. D.B. Singh	-	-	-	-	-
8	Mr. Sanjaya Kulkarni	TPL Plastech Limited	Chairman	TPL Plastech Limited	Audit Committee	Chairman
		Indian- Direct Equity Advisors Pvt. Ltd	Director		Nomination and Remuneration	Chairman
		NED Energy Ltd	Director	Time Technoplast Ltd	Audit Committee	Member
		Time Technoplast Ltd	Director		Nomination and Remuneration	Member
		Supreme Treon Private Limited	Director	Aspire Home Finance Corporation Limited	Audit Committee	Member

Sl. No.	Name of the Director	Other Directorships		Other Committee Membership		
		Name of the Company	Position	Name of the Company	Committee	Position
		Aspire Home Finance Corporation Limited	Director	-	Investor Grievance Nomination and Remuneration	Member Chairman
9	Mr. Arun Bewoor	BASF India Limited	Director	BASF India Limited	Audit Committee	Member
		Jasmine Concrete Exports Pvt. Ltd.	Chairman		CSR Committee	Member
		Underwater Services Company Limited	Director		Stakeholders Relationship	Member
		Eternis Fine Chemicals Limited (Formerly Hindustan Polyamides and Fibres Limited)	Director	Jasmine Concrete Exports Pvt. Ltd.	Audit Committee Nomination and Remuneration CSR Committee	Chairman Chairman Member
				Underwater Services Company Limited	Audit Committee	Member
					Nomination and Remuneration	Member
					CSR Committee	Member
				Eternis Fine Chemicals Limited (Formerly Hindustan Polyamides and Fibres Limited)	Audit Committee Nomination and Remuneration	Member Member
					CSR Committee	Member
10	Mr. Narendra Ambwani	Godrej Consumer Products Limited	Director	Godrej Consumer Products Limited	Audit Committee	Member
		RPG Life Sciences Limited	Director		Nomination and Remuneration	Chairman
		UTV Software Communications Limited	Director		CSR Committee	Member
		India Games Limited	Director	RPG Life Sciences Limited	Stakeholders Relationship	Member
		Parag Milk Foods Limited	Director	UTV Software Communications Limited	Audit Committee	Member
		Disney Broadcasting (India) Ltd	Director		Nomination and Remuneration	Member
		Zeus Career & Performance Coach Pvt. Ltd.	Director	India Games Limited	Audit Committee	Member
		Genx Entertainment Limited	Director		Nomination and Remuneration CSR Committee	Member Member

Sl. No.	Name of the Director	Other Directorships		Other Committee Membership		
		Name of the Company	Position	Name of the Company	Committee	Position
				Parag Milk Foods Limited	CSR Committee	Member
					Audit Committee	Member
				Disney Broadcast-ing (India) Ltd.	Audit Committee	Chairman
					Nomination and Remuneration CSR Committee	Member Chairman
				Genx Entertain-ment Limited	Audit Committee Nomination and Remuneration CSR Committee	Member Member Member
11	Ms. Veena Vishindas Gidwani	-	-	-	-	-
	Executive Director					
12	Mr. Sachin Gopal *	-	-	-	-	-
13	Dr. Pradip Ghosh Chaudhuri @	Agro Tech Foods (Bangladesh) Pvt. Ltd. Sundrop Foods Lanka (Private) Limited	Director Director	- -	- -	- -

@ Ms. Anna Elizabeth Biehn has resigned as Director and Chairperson on 30th December, 2016, Mr. Javier Alarcon Ruiz has resigned as Director on 15th July, 2016, Mr. Michael D Walter has resigned as Director on 26th April, 2016 and Dr. Pradip Ghosh Chaudhari as Whole Time Director on 30th June, 2016 respectively.

*Mr. Steven Lee Harrison has been appointed as Director on 26th April, 2016, Ms. Denise Lynn Dahl has been appointed as Director on 24th August, 2016, Ms. Jill Ann Rahman as Director and Chairperson on 18th January, 2017 and Mr. Sachin Gopal as Managing Director on 1st July, 2016 respectively.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Agro Tech Foods Limited

Independent Auditors' Certificate on the Corporate Governance Report

1 This Certificate is issued in accordance with the terms of our engagement letter dated 19 August 2016.

2 Agro Tech Foods Limited ('the Company') requires Independent Auditor's Certificate on Corporate Governance as per the Regulation 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 2016 to 31 March 2017.

Management responsibility

3 The preparation of the Corporate Governance Report is the responsibility of the management of the Company. The Management is also responsible for ensuring that the Company complies with the requirements Regulation 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 2016 to 31 March 2017.

Auditor's Responsibility

4 Pursuant to the requirements of the Listing Regulations, our responsibility is to certify whether the Company has complied with the above said compliances with conditions of Corporate Governance for the period 1 April 2016 to 31 March 2017.

5 We have examined the compliance of conditions of Corporate Governance by the Company for the period 1 April 2016 to 31 March 2017 as per Regulation 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 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' 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, 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 Regulation 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 2016 to 31 March 2017 and may not be suitable for any other purpose.

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

Sriram Mahalingam
Partner
Membership No. 049642

Place: Hyderabad
Date: 03 May 2017

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS TO THE MEMBERS OF AGRO TECH FOODS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Agro Tech Foods Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the 'standalone financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section 11 of Section 143 of Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS (Continued)

2. 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) on the basis of written representations received from the directors as on 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

   g) with respect to the other matters to be included in the Auditor's 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 2017 on its financial position in Note 2.27 and 2.46 to the standalone financial statements;

      ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2017; and

      iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – refer Note 2.49 to the standalone financial statements.

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

Sriram Mahalingam
Partner
Membership No: 049642

Place : Hyderabad
Date : 03 May 2017

ANNEXURE- A TO THE INDEPENDENT AUDITORS' 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 2017. 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) 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 2.9 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) 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) of the Order is 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, 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-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 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following dues of Income tax, Sales tax, Service tax, Duty of custom, Duty of excise, Value added tax and Entry tax have not been deposited by the Company on account of disputes:

ANNEXURE-A TO THE INDEPENDENT AUDITORS' 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	1.32	2010–2011 and 2011-2012	Central Excise and Service Tax Appellate Tribunal, New Delhi
	Excise Duty	27.10	2009 – 2012	Central Excise and Service Tax Appellate Tribunal, Bangalore
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
West Bengal Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	3.49	2010-2011	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
		2.26	2002 – 2003	Sales Tax Appellate Tribunal, Patna
Delhi Sales Tax Act, 1975 and Central Sales Tax Act, 1956	Sales Tax and CST	0.95	2003 – 2004	Additional Commissioner, Commercial Taxes, Delhi
		1.64	2004 – 2005	Additional Commissioner, Commercial Taxes, Delhi
Uttar Pradesh Sales Tax Act, 1948	Sales Tax and CST	0.85	2003 – 2004	Deputy Commissioner, Commercial Taxes, Ghaziabad
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	63.53	2007 – 2008	Deputy Commissioner, Ghaziabad
Bombay Sales Tax Act, 1958	Sales Tax	0.63	2002 – 2003	Joint Commissioner of Sales Tax (Appeals), Mumbai
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
Kerala Value Added Tax Act, 2005	Value Added Tax	0.94	2010 – 2011	Deputy Commissioner (Appeal), Kochin
The Rajasthan Entry Tax - Goods Act, 2003	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 Rajasthan Entry Tax - Goods Act, 2003	Entry Tax	99.58	2008-2009 to 2012-2013,	Tax Board, Ajmer
Rajasthan Sales Tax Act, 1954	Central Sales Tax	0.34	2001-2002	Commercial Taxes Officer, Dungarpur
The Finance Act, 1994	Service Tax	6.22	2010-2011 to 2014-2015	Commissioner Appeals, Hyderabad
The Uttarakhand VAT Act, 2005	Value Added Tax	0.39	2015-2016	Joint Commissioner Appeal, Dehradun
The Bihar VAT Act, 2005	Value Added Tax	0.06	2013-2014	Joint Commissioner (Appeals), Bihar
The Bihar VAT Act, 2005	Value Added Tax	0.25	2014-2015	Joint Commissioner (Appeals), Bihar
West Bengal Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	3.51	2013-2014	Additional Commissioner of Sales Tax, Kolkata
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	0.10	2014-2015	Deputy Commissioner Appeals, Ghaziabad
Income-tax Act, 1961	Income tax	24.16	AY 2010-2011	Income Tax Appellate Tribunal, Hyderabad and Commissioner of Income tax (Appeals), 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

*net of deposits

ANNEXURE-A TO THE INDEPENDENT AUDITORS' 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 give to us and based on our examination of the records of the Company, the Company has applied to the Central Government of India for the approval for payment of managerial remuneration in excess of limits as mandated by the provision of Section 197 read with Schedule V to the Act. Pending Central Government's approval, the Company has accrued liability but not paid the excess managerial remuneration. Payment made towards managerial remuneration as at 31 March 2017 is within the limit as prescribed under Section 197 read with schedule V to 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 2.34 to the standalone financial statements as required under Accounting Standard (AS) 18, Related party disclosures specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.

(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

Sriram Mahalingam
Partner
Membership No: 049642

Place : Hyderabad
Date : 03 May 2017

ANNEXURE- B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Agro Tech Foods Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, those issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting 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 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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,

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

projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting 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 ICAI.

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

Sriram Mahalingam
Partner
Membership No. 049642

Place : Hyderabad
Date : 03 May 2017

BALANCE SHEET AS AT 31 MARCH 2017

(Amount in Indian rupees millions)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	**243.69**	243.69
Reserves and surplus	2.2	**3,354.81**	3,123.90
Non-current liabilities			
Deferred tax liabilities (net)	2.11	**127.88**	111.70
Other long-term liabilities	2.3	**93.71**	91.18
Long-term provisions	2.4	**13.74**	15.71
Current liabilities			
Short-term borrowings	2.5	**176.21**	956.54
Trade payables			
Total outstanding dues of micro and small enterprises	2.6	**-**	-
Total outstanding dues of creditors other than micro and small enterprises	2.6	**546.98**	442.91
Other current liabilities	2.7	**127.30**	102.55
Short-term provisions	2.8	**8.12**	12.61
		4,692.44	5,100.79
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.9	**1,664.48**	1,468.46
Intangible assets	2.9	**264.57**	297.45
Capital work-in-progress	2.9	**161.41**	359.14
Non-current investments	2.10	**159.96**	159.96
Long-term loans and advances	2.12	**806.80**	800.10
Current assets			
Inventories	2.13	**1,161.01**	1,455.76
Trade receivables	2.14	**394.39**	431.35
Cash and bank balances	2.15	**11.89**	15.24
Short-term loans and advances	2.16	**62.87**	72.25
Other current assets	2.17	**5.06**	41.08
		4,692.44	5,100.79
Significant accounting policies	1		
Notes to accounts	2		

The notes referred to above form an integral part of the balance sheet.

As per our report of even date attached

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

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

Sriram Mahalingam
Partner
Membership No. 049642

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Place: Hyderabad
Date: 03 May 2017

Place: Gurugram
Date: 03 May 2017

Arijit Datta
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Indian Rupees millions, except share data)

Particulars	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Sale of products		**8,076.27**	7,817.60
Less: Excise duty		**33.08**	15.66
Net sale of products	2.36 (a)	**8,043.19**	7,801.94
Other operating revenues	2.18	**22.15**	18.90
		8,065.34	7,820.84
Other income	2.19	**1.52**	1.26
		8,066.86	7,822.10
Expenses			
Cost of materials consumed	2.20	**4,059.37**	3,873.15
Purchases of stock-in-trade (traded goods)	2.21	**1,342.62**	1,276.60
Change in inventory of finished goods and stock-in-trade	2.22	**(57.91)**	25.58
Employee benefits expense	2.23	**416.47**	416.76
Finance costs	2.24	**45.48**	53.28
Depreciation and amortisation expense	2.9	**172.24**	160.12
Other expenses	2.25	**1,672.83**	1,660.71
		7,651.10	7,466.20
Profit before exceptional items and tax		**415.76**	355.90
Exceptional items	2.47	**42.09**	-
Profit before tax		**457.85**	355.90
Tax expense	2.26	**168.28**	122.31
Profit after tax		**289.57**	233.59
Earnings per share			
Basic and diluted -par value ₹ 10 per share	2.31	**11.88**	9.59
Significant accounting policies	1		
Notes to accounts	2		

The notes referred to above form an integral part of the statement of profit and loss.

As per our report of even date attached

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

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

Sriram Mahalingam
Partner
Membership No. 049642

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Place: Hyderabad
Date: 03 May 2017

Place: Gurugram
Date: 03 May 2017

Arijit Datta
Chief Financial Officer

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF ACCOUNTS

The financial statements of Agro Tech Foods Limited have been prepared and presented in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on the accrual basis. GAAP comprises accounting standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of Institute of Chartered Accountants of India and the relevant provisions of the Act.

USE OF ESTIMATES

The preparation of financial statements in conformity with (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

CURRENT and NON-CURRENT CLASSIFICATION

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is expected to be realised within 12 months after the reporting date; or

d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Apart from the above, current assets also include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;

b. it is held primarily for the purpose of being traded;

c. it is due to be settled within 12 months after the reporting date; or

d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counter party, result in its settlement by the issue of equity instruments do not affect its classification.

Apart from the above, current liabilities also include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

REVENUE RECOGNITION

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred to customers and no significant uncertainty exist regarding the amount of the consideration that will be derived from the sale of the goods. Sales are stated net off sales returns, trade discounts, sales tax, value added tax and excise duty. Sales are recognised when goods are dispatched or as per the terms of contract.

Income from interest on deposits, loans and interest bearing securities is recognised on the time proportionate method.

FIXED ASSETS AND DEPRECIATION

Fixed assets are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Fixed assets are accounted for at cost of acquisition or construction inclusive of inward freight, duties, taxes and directly attributable costs of bringing the asset to its working condition for its intended use. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are shown as capital advances under long-term loans and advances and assets under installation or under construction as at the balance sheet date are shown as capital work-in-progress under fixed assets.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased/ sold during the year is proportionately charged. The Management estimates the useful lives for the other fixed assets as follows:

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES (continued)

S. No	Nature of Assets	Useful Life
I	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
II	Roads	
(a)	Carpeted Roads-RCC	10 Years
III	Plant and Machinery	
(a)	Plant and Machinery other than continuous process plant	15 Years
IV	Furniture and fittings	10 Years
V	Motor Vehicles	
(a)	Motor buses, motor lorries and motor cars	5 Years
VI	Office equipment	5 Years
VII (a)	Computers and data processing units Servers and networks	5 Years
(b)	End user devices, such as, desktops, laptops, etc	2 to 3 Years
VIII	Laboratory equipment	10 Years
IX	Electrical Installations and Equipment	10 Years

For the following class of assets based on internal assessment and technical evaluation carried out wherever necessary, the Management believes that the useful lives as given above represent the period over which Management expects to use these assets. Hence the useful lives for the below assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

- Server and network – 5 Years
- Handsets – 2 Years
- Vehicles- 5 years
- Assets given to employees under a scheme- 5 years

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

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

INTANGIBLE ASSETS AND AMORTISATION

Brands and computer software acquired by the Company, the value of which is not expected to diminish in the foreseeable future, are capitalised and recorded in the balance sheet as trademarks and computer software at cost of acquisition less accumulated amortisation. These are being amortised on straight-line method over the estimated useful life as mentioned below. Useful life of brands are determined by persuasive evidences of expected usage contributing towards the performance and significant expenditure incurred to sustain the useful life of brands. Recoverable value of such brands are assessed in each financial year.

The amortisation rates are as follows:

- Brands 40 years
- Computer Software 5 to 10 years

New licenses of software including their installation costs are charged off over 10 years and the balance software including their installation costs are charged off over 5 years.

IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, impairment provision is created to bring down the carrying value to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment provision created earlier is reversed to bring it at the recoverable amount subject to a maximum of depreciated historical cost.

INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current investments' as "current portion of long-term investments" in consonance with the current/ non-current classification scheme of Schedule III of the Companies Act, 2013.

Current investments are stated at the lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES (continued)

INVENTORIES

Inventories are valued at lower of weighted average cost and estimated net realisable value after providing for cost of obsolescence, where necessary. Cost of inventories comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods, cost comprises material, labour and applicable overhead expenses and duties including excise duty paid/payable thereon.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

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.

FOREIGN EXCHANGE CONVERSION

The transactions in foreign currency are accounted for at a standard exchange rate of the month in which the transactions take place. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognised in the statement of profit and loss. Non-monetary assets are recorded at a standard exchange rate of the month in which the transactions take place.

In respect of forward contracts, the differences between contracted exchange rates and monthly standard exchange rates are recognised as income or expense over the life of the contracts.

EMPLOYEE BENEFITS

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The un discounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Gratuity which is defined benefit plan, is accrued based on an actuarial valuation using the projected unit credit method at the balance sheet date.

Provident Fund, wherein Company provides the guarantees of a specified return on contribution are considered as defined benefit plans and are accrued based on an actuarial valuation using the projected unit credit method at the balance sheet date.

The employees can carry-forward a portion of the un utilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

All actuarial gains and losses arising during the year are recognised in the statement of profit and loss of the year.

EMPLOYEE STOCK OPTION SCHEME

Stock options granted to the employees under the stock option scheme are evaluated as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by the Securities and Exchange Board of India. Accordingly, the excess of purchase price of the shares purchased by the ESOP Trust of the Company over the exercise price of the options is recognised as employee compensation in the statement of profit and loss.

LEASES

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense in statement of profit and loss on a straight line basis.

EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES (continued)

For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

INCOME-TAX EXPENSE

Income tax expense comprises current tax and deferred tax charge or credit. Income-tax expense is recognised in the statement of profit and loss.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably certain to be realised. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit entitlement

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby excess of income over expenditure 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. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2. NOTES TO ACCOUNTS

(Amount in Indian Rupees millions, except share data)

Particulars	As at 31 March 2017	As at 31 March 2016
2.1: Share capital		
Authorised		
Equity shares		
25,000,000 (previous year 25,000,000), ₹ 10 each par value	**250.00**	250.00
Preference shares		
1,000,000 (previous year 1,000,000), Cumulative redeemable preference shares, ₹ 100 each par value	**100.00**	100.00
	350.00	350.00
Issued		
Equity shares		
24,372,139 (previous year 24,372,139), ₹ 10 each par value	**243.72**	243.72
	243.72	243.72
Subscribed and fully Paid up		
Equity shares		
24,369,264 (previous year 24,369,264), ₹ 10 each fully paid up	**243.69**	243.69
	243.69	243.69

a. Rights, preferences and restrictions attached to 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 its 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.

b. The reconciliation of the number of equity shares outstanding is set out below :

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	**Amount in ₹ millions**	Number of shares	Amount in ₹ millions
Shares outstanding at the beginning of the year	**24,369,264**	**243.69**	24,369,264	243.69
Shares issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**24,369,264**	**243.69**	24,369,264	243.69

2. NOTES TO ACCOUNTS (continued)

Share capital (continued)

c. The details of shareholder holding more than 5% equity shares is set below:

Name of Shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares held	**% of holding**	No. of shares held	% of holding
CAG Tech (Mauritius) Limited	**12,616,619**	**51.77**	12,616,619	51.77

d. 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).

(Amount in Indian Rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.2: Reserves and surplus		
Securities premium account	**721.29**	721.29
	721.29	721.29
General reserves	**127.05**	127.05
	127.05	127.05
Surplus balance in the statement of profit and loss		
Opening balance	**2,275.56**	2,041.97
Add: Profit for the year	**289.57**	233.59
Less: Amount utilised		
Dividend ₹ 2 per share (previous year ₹ Nil per share) *	**48.74**	-
Dividend distribution tax	**9.92**	-
Closing balance	**2,506.47**	2,275.56
	3,354.81	3,123.90

*According to amended rules of The Companies (Accounting Standards) Rules, 2016, proposed dividend of ₹ 48.74 was not recorded as a liability as at March 31, 2016.

2. NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.3: Other long-term liabilities		
Trade payables		
Due to micro and small enterprises (Refer Note 2.41)	**-**	-
Other trade payables	**18.75**	19.52
Others:		
Other liabilities	**74.96**	71.66
	93.71	91.18
2.4: Long-term provisions		
Provision for employee benefits		
Compensated absences	**13.74**	15.71
	13.74	15.71
2.5: Short-term borrowings		
Loans (secured)*		
From banks	**176.21**	956.54
	176.21	956.54
* These are secured by hypothecation of inventories and trade receivables.		
2.6: Trade payables		
Due to micro and small enterprises (Refer Note 2.41)	**-**	-
Other trade payables	**510.73**	411.16
Payable to subsidiary	**36.25**	31.75
	546.98	442.91
2.7: Other current liabilities		
Other payables		
Unclaimed dividends	**3.19**	3.10
Advances from customers	**13.63**	12.32
Payables for purchase of fixed assets	**9.81**	5.81
Statutory liabilities	**50.99**	46.61
Payable to employees	**40.74**	21.40
Other liabilities	**8.94**	13.31
	127.30	102.55
2.8: Short-term provisions		
Provision for employee benefits		
Compensated absences	**4.60**	3.40
Gratuity (Refer Note 2.33)	**3.52**	9.21
	8.12	12.61

2. NOTES TO ACCOUNTS (continued)

2.9: Fixed assets

(Amount in Indian rupees millions)

Description	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				PROVISION FOR IMPAIRMENT				NET BLOCK	
	As at 1 April 2016	Additions	Deletions	**As at 31 March 2017**	As at 1 April 2016	Charge for the year	On deletions	**As at 31 March 2017**	As at 1 April 2016	Charge for the year	Released (Note c)	**As at 31 March 2017**	**As at 31 March 2017**	As at 31 March 2016
Tangible assets														
Freehold land	97.29	-	-	**97.29**	-	-	-	**-**	-	-	-	**-**	**97.29**	97.29
Leasehold land	66.25	-	-	**66.25**	3.98	0.69	-	**4.67**	-	-	-	**-**	**61.58**	62.27
Buildings	370.00	237.31	0.03	**607.28**	30.22	15.79	0.03	**45.98**	-	-	-	**-**	**561.30**	339.78
Leasehold buildings	21.83	-	-	**21.83**	12.35	1.94	-	**14.29**	-	-	-	**-**	**7.54**	9.48
Roads	25.01	18.48	-	**43.49**	4.83	3.40	-	**8.23**	-	-	-	**-**	**35.26**	20.18
Plant & machinery	775.42	48.83	1.14	**823.11**	140.12	48.68	0.57	**188.23**	7.66	-	0.38	**7.28**	**627.60**	627.64
Office equipment	81.59	1.79	0.98	**82.40**	50.23	8.82	0.82	**58.23**	0.85	-	0.14	**0.71**	**23.46**	30.51
Laboratory equipment	33.73	0.21	0.02	**33.92**	13.15	2.89	0.01	**16.03**	0.71	-	0.01	**0.70**	**17.19**	19.87
Compuer & data Process	214.29	17.89	17.71	**214.47**	124.40	28.17	16.92	**135.65**	0.46	-	0.43	**0.03**	**78.79**	89.43
Electrical equipment	115.27	2.73	0.14	**117.86**	26.88	12.08	0.10	**38.86**	0.06	-	0.03	**0.03**	**78.97**	88.33
Leasehold improvements-electrical equipment	9.10	-	-	**9.10**	5.11	1.30	-	**6.41**	-	-	-	**-**	**2.69**	3.99
Furniture & fittings	90.26	4.34	0.25	**94.35**	19.01	8.63	0.25	**27.39**	0.03	-	-	**0.03**	**66.93**	71.22
Leasehold improvements-furniture & fittings	22.91	-	-	**22.91**	14.48	2.54	-	**17.02**	0.01	-	-	**0.01**	**5.88**	8.42
Vehicles	0.89	-	0.89	**-**	0.84	-	0.84	**-**	-	-	-	**-**	**-**	0.05
	1,923.84	331.58	21.16	**2,234.26**	445.60	134.93	19.54	**560.99**	9.78	-	0.99	**8.79**	**1,664.48**	1,468.46
Intangibles assets														
Trademarks (Note (a) and (b))	257.50	-	-	**257.50**	135.34	6.44	-	**141.78**	-	-	-	**-**	**115.72**	122.16
Computer software	274.58	4.43	-	**279.01**	99.14	30.87	-	**130.01**	0.15	-	-	**0.15**	**148.85**	175.29
	532.08	4.43	-	**536.51**	234.48	37.31	-	**271.79**	0.15	-	-	**0.15**	**264.57**	297.45
Grand Total	**2,455.92**	**336.01**	**21.16**	**2,770.77**	**680.08**	**172.24**	**19.54**	**832.78**	**9.93**	**-**	**0.99**	**8.94**	**1,929.05**	1,765.91
Previous year	2,046.04	430.04	20.16	2,455.92	531.99	159.69	11.60	680.08	9.81	0.43	0.31	9.93	1,765.91	
Capital work-in-progress													**161.41**	359.14

Note:

a) Trademarks represents the purchase consideration paid for the brand viz 'Sundrop'

b) The unexpired amortisation period for Sundrop is 18 years. Also Refer Note 2.29.

c) Represents the reversal made on account of disposal of assets on which provision for impairment was created in earlier years.

2. NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.10: Non-current investments		
Trade investments, unquoted		
Investment in equity instruments of wholly owned subsidiaries		
(Basis of value of investments is at cost less provision for other than temporary diminution)		
2,000,000 (previous year 2,000,000) equity shares of ₹10 each (fully paid up) of Sundrop Foods India Private Limited, at cost	**20.00**	20.00
15,000,000 (previous year 10,000,000) equity shares of BDT10 each (fully paid up) of Agro Tech Foods (Bangladesh) Pvt. Ltd., at cost	**116.01**	72.88
Share application money pending allotment Nil (previous year 5,000,000) equity shares of BDT10 each of Agro Tech Foods (Bangladesh) Pvt. Ltd., at cost	**-**	43.13
5,000,000 (previous year 5,000,000) equity shares of LKR 10 each (fully paid up) of Sundrop Foods Lanka (Private) Limited, at cost	**23.95**	23.95
	159.96	159.96
2.11: Deferred tax assets/ (liabilities), net (refer note no.2.30)		
Deferred tax assets	**42.76**	42.38
Less: Deferred tax liabilities	**170.64**	154.08
	(127.88)	(111.70)

2. NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.12: Long-term loans and advances		
Capital advances		
Unsecured, considered good	**5.26**	1.03
	5.26	1.03
Deposits with government, public bodies and others		
Unsecured, considered good	**21.81**	20.09
Unsecured, considered doubtful	**0.56**	0.56
Less: Provision for doubtful deposits	**0.56**	0.56
	21.81	20.09
Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	**17.59**	17.59
Unsecured, considered doubtful	**22.62**	27.62
Less: Provision for doubtful advances	**22.62**	27.62
	17.59	17.59
Amount recoverable from employee stock option trust		
Unsecured, considered good	**558.00**	560.35
Advances with government and public bodies		
Unsecured, considered good	**108.71**	107.54
Unsecured, considered doubtful	**6.12**	6.12
Less: Provision for doubtful advances	**6.12**	6.12
	108.71	107.54
Advance income-tax (net of provisions)*		
Unsecured, considered good	**75.15**	32.51
MAT credit entitlement	**20.28**	60.99
	779.73	778.98
	806.80	800.10

*includes amount ₹ 42.09 adjusted as advance tax out of refund due. Refer Note 2.47

2. NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.13: Inventories (refer Note 1)		
Raw materials	**723.02**	1,082.23
Goods-in-transit-raw materials	**0.01**	0.08
Packing materials	**84.63**	81.56
Goods-in-transit-packing materials	**3.82**	0.27
Finished goods	**312.42**	257.91
Goods-in-transit-finished goods	**31.90**	29.64
Stock-in-trade	**5.21**	4.07
	1,161.01	1,455.76
2.14: Trade receivables		
Outstanding for a period exceeding six months from the date they became due		
Unsecured, considered good	**5.42**	-
Unsecured, considered doubtful	**51.89**	49.57
Less: Provision for doubtful debts	**51.89**	49.57
	5.42	-
Other trade receivables		
Unsecured, considered good	**388.97**	431.35
Unsecured, considered doubtful	**-**	0.17
Less: Provision for doubtful debts	**-**	0.17
	388.97	431.35
	394.39	431.35
2.15: Cash and bank balances		
Cash and cash equivalents		
Cheques, drafts on hand	**2.56**	6.29
Current accounts	**2.51**	2.42
Fixed deposits	**0.19**	0.18
Other bank balances		
Unpaid dividend	**3.19**	3.10
Margin money *	**3.44**	3.25
	11.89	15.24

* Lodged as security deposit

2. NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.16: Short-term loans and advances		
Others		
Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	**42.39**	54.52
Unsecured, considered doubtful	**11.70**	11.70
Less: Provision for doubtful advances	**11.70**	11.70
	42.39	54.52
Advances with government and public bodies		
Unsecured, considered good	**20.48**	17.73
	62.87	72.25
2.17: Other current assets		
Interest accrued	**0.34**	0.25
Other receivables	**4.72**	40.83
	5.06	41.08

2. NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
2.18: Other operating revenues		
Sundry claims/ excess provisions/ unclaimed credits (net)	**0.11**	0.37
Miscellaneous income	**22.04**	18.53
	22.15	18.90
2.19: Other income		
Profit on fixed assets discarded/ sold (net)	**0.32**	1.00
Interest income	**1.20**	0.26
	1.52	1.26
2.20: Cost of materials consumed		
Opening stock		
Raw materials	**1,082.31**	636.60
Packing materials	**81.83**	101.77
	1,164.14	738.37
Add: Purchases		
Raw materials	**2,510.26**	3,238.35
Packing materials	**553.59**	539.40
Finished goods	**642.86**	521.17
	3,706.71	4,298.92
Less: Closing stock		
Raw materials	**723.03**	1,082.31
Packing materials	**88.45**	81.83
	811.48	1,164.14
	4,059.37	3,873.15
2.21: Purchases of stock-in-trade (traded goods) (Refer Note 2.36 c)	**1,342.62**	1,276.60
	1,342.62	1,276.60
2.22: Change in inventory of finished goods and stock-in-trade		
Change in inventory of finished goods		
Opening stock	**287.55**	312.66
Less: Closing stock	**344.32**	287.55
	(56.77)	25.11
Change in inventory of stock-in-trade		
Opening stock	**4.07**	4.54
Less: Closing stock	**5.21**	4.07
	(1.14)	0.47
	(57.91)	25.58

2. NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
2.23: Employee benefits expense		
Salaries and wages	**371.74**	355.14
Contribution to provident and other funds	**23.22**	32.60
Staff welfare expenses	**21.51**	29.02
	416.47	416.76
2.24: Finance costs		
Interest expense	**45.48**	53.28
	45.48	53.28
2.25: Other expenses		
Consumption of stores and spare parts	**15.29**	19.24
Processing charges	**224.74**	216.18
Power and fuel	**29.49**	39.19
Rent (Refer Note 2.28)	**74.15**	70.48
Rates and taxes	**48.30**	42.75
Insurance	**11.11**	11.62
Repairs and maintenance		
- Buildings	**0.19**	0.53
- Machinery	**9.04**	7.79
- Others	**19.91**	20.84
Printing and stationery	**3.25**	3.70
Software expenses	**26.30**	27.56
Communication expenses	**25.03**	25.64
Travelling	**64.18**	59.08
Auditors' remuneration (Refer Note 2.32)	**6.83**	8.84
Outward freight	**291.66**	311.04
Brokerage / commission	**52.73**	42.08
Distribution expenses	**198.94**	161.87
Legal charges	**5.03**	7.50
Professional charges	**69.46**	77.08
Advertisement and sales promotion	**412.76**	426.50
Royalty	**27.28**	27.19
Provision for doubtful advances	**(5.00)**	(3.53)
Provision for doubtful debts	**2.15**	0.95
Advances written off	**5.00**	3.53
Net loss/ (gain) on foreign currency transaction	**0.63**	(2.95)
Bank charges	**1.23**	1.86
Miscellaneous expenses	**53.15**	54.15
	1,672.83	1,660.71
2.26: Tax expense		
Current tax	**137.56**	93.52
Income-tax of earlier years	**14.54**	-
Deferred tax charge	**16.18**	28.79
	168.28	122.31

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.27: Commitments and contingent liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**40.35**	97.54
Contingent liabilities:		
Claims against the Company not acknowledged as debts in respect of :		
- Indirect tax and direct tax matters, under dispute	**447.92**	394.64
- Other matters, under dispute	**0.50**	33.40

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.

2.28: Operating leases

The Company leases warehouse and office facilities under cancellable and non-cancellable operating lease agreements. Total rental expense under cancellable operating leases was ₹ 49.25 (Previous year: ₹ 46.65) and under non-cancellable portion was ₹ 24.90 (Previous year: ₹ 23.83) inclusive of maintenance and other charges, which has been disclosed as rent.

The total of future minimum lease payments (MLP) under non-cancellable operating leases is as follows :

Particulars	As at 31 March 2017	As at 31 March 2016
Due within one year	**17.92**	17.61
Due later than one year and not later than five years	**30.56**	41.51
Later than 5 years	**62.02**	68.99
	110.50	128.11

2.29 Intangible assets-brand

Brand purchased by the Company is being amortised on straight line method based on its estimated useful life. Consequently, amortisation cost for the year includes a sum of ₹ 6.44 (previous year ₹ 6.44) being the amortisation relating to this brand. On the balance sheet date, the management has reassessed the value of this brand through an independent valuer to ensure that the recoverable amount of this asset is not lower than its carrying amount.

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.30: Deferred taxation (net)

Deferred tax assets/ (liablities), net comprises of the following :

Particulars	As at 31 March 2017	As at 31 March 2016
Deferred tax assets		
On provision for doubtful advances, trade receivables and other assets	**29.02**	28.27
On expenditure allowed on payment basis	**13.74**	14.11
	42.76	42.38
Deferred tax liabilities		
On difference in block of assets including depreciation	**(170.64)**	(154.08)
	(170.64)	(154.08)
Deferred tax assets/ (liabilities), net	**(127.88)**	(111.70)

2.31: Earnings per share

Computation of earnings per share (EPS):

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit after tax	**289.57**	233.59
Weighted average number of equity shares of ₹10 each outstanding during the year	**24,369,264**	24,369,264
Earnings per share of par value ₹10 (basic and diluted)	**11.88**	9.59

The Company does not have any potential equity shares. Hence, the basic and diluted earnings per share are the same.

2.32: Auditors' remuneration (including service tax):

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
As Auditor		
Statutory audit	**3.17**	3.50
Tax audit	**0.23**	0.23
Limited review	**0.83**	0.83
Fees for certification	**1.73**	1.03
Others	**0.49**	2.95
Reimbursement of expenses	**0.38**	0.30
	6.83	8.84

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.33 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.

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.

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

b) The following table sets out the particulars of the employee benefits as required under the Accounting Standard 15 (Revised) - "Employee Benefits"

Particulars	Gratuity		Provident fund	
	For the year ended 31 March 2017	For the year ended 31 March 2016	**For the year ended 31 March 2017**	For the year ended 31 March 2016
Reconciliation of opening and closing balances of the present value of the defined obligation				
Opening defined benefit obligation	**49.91**	48.44	**276.58**	263.52
Current service cost	**5.30**	5.51	**9.88**	10.87
Interest cost	**3.49**	3.41	**26.97**	27.04
Actuarial (gain)/ loss	**0.02**	1.97	**(3.87)**	(3.27)
Contribution by employee	**-**	-	**22.10**	26.39
Benefits paid	**(7.39)**	(9.42)	**(38.29)**	(50.13)
Transfer in	**-**	-	**1.78**	2.16
Closing defined benefit obligation	**51.33**	49.91	**295.15**	276.58
Change in the fair value of plan assets				
Opening fair value of plan assets	**40.70**	40.97	**286.56**	274.15
Expected return on plan assets	**3.33**	3.20	**27.83**	27.97
Contribution by employer	**9.20**	7.47	**11.66**	13.03
Contribution by employee	**-**	-	**22.10**	26.39
Benefits paid	**(7.39)**	(9.42)	**(38.29)**	(50.13)
Actuarial gain/ (loss)	**1.97**	(1.52)	**14.67**	(4.85)
Closing fair value of plan assets	**47.81**	40.70	**324.53**	286.56
Expense recognised in the statement of profit and loss				
Current service cost	**5.30**	5.51	**9.88**	10.87
Interest cost	**3.49**	3.41	**26.97**	27.04
Expected return on plan assets	**(3.33)**	(3.20)	**(27.83)**	(27.97)
Net actuarial (gains)/ losses	**(1.95)**	3.49	**(18.54)**	1.58
Total *	**3.51**	9.21	**(9.52)**	11.52
Actual return on plan assets	**5.30**	1.68	**42.50**	23.12

Amount recognised in the balance sheet

Particulars	**As at 31 March 2017**	As at 31 March 2016	**As at 31 March 2017**	As at 31 March 2016
Present value of funded obligation	**51.33**	49.91	**295.15**	276.58
Less: Fair value of plan assets	**47.81**	40.70	**324.53**	286.56
Net liability/ (assets)**	**3.52**	9.21	**(29.38)**	(9.98)

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

Particulars	Gratuity		Provident fund	
	As at 31 March 2017	As at 31 March 2016	**As at 31 March 2017**	As at 31 March 2016
Government of India securities	**-**	-	**24.33%**	21.55%
PSU bonds	**-**	-	**51.51%**	52.84%
Special deposits	**-**	-	**3.03%**	3.31%
State Government securities	**-**	-	**21.13%**	22.30%
Others	**100.00%**	100.00%	**-**	-
Total	**100.00%**	100.00%	**100.00%**	100.00%
Discount rate	**7.20%**	7.55%	**7.25%**	7.61%
Expected rate of return on plan assets	**8.00%**	8.00%	**8.65%**	8.80%
Salary escalation rate	**7.00%**	7.00%	**NA**	NA

Amounts for the current and previous four periods for Gratuity are as follows :

Particulars	**As at 31 March 2017**	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Defined benefit obligation	**51.33**	49.91	48.44	39.97	35.05
Plan assets	**47.81**	40.70	40.97	35.42	27.80
Deficit	**3.52**	9.21	7.47	4.55	7.25
Experience adjustments-plan assets	**1.97**	(1.52)	3.65	0.66	0.93
Experience adjustments-plan liabilities	**(1.16)**	1.24	1.58	2.57	2.77

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.

* Expense recognised in the statement of profit and loss for Gratuity has been included under employee benefits expense (Refer Note 2.23)

** The Company has not recognised an asset amounting to ₹ 29.38 (previous year ₹ 9.98) as there are no future economic benefits available to the Company in the form of reduction in future contribution or a cash refund.

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.34: Related parties transactions

A) Related parties

Parties where control exists

S.No.	Name of the Company	Relationship
1	CAG-Tech (Mauritius) Limited	Holding company
2	ConAgra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate holding company
3	Sundrop Foods India Private Limited	Subsidiary company
4	Agro Tech Foods (Bangladesh) Pvt. Ltd.	Subsidiary company
5	Sundrop Foods Lanka (Private) Limited	Subsidiary company

Other related parties where transactions exists

S.No.	Name of the Company	Relationship
1	ConAgra Foods Export Company,Inc.	Fellow subsidiary
2	ConAgra Foods S.R.L	Fellow subsidiary

Key management personnel (KMP)

S.No.	Name of the Person	Designation
1	Dr. Pradip Ghosh Chaudhuri	Whole-time Director (retired w.e.f 30 June 2016)
2	Mr. Sachin Gopal	Managing Director & CEO (w.e.f. 1 July 2016), President & CEO (till 30 June 2016)
3	Mr.Arijit Datta	Chief Financial Officer
4	Mr. Phani K Mangipudi	Company Secretary (resigned w.e.f. 31 Jan 2017)

Directors

S.No.	Name of the person	Relationship
1	Mr. Lt.Gen.D.B.Singh	Independent director
2	Mr.Sanjaya Kulkarni	Independent director
3	Mr.Arun Bewoor	Independent director
4	Mr.Narendra Ambwani	Independent director
5	Ms.Veena Vishindas Gidwani	Independent director

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

B) Particulars of related parties transactions

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sundrop Foods India Private Limited		
Recovery of expenses	**0.02**	0.11
Distribution service received from subsidiary	**111.55**	92.44
Agro Tech Foods (Bangladesh) Pvt. Ltd.		
(Issue of credit note)/ recovery of expenses	**(5.52)**	0.74
Sale of fixed assets	**-**	4.80
Investment in equity shares application money	**-**	43.13
Sundrop Foods Lanka (Private) Limited		
Sale of fixed assets	**-**	3.55
ConAgra Foods Export Company,Inc.		
Purchase of materials	**1.40**	3.17
ConAgra Foods S.R.L		
Purchase of materials	**-**	466.69
ConAgra Brands Inc. (formerly known as ConAgra Foods Inc.)		
Reimbursement of expenses	**-**	0.03
Royalty	**23.73**	23.86
Recovery of expenses	**3.90**	25.42
Income earned on services rendered	**17.32**	15.70
CAG-Tech (Mauritius) Limited		
Dividend (on payment basis)	**25.23**	25.23
Remuneration to KMP (refer note (a) and (b) below)	**38.96**	41.83
Sitting fee and commission to independent directors	**6.45**	6.10

Note : (a) 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. It excludes gratuity of ₹ 3.18 paid to the KMP retired/ resigned during the year.

(b) The Company has applied to Central Government of India for approval for payment of managerial remuneration in excess of limits as mandated by Section 197 read with Schedule V to the Companies Act, 2013 ('the Act'). Pending approval from the Central Government of India, payment made is within the limits prescribed under the Act. Remuneration to KMP and Remuneration payable to KMP includes amount of ₹ 5.13 payable for the period 01 July 2016 to 31 March 2017 to Managing Director which will be paid post receipt of approval from the Central Government of India.

C) The Company has following amounts due from/ to related parties:

Particulars	As at 31 March 2017	As at 31 March 2016
Receivable from related parties		
Agro Tech Foods (Bangladesh) Pvt. Ltd.	**-**	10.32
Sundrop Foods Lanka (Private) Limited	**-**	3.55
ConAgra Brands Inc. (formerly known as ConAgra Foods Inc.)	**4.51**	26.96
Payable to related parties		
Sundrop Foods India Private Limited	**36.25**	31.75
ConAgra Foods Export Company,Inc.	**0.16**	0.16
ConAgra Brands Inc. (formerly known as ConAgra Foods Inc.)	**3.33**	3.20
KMP (Refer Note (b) above)	**7.48**	-
Independent directors	**3.20**	2.81

D) For investment in subsidiaries refer note 2.10

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.35: Agro Tech Foods Limited Employee Stock Option Plan

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.

Under the Plan a maximum of 2,436,926 (previous year : 2,436,926) options will be granted to the eligible employees. All these options are planned to be settled in equity/cashless at the time of exercise. 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 Mar 2016 respectively and vest 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:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Number of options		
Outstanding at the beginning of the year	**1,074,692**	1,026,543
Granted during the year	**-**	180,498
Exercised during the year	**-**	(6,500)
Forfeited during the year	**(102,552)**	(125,849)
Outstanding at the end of the year	**972,140**	1,074,692

The Company follows the intrinsic value method to calculate employee compensation cost. There is no material charge to the statement of profit and loss as the exercise price of the shares is greater than or equal to the market value of the shares. Amount recoverable from employee stock option trust disclosed in the balance sheet represents balance recoverable from the trust on account of the shares purchased and held by the trust.

Proforma disclosure

In accordance with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, had the compensation cost for Stock Option Plan been recognised based on the fair value at the date of grant in accordance with Black Scholes model, the proforma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit after tax		
- As reported	**289.57**	233.59
- Proforma	**276.69**	199.62
Earnings per share		
Basic		
- Number of shares	**24,369,264**	24,369,264
- EPS as reported (₹)	**11.88**	9.59
- Proforma EPS (₹)	**11.35**	8.19

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

The following assumptions were used for calculation of fair value of grants issued during the current year:

Particulars	For the year ended 31 March 2017*	For the year ended 31 March 2016
Weighted average fair value (₹)	-	293.92
Dividend yield (%)	-	0.34
Expected volatility (%)	-	37.38
Risk-free interest (%)	-	7.90
Expected term (in years)	-	5.50 to 7

* no grants were issued during the year ended 31 March 2017.

2.36: Particulars in respect of sales/ raw material consumption/ purchase of traded goods :

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Particulars in respect of sales		
Manufactured goods		
Oils	**4,886.72**	4,733.25
Others incl. packaged products	**1,747.47**	1,727.88
	6,634.19	6,461.13
Traded goods		
Oils	**1,409.00**	1,340.81
Others incl. packaged products	**-**	-
	1,409.00	1,340.81
Total sales	**8,043.19**	7,801.94
(b) Raw materials consumed		
Oils	**2,437.32**	2,381.11
Others incl. packaged products	**432.22**	411.53
	2,869.54	2,792.64
(c) Purchase of traded goods		
Oils	**1,342.62**	1,276.60
Others incl. packaged products	**-**	-
	1,342.62	1,276.60
(d) Packing materials consumed		
Packing materials consumed	**546.97**	559.34

(e) Consumption of raw materials, stores and spare parts

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Value	%	Value	%
Raw materials				
Indigenous	**2,539.91**	**88.51**	2,661.55	95.31
Imported	**329.63**	**11.49**	131.09	4.69
	2,869.54	**100.00**	2,792.64	100.00
Stores and spare parts				
Indigenous	**15.29**	**100.00**	19.24	100.00
	15.29	**100.00**	19.24	100.00

2.37: CIF value of imports

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Raw materials	**30.36**	498.86
Capital goods	**21.29**	3.79
	51.65	502.65

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.38 Earnings in foreign currency *

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Export of goods	**7.70**	7.92
Others	**17.32**	15.70
	25.02	23.62

* The above does not include machinery sold to overseas subsidiaries. Refer related party notes.

2.39: Expenditure in foreign currency

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Foreign travel	**0.83**	0.18
Professional charges	**-**	1.08
Royalty	**23.73**	23.86
Interest on buyers credit	**1.72**	4.90
Software expenses	**0.12**	-
Others	**4.47**	7.77
	30.87	37.79

2.40: Segment information

The entire operations relate to only the foods segment and are primarily concentrated in India. Accordingly, there are no reportable segments to be disclosed as required by Accounting Standard 17 'Segment reporting'.

2.41 Amounts payable to micro, small and medium enterprises

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 31 March 2017 has been made in the financial statements based on information received and available with the Company. 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.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	**-**	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period	**-**	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act	**-**	-
The amount of interest accrued and remaining unpaid at the end of the period	**-**	-
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	**-**	-

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.42: Disclosure regarding forward contracts

The Company 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 Company and the Company does not use the foreign exchange forward contracts for trading or speculation purposes.

The information on such forward contracts are as follows:

a) Forward exchange contracts outstanding as at the year end:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Foreign Currency (Buy)	Amount in ₹ Millions	Foreign Currency (Buy)	Amount in ₹ Millions
Short-term borrowings	-	-	USD 6,943,076	460.81
Trade payables	USD 90,963	6.14	-	-

b) Foreign exchange currency exposure recognised by the Company that have not been hedged by a derivative instrument or otherwise as at the year end:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Foreign Currency	Amount in ₹ Millions	Foreign Currency	Amount in ₹ Millions
Other current liabilities	USD 622	0.04	-	-
Trade receivables	USD 33,908	2.20	USD 10,943	0.73
Other current assets	USD 64,500	4.18	USD 202,296	13.43

2.43: Details of remittance during the year in foreign currency on account of dividend

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Number of non-resident shareholder	1	1
Number of shares held by them on which dividends were paid	12,616,619	12,616,619
Amount remitted during the year	25.23	25.23
Financial Year to which dividend payment relates-final dividend	2015-16	2014-15

2.44: Research and development expenditure

Revenue expenditure on research and development ('R&D') is expensed as incurred. Capital expenditure incurred on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company. The details are as below:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue R&D expenditure	24.12	27.47
	24.12	27.47

2.45: Corporate Social Responsibility (CSR) expenditure

During the year, the Company has spent ₹ 4.52 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% 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.

2. NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

Gross amount required to be spent by the company during the year : ₹ 9.23

Amount spent during the year on:

Particulars	Amount spent
Construction/acquisition of any asset	-
On purposes other than above	4.52
Total	4.52

The Fact that the Company has spent 1% lower than prescribed 2% of average of the profit as stipulated under Section 135 of the Act has been taken on record by the Board of Directors. However, spending was lower at 1% due to higher efficiencies in the process and further expansion of the program awaiting necessary approvals from the government. On receipt of approval, the Company will be in a position to further expand this program and work towards the 2% guideline prescribed in the Act.

2.46 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 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.

2.47 Exceptional income of ₹ 42.09 representing interest on income tax related to Assessment Year 1997-98 which has been adjudicated in favor of the Company.

2.48 The Company is in the process of fulfilling vacancy of the position of Company Secretary in accordance with the provision of Section 203 of the Companies Act, 2013.

2.49 Specified bank notes disclosure*

Details of Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016 are as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8 November 2016.

2.50 Previous year figures

Previous year figures have been regrouped/ reclassified wherever necessary, to conform to current year classification.

As per our report of even date attached

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

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

Sriram Mahalingam
Partner
Membership No. 049642

Place: Hyderabad
Date: 03 May 2017

Sachin Gopal
Managing Director & CEO
DIN 07439079

Place: Gurugram
Date: 03 May 2017

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

Arijit Datta
Chief Financial Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Indian rupees millions)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	**457.85**	355.90
Adjustments :		
Depreciation and amortisation expense	**172.24**	160.12
Profit on fixed assets discarded/ sold, (net)	**(0.32)**	(1.00)
Interest income	**(1.20)**	(0.26)
Finance costs	**45.48**	53.28
Provision for doubtful debts/ advances (net off advance written off)	**2.15**	0.95
Operating cash flows before working capital changes	**676.20**	568.99
Adjustments for :		
Decrease/ (increase) in trade receivables, loans and advances and other current assets	**77.42**	(230.44)
Decrease/ (increase) in inventories	**294.75**	(400.19)
Increase in trade payables and other liabilities	**122.13**	2.84
Decrease/ (increase) in amount recoverable from employee stock option trust	**2.35**	(33.94)
Cash generated from/ (used in) operations	**1,172.85**	(92.74)
Income taxes paid (net) (Refer Note 2.12)	**(154.02)**	(88.23)
Net cash generated from/ (used in) Operating Activities	**1,018.83**	(180.97)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including capital work-in-progress and capital advances	**(138.59)**	(424.05)
Proceeds from sale of fixed assets and capital work-in-progress	**1.02**	9.25
Investment towards equity shares of subsidiary	**-**	(43.13)
Interest received	**1.11**	0.20
Net cash used in Investing Activities	**(136.46)**	(457.73)

CASH FLOW STATEMENT (Continued)

(Amount in Indian rupees millions)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments)/ proceeds from short term loans (net)	**(780.33)**	697.91
Interest paid	**(46.82)**	(52.34)
Dividend paid (including dividend distribution tax)	**(58.57)**	(58.22)
Net cash (used in)/ from financing activities	**(885.72)**	587.35
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(3.35)**	(51.35)
Cash and cash equivalents at the beginning of the year	**15.24**	66.59
Cash and cash equivalents at the end of the year (Refer Note 2.15)	**11.89**	15.24

Note :

a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

b) Cash and cash equivalents includes restricted cash balance (margin money and unpaid dividend account) of ₹ 6.63 (previous year of ₹ 6.35).

As per our report of even date attached

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

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

Sriram Mahalingam
Partner
Membership No. 049642

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Place: Hyderabad
Date: 03 May 2017

Place: Gurugram
Date: 03 May 2017

Arijit Datta
Chief Financial Officer

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Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF AGRO TECH FOODS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Agro Tech Foods Limited ('the Holding Company') and its subsidiaries (collectively referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (collectively referred to as the 'Consolidated Financial Statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 of the assets of the Group 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 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the 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 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 130.55 million as at 31 March 2017, total

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

revenues of ₹ Nil million and net cash flows amounting to ₹ (23.28) million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report of the other auditors.

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 and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section143(3) of the Act, 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 and the consolidated cash flow statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on 31 March 2017 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 over financial reporting of the Holding Company and its subsidiary incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
   (g) 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;
      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position in Note 2.27 and 2.40 to the consolidated financial statements;
      ii. The Group has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its Subsidiary Company incorporated in India; and
      iv. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – refer Note 2.44 to the consolidated financial statements.

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

Sriram Mahalingam
Partner
Membership No: 049642

Place : Hyderabad
Date : 03 May 2017

ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Agro Tech Foods Limited ('the Holding Company' or 'the Company') and its Subsidiary Company, which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its Subsidiary Company, which is Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, those issued by the ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

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 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 financial statements.

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its Subsidiary Company which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based the internal control over financial reporting 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 ICAI.

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

Sriram Mahalingam
Partner
Membership No: 049642

Place : Hyderabad
Date : 03 May 2017

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017

(Amount in Indian Rupees millions)

Particulars	Note No.	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2.1	**243.69**	243.69
Reserves and surplus	2.2	**3,356.81**	3,128.55
Non-current Liabilities			
Deferred tax liabilities (net)	2.10	**122.94**	107.07
Other long-term liabilities	2.3	**93.71**	91.18
Long-term provisions	2.4	**15.82**	16.67
Current liabilities			
Short-term borrowings	2.5	**176.21**	956.54
Trade payables			
Total outstanding dues of micro and small enterprises	2.6	**-**	-
Total outstanding dues of creditors other than micro and small enterprises	2.6	**512.90**	413.23
Other current liabilities	2.7	**132.13**	108.09
Short-term provisions	2.8	**8.69**	12.75
		4,662.90	5,077.77
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.9	**1,756.37**	1,486.59
Intangible assets	2.9	**264.57**	297.45
Capital work-in-progress	2.9	**164.23**	434.44
Long-term loans and advances	2.11	**810.87**	802.80
Current assets			
Inventories	2.12	**1,161.01**	1,457.04
Trade receivables	2.13	**394.39**	431.35
Cash and bank balances	2.14	**41.29**	66.65
Short-term loans and advances	2.15	**64.49**	74.02
Other current assets	2.16	**5.68**	27.43
		4,662.90	5,077.77
Significant accounting policies	1		
Notes to accounts	2		

The notes referred to above form an integral part of the consolidated balance sheet.

As per our report of even date attached

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

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

Sriram Mahalingam
Partner
Membership No. 049642

Place: Hyderabad
Date: 03 May 2017

Sachin Gopal
Managing Director & CEO
DIN 07439079

Place: Gurugram
Date: 03 May 2017

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

Arijit Datta
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Indian Rupees millions, except share data)

Particulars	Note No.	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations			
Sale of products		**8,076.27**	7,817.60
Less: Excise duty		**33.08**	15.66
Net sale of products		**8,043.19**	7,801.94
Other operating revenues	2.17	**22.15**	18.96
		8,065.34	7,820.90
Other income	2.18	**2.41**	0.49
		8,067.75	7,821.39
Expenses			
Cost of materials consumed	2.19	**4,060.60**	3,873.16
Purchases of stock-in-trade (traded goods)	2.20	**1,342.63**	1,276.60
Change in inventory of finished goods and stock-in-trade	2.21	**(57.91)**	25.58
Employee benefits expense	2.22	**482.92**	471.70
Finance costs	2.23	**45.48**	53.28
Depreciation and amortisation expense	2.9	**172.31**	160.12
Other expenses	2.24	**1,600.19**	1,606.36
		7,646.22	7,466.80
Profit/(Loss) before exceptional items and tax		**421.53**	354.59
Exceptional items	2.42	**42.09**	-
Profit before tax		**463.62**	354.59
Tax expense	2.25	**170.52**	122.68
Profit after tax		**293.10**	231.91
Earnings per share			
Basic and diluted -par value ₹ 10 per share	2.31	**12.03**	9.52
Significant accounting policies	1		
Notes to accounts	2		

The notes referred to above form an integral part of the consolidated statement of profit and loss.

As per our report of even date attached

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

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

Sriram Mahalingam
Partner
Membership No. 049642

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Place: Hyderabad
Date: 03 May 2017

Place: Gurugram
Date: 03 May 2017

Arijit Datta
Chief Financial Officer

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF ACCOUNTS

The consolidated financial statements of Agro Tech Foods Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') have been prepared and presented in accordance with Generally Accepted Accounting Principles (GAAP) in India under the historical cost convention on the accrual basis. GAAP comprises Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of Institute of Chartered Accountants of India, the relevant provisions of the Act The consolidated financial statements are presented in Indian rupees rounded off to the nearest million.

USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with (GAAP) requires management to make estimates and assumptions that affect the application of the accounting policies, reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial statements of Agro Tech Foods Limited, the parent company and its subsidiaries, in which the Company has more than one-half of the voting power of an enterprise.

Financial Statements of the subsidiaries company are consolidated on line-by-line basis by adding together like items of assets, liabilities, income and expenses. Any significant inter group balances and transactions, and any unrealised gains from inter-group transactions, are eliminated in preparing the consolidated financial statements. Exchange differences resulting from the difference due to transactions of foreign currency assets and liabilities in subsidiary company is disclosed as foreign currency translation adjustment.

Consolidated Financial Statements are prepared by applying accounting policies, as followed by the Company and its subsidiaries, to the extent it is practicable. Significant differences in the accounting policies, if any, are appropriately disclosed by way of Notes to the Consolidated Financial Statements.

CURRENT and NON-CURRENT CLASSIFICATION

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a. it is expected to be realised in, or is intended for sale or consumption in the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is expected to be realised within 12 months after the reporting date; or
d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Apart from the above, current assets also include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a. it is expected to be settled in the Company's normal operating cycle;
b. it is held primarily for the purpose of being traded;
c. it is due to be settled within 12 months after the reporting date; or
d. the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Apart from the above, current liabilities also include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

REVENUE RECOGNITION

Revenue from sale of goods is recognised when significant risks and rewards in respect of ownership of products are transferred to customers and no significant uncertainty exist regarding the amount of the consideration that will be derived from the sale of the goods. Sales are stated net off sales returns, trade discounts, sales tax, value added tax and

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES (continued)

excise duty. Sales are recognised when goods are dispatched or as per the terms of contract.

Income from interest on deposits, loans and interest bearing securities is recognised on the time proportionate method.

FIXED ASSETS AND DEPRECIATION

Fixed assets are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Fixed assets are accounted for at cost of acquisition or construction inclusive of inward freight, duties, taxes and directly attributable costs of bringing the asset to its working condition for its intended use. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are shown as capital advances under long-term loans and advances and assets under installation or under construction as at the balance sheet date are shown as capital work-in-progress under fixed assets.

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the Management. Depreciation for assets purchased / sold during the year is proportionately charged. The Management estimates the useful lives for the other fixed assets as follows: :

S. No	Nature of Assets	Useful Life
I	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
II	Roads	
(a)	Carpeted Roads-RCC	10 Years
III	Plant and Machinery	
(a)	Plant and Machinery other than continuous process plant	15 Years
IV	Furniture and fittings	10 Years
V	Motor Vehicles	
(a)	Motor buses, motor lorries and motor cars	5 Years
VI	Office equipment	5 Years
VII (a)	Computers and data processing units Servers and networks	5 Years
(b)	End user devices, such as, desktops, laptops, etc	2 to 3 Years
VIII	Laboratory equipment	10 Years
IX	Electrical Installations and Equipment	10 Years

For the following class of assets based on internal assessment and technical evaluation carried out wherever necessary, the Management believes that the useful lives as given above represent the period over which Management expects to use these assets. Hence the useful lives for the below assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

- Server and network – 5 Years
- Handsets – 2 Years
- Vehicles - 5 years
- Assets given to employees under a scheme- 5 years

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

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

INTANGIBLE ASSETS AND AMORTISATION

Brands and computer software acquired by the Company, the value of which is not expected to diminish in the foreseeable future, are capitalised and recorded in the balance sheet as trademarks and computer software at cost of acquisition less accumulated amortisation. These are being amortised on straight-line method over the estimated useful life as mentioned below. Useful life of brands are determined by persuasive evidences of expected usage contributing towards the performance and significant expenditure incurred to sustain the useful life of brands. Recoverable value of such brands are assessed in each financial year.

The amortisation rates are as follows:

- Brands 40 years
- Computer Software 5 to 10 years

New licenses of software including their installation costs are charged off over 10 years and the balance software including their installation costs are charged off over 5 years.

IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES (continued)

to which the asset belongs is less than its carrying amount, impairment provision is created to bring down the carrying value to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment provision created earlier is reversed to bring it at the recoverable amount subject to a maximum of depreciated historical cost.

INVESTMENTS

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long-term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current investments' as "current portion of long-term investments" in consonance with the current/non-current classification scheme of Schedule III of the Companies Act, 2013.

Current investments are stated at the lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

INVENTORIES

Inventories are valued at lower of weighted average cost and estimated net realisable value after providing for cost of obsolescence, where necessary. Cost of inventories comprises cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of finished goods, cost comprises material, labour and applicable overhead expenses and duties including excise duty paid/payable thereon.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

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.

FOREIGN EXCHANGE CONVERSION

The transactions in foreign currency are accounted for at a standard exchange rate of the month in which the transactions take place. Exchange differences arising on foreign currency transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates. The resultant exchange differences are recognised in the statement of profit and loss. Non-monetary assets are recorded at a standard exchange rate of the month in which the transactions take place.

In respect of forward contracts, the differences between contracted exchange rates and monthly standard exchange rates are recognised as income or expense over the life of the contracts.

EMPLOYEE BENEFITS

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Gratuity which is defined benefit plan, is accrued based on an actuarial valuation using the projected unit credit method at the balance sheet date.

Provident Fund, wherein Company provides the guarantees of a specified return on contribution are considered as defined benefit plans and are accrued based on an actuarial valuation using the projected unit credit method at the balance sheet date.

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis

1. STATEMENT ON SIGNIFICANT ACCOUNTING POLICIES (continued)

of independent actuarial valuation using the projected unit credit method.

All actuarial gains and losses arising during the year are recognised in the statement of profit and loss of the year.

EMPLOYEE STOCK OPTION SCHEME

Stock options granted to the employees under the stock option scheme are evaluated as per the accounting treatment prescribed by Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 issued by the Securities and Exchange Board of India. Accordingly, the excess of purchase price of the shares purchased by the ESOP Trust of the Company over the exercise price of the options is recognised as employee compensation in the statement of profit and loss.

LEASES

Leases that do not transfer substantially all the risks and rewards of ownership are classified as operating leases and recorded as expense in statement of profit and loss on a straight line basis.

EARNINGS PER SHARE

Basic earnings per share ("EPS") is computed by dividing the net profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, net profit after tax for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.

INCOME-TAX EXPENSE

Income tax expense comprises current tax and deferred tax charge or credit. Income-tax expense is recognised in the statement of profit and loss.

Current tax

The current charge for income taxes is calculated in accordance with the relevant tax regulations applicable to the Company.

Deferred tax

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. Deferred tax assets are reviewed at each balance sheet date and are written-down or written-up to reflect the amount that is reasonably certain to be realised. The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company has a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit entitlement

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the year for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

PROVISIONS AND CONTINGENT LIABILITIES

The Company creates a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby excess of income over expenditure 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. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

2. CONSOLIDATED NOTES TO ACCOUNTS

(Amount in Indian Rupees millions, except share data)

Particulars	As at 31 March 2017	As at 31 March 2016
2.1: Share Capital		
Authorised		
Equity shares		
25,000,000 (previous year 25,000,000), ₹ 10 each par value	**250.00**	250.00
Preference shares		
1,000,000 (previous year 1,000,000), cumulative redeemable preference shares, ₹ 100 each par value	**100.00**	100.00
	350.00	350.00
Issued		
Equity shares		
24,372,139 (previous year 24,372,139), ₹ 10 each par value	**243.72**	243.72
	243.72	243.72
Subscribed and fully Paid up		
Equity shares		
24,369,264 (previous year 24,369,264), ₹ 10 each fully paid up	**243.69**	243.69
	243.69	243.69

a. Rights, preferences and restrictions attached to 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 its 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.

b. The reconciliation of the number of equity shares outstanding is set out below:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Number of shares	**Amount in ₹ millions**	Number of shares	Amount in ₹ millions
Shares outstanding at the beginning of the year	**24,369,264**	**243.69**	24,369,264	243.69
Shares issued during the year	**-**	**-**	-	-
Shares outstanding at the end of the year	**24,369,264**	**243.69**	24,369,264	243.69

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

Share capital (continued)

c. The details of shareholder holding more than 5% equity shares is set out below :

Name of shareholder	As at 31 March 2017		As at 31 March 2016	
	No. of shares held	% of holding	No. of shares held	% of holding
CAG Tech (Mauritius) Limited	**12,616,619**	**51.77**	12,616,619	51.77

d. 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).

(Amount in Indian rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.2: Reserves and Surplus		
Securities premium account	**721.29**	721.29
	721.29	721.29
Foreign currency translation reserve		
Opening balance	**9.39**	7.00
Adjustment during the year (net)	**(6.18)**	2.39
Closing balance	**3.21**	9.39
General reserves	**127.05**	127.05
	127.05	127.05
Surplus balance in the statement of profit and loss account		
Opening balance	**2,270.82**	2,038.91
Add: Profit for the year	**293.10**	231.91
Less: Amount utilised		
Dividend ₹ 2 per share (previous year ₹ Nil per share) *	**48.74**	-
Dividend distribution tax	**9.92**	-
Closing balance	**2,505.26**	2,270.82
	3,356.81	3,128.55

*According to amended rules of the Companies (Accounting Standards) Rules, 2016, proposed dividend of ₹ 48.74 was not recorded as a liability as at March 31, 2016.

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.3: Other long term liabilities		
Trade Payables		
Due to micro and small enterprises (Refer Note 2.41)	**-**	-
Other trade payables	**18.75**	19.52
Others		
Other liabilities	**74.96**	71.66
	93.71	91.18
2.4: Long term provisions		
Provision for employee benefits		
Gratuity (refer note 2.33)	**0.73**	0.18
Compensated absenses	**15.09**	16.49
	15.82	16.67
2.5: Short-term borrowings		
Loans (secured)*		
From banks	**176.21**	956.54
	176.21	956.54
* These are secured by hypothecation of inventories and trade receivables.		
2.6: Trade payables		
Due to micro and small enterprises (Refer Note 2.41)	**-**	-
Other trade payables	**512.90**	413.23
	512.90	413.23
2.7: Other current liabilities		
Other payables		
Unclaimed dividends	**3.19**	3.10
Advances from Customers	**13.63**	12.32
Payables for purchase of fixed assets	**9.81**	5.84
Statutory liabilities	**52.20**	47.37
Payable to employees	**44.36**	25.93
Other liabilities	**8.94**	13.53
	132.13	108.09
2.8: Short-term provisions		
Provision for employee benefits		
Gratuity (Refer Note 2.33)	**3.50**	9.20
Compensated absences	**5.19**	3.55
	8.69	12.75

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

2.9: Fixed assets

(Amount in Indian rupees millions)

Description	GROSS BLOCK					ACCUMULATED DEPRECIATION / AMORTISATION				PROVISION FOR IMPAIRMENT				NET BLOCK	
	As at 1 April 2016	Adjustment for Exchange fluctuation	Additions	Deletions	**As at 31 March 2017**	As at 1 April 2016	Charge for the year	On deletions	**As at 31 March 2017**	As at 1 April 2016	Charge for the year	Released (Note c)	**As at 31 March 2017**	**As at 31 March 2017**	As at 31 March 2016
Tangible assets															
Freehold land	115.42	(0.82)	-	-	**114.60**	-	-	-	-	-	-	-	-	**114.60**	115.42
Leasehold land	66.25	-	-	-	**66.25**	3.98	0.69	-	**4.67**	-	-	-	-	**61.58**	62.27
Buildings	370.00	-	289.66	0.03	**659.63**	30.22	15.82	0.03	**46.01**	-	-	-	-	**613.62**	339.78
Leasehold buildings	21.83	-	-	-	**21.83**	12.35	1.94	-	**14.29**	-	-	-	-	**7.54**	9.48
Roads	25.01	-	18.48	-	**43.49**	4.83	3.40	-	**8.23**	-	-	-	-	**35.26**	20.18
Plant & machinery	775.42	-	70.67	1.14	**844.95**	140.12	48.72	0.57	**188.27**	7.66	-	0.38	**7.28**	**649.40**	627.64
Office equipment	81.59	-	1.86	0.98	**82.47**	50.23	8.82	0.82	**58.23**	0.85	-	0.14	**0.71**	**23.53**	30.51
Laboratory equipment	33.73	-	0.21	0.02	**33.92**	13.15	2.89	0.01	**16.03**	0.71	-	0.01	**0.70**	**17.19**	19.87
Computer and data process	214.29	-	17.94	17.71	**214.52**	124.40	28.17	16.92	**135.65**	0.46	-	0.43	**0.03**	**78.84**	89.43
Electrical equipment	115.27	-	2.73	0.14	**117.86**	26.88	12.08	0.10	**38.86**	0.06	-	0.03	**0.03**	**78.97**	88.33
Leasehold improvements-electrical equipment	9.10	-	-	-	**9.10**	5.11	1.30	-	**6.41**	-	-	-	-	**2.69**	3.99
Furniture & fittings	90.26	-	4.68	0.25	**94.69**	19.01	8.63	0.25	**27.39**	0.03	-	-	**0.03**	**67.27**	71.22
Leasehold improvements-furniture & fittings	22.91	-	-	-	**22.91**	14.48	2.54	-	**17.02**	0.01	-	-	**0.01**	**5.88**	8.42
Vehicles	0.89	-	-	0.89	-	0.84	-	0.84	-	-	-	-	-	-	0.05
	1,941.97	(0.82)	406.23	21.16	**2,326.22**	445.60	135.00	19.54	**561.06**	9.78	-	0.99	**8.79**	**1,756.37**	1,486.59
Intangibles assets															
Trademarks (note (a) and (b))	257.50	-	-	-	**257.50**	135.34	6.44	-	**141.78**	-	-	-	-	**115.72**	122.16
Computer software	274.58	-	4.43	-	**279.01**	99.14	30.87	-	**130.01**	0.15	-	-	**0.15**	**148.85**	175.29
	532.08	-	4.43	-	**536.51**	234.48	37.31	-	**271.79**	0.15	-	-	**0.15**	**264.57**	297.45
Grand Total	**2,474.05**	**(0.82)**	**410.66**	**21.16**	**2,862.73**	**680.08**	**172.31**	**19.54**	**832.85**	**9.93**	**-**	**0.99**	**8.94**	**2,020.94**	1,784.04
Previous year	2,063.22	-	430.99	20.16	2,474.05	531.99	159.69	11.60	680.08	9.81	0.43	0.31	9.93	1,784.04	
Capital work-in-progress														**164.23**	434.44

Note:

a) Trademarks represents the purchase consideration paid for the brand viz 'Sundrop'

b) The unexpired amortisation period for Sundrop is 18 years. Also Refer Note 2.29.

c) Represents the reversal made on account of disposal of assets on which provision for impairment was created in earlier years.

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.10: Deferred tax assets (liabilities), net (refer note 2.30)		
Deferred tax assets	**53.02**	47.01
Less: Deferred tax liabilities	**175.96**	154.08
	(122.94)	(107.07)
2.11: Long term loans and advances		
Capital advances for purchase of fixed assets		
Unsecured, considered good	**6.80**	1.12
	6.80	1.12
Deposits with government, public bodies and others		
Unsecured, considered good	**23.47**	21.83
Unsecured, considered doubtful	**0.56**	0.56
Less: Provision for doubtful advances	**0.56**	0.56
	23.47	21.83
Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	**17.59**	17.59
Unsecured, considered doubtful	**22.62**	27.62
Less: Provision for doubtful advances	**22.62**	27.62
	17.59	17.59
Amount recoverable from employee stock option trust		
Unsecured, considered good	**558.00**	560.35
Advances with government and public bodies		
Unsecured, considered good	**108.71**	107.54
Unsecured, considered doubtful	**6.12**	6.12
Less: Provision for doubtful advances	**6.12**	6.12
	108.71	107.54
Advance Income-tax (net)*		
Unsecured, considered good	**76.02**	33.39
MAT credit entitlement	**20.28**	60.98
	780.60	779.85
	810.87	802.80

*includes amount ₹ 42.09 adjusted as advance tax out of refund due. Refer Note 2.42

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.12: Inventories (refer note 1)		
Raw materials	**723.02**	1,083.51
Goods in transit-raw materials	**0.01**	0.08
Packing materials	**84.63**	81.56
Goods in transit-packing materials	**3.82**	0.27
Finished goods	**312.42**	257.91
Goods in transit-finished goods	**31.90**	29.64
Stock-in-trade	**5.21**	4.07
	1,161.01	1,457.04
2.13: Trade receivables		
Outstanding for a period exceeding six months from the date they became due		
Unsecured, considered good	**5.42**	-
Unsecured, considered doubtful	**51.89**	49.57
Less: Provision for doubtful debts	**51.89**	49.57
	5.42	-
Other trade receivables		
Unsecured, considered good	**388.97**	431.35
Unsecured, considered doubtful	**-**	0.17
Less: Provision for doubtful debts	**-**	0.17
	388.97	431.35
	394.39	431.35
2.14: Cash and bank balances		
Cash and cash equivalents		
Cheques, drafts on hand	**2.56**	6.29
Current accounts	**22.51**	40.42
Fixed deposits	**9.59**	13.59
Other bank balances		
Unpaid dividend	**3.19**	3.10
Margin money *	**3.44**	3.25
	41.29	66.65

* Lodged as security Deposit

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	As at 31 March 2017	As at 31 March 2016
2.15: Short term loans and advances		
Other loans and advances		
Advances recoverable in cash or in kind or for value to be received		
Unsecured, considered good	**44.01**	56.29
Unsecured, considered doubtful	**11.70**	11.70
Less: Provision for doubtful advances	**11.70**	11.70
	44.01	56.29
Advances with government and public bodies		
Unsecured, considered good	**20.48**	17.73
	64.49	74.02
2.16: Other current assets		
Interest accrued	**0.96**	0.47
Other receivables	**4.72**	26.96
	5.68	27.43

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
2.17: Other operating revenues		
Sundry claims/ excess provisions/ unclaimed credits (net)	**0.11**	0.37
Miscellaneous income	**22.04**	18.59
	22.15	18.96
2.18: Other income		
Profit on fixed assets discarded/ sold (net)	**0.32**	-
Interest income	**2.09**	0.49
	2.41	0.49
2.19: Cost of materials consumed		
Opening stock		
Raw materials	**1,083.59**	637.83
Packing materials	**81.83**	101.77
	1,165.42	739.60
Add: Purchases		
Raw materials	**2,510.21**	3,238.41
Packing materials	**553.59**	539.40
Finished goods	**642.86**	521.17
	3,706.66	4,298.98
Less: Closing stock		
Raw materials	**723.03**	1,083.59
Packing materials	**88.45**	81.83
	811.48	1,165.42
	4,060.60	3,873.16
2.20: Purchases of stock-in-trade (traded goods)	**1,342.63**	1,276.60
	1,342.63	1,276.60
2.21: Change in inventory of finished goods and stock-in-trade		
Change in inventory of finished goods		
Opening stock	**287.55**	312.66
Less: Closing stock	**344.32**	287.55
	(56.77)	25.11
Change in inventory of stock-in-trade		
Opening stock	**4.07**	4.54
Less: Closing stock	**5.21**	4.07
	(1.14)	0.47
	(57.91)	25.58

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(Amount in Indian rupees millions)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
2.22: Employee benefits expense		
Salaries and wages	**430.60**	404.91
Contribution to provident and other funds	**30.75**	37.55
Staff welfare expenses	**21.57**	29.24
	482.92	471.70
2.23: Finance costs		
Interest expenses	**45.48**	53.28
	45.48	53.28
2.24: Other expenses		
Consumption of stores and spare parts	**15.29**	19.24
Processing charges	**224.74**	216.18
Power and fuel	**29.49**	39.19
Rent (Refer Note 2.28)	**75.67**	71.28
Rates and taxes	**48.34**	42.87
Insurance	**11.75**	11.83
Repairs and maintenance		
Buildings	**0.19**	0.53
Machinery	**9.04**	7.79
Others	**19.91**	20.84
Printing and stationery	**3.26**	3.75
Software expenses	**26.30**	27.56
Communication expenses	**27.38**	27.56
Travelling	**79.78**	78.31
Auditors' remuneration (Refer Note 2.32)	**7.61**	9.49
Outward freight	**291.65**	311.04
Brokerage/ commission	**52.73**	42.08
Distribution expenses	**101.87**	80.81
Legal charges	**5.10**	7.63
Professional charges	**72.61**	79.73
Advertisement and sales promotion	**412.76**	426.51
Royalty	**27.28**	27.19
Provision for doubtful advances	**(5.00)**	(3.53)
Provision for doubtful debts	**2.15**	0.95
Loss on fixed assets discarded/ sold (net)	**-**	0.24
Advances written off	**5.00**	3.53
Net loss/ (gain) on foreign currency transaction	**0.79**	(3.23)
Bank charges	**1.28**	1.90
Miscellaneous expenses	**53.22**	55.09
	1,600.19	1,606.36
2.25: Tax expenses		
Current tax	**140.34**	95.57
Income-tax of earlier years	**14.54**	-
Deferred tax charge	**15.64**	27.11
	170.52	122.68

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.26: The Consolidated Financial Statements of the Company for the year ended 31 March 2017 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 Srilanka). These entities have together been referred to as the 'Group'.

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard ("AS") 21, "Consolidated Financial Statements".

2.27: Commitments and contingent liabilities

Particulars	As at 31 March 2017	As at 31 March 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**42.31**	106.31
Contingent liabilities:		
Claims against the Company not acknowledged as debts in respect of :		
- Indirect tax matters, under dispute	**447.92**	394.64
- Other matters, under dispute	**0.50**	33.40

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.

2.28: Operating leases

The Group leases warehouse and office facilities under cancellable and non-cancellable operating lease agreements. Total rental expense under cancellable operating leases was ₹ 49.31 (Previous year: ₹ 46.70) and under non-cancellable portion was ₹ 26.36 (Previous year: ₹ 24.58) inclusive of maintenance and other charges, which has been disclosed as rent.

The total of future minimum lease payments (MLP) under non-cancellable operating leases is as follows:

Particulars	As at 31 March 2017	As at 31 March 2016
Due within one year	**17.92**	17.61
Due later than one year and not later than five years	**30.56**	41.51
Later than 5 years	**62.02**	68.99
	110.50	128.11

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.29: Intangible assets-brand

Brand purchased by the Company is being amortised on straight line method based on its estimated useful life. Consequently, amortisation cost for the year includes a sum of ₹ 6.44 (previous year ₹ 6.44) being the amortisation relating to this brand. On the balance sheet date, the management has reassessed the value of this brand through an independent valuer to ensure that the recoverable amount of this asset is not lower than its carrying amount.

2.30: Deferred taxation (net)

Deferred tax assets/ (liabilities), net comprises of the following :

Particulars	As at 31 March 2017	As at 31 March 2016
Deferred tax assets		
On provision for doubtful advances, trade receivables and other assets	**29.02**	28.27
On expenditure allowed on payment basis	**14.34**	14.40
Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd.	**9.22**	4.10
Unabsorbed loss of Sundrop Foods Lanka (Private) Limited	**0.44**	0.24
	53.02	47.01
Deferred tax liabilities		
On difference in block of assets including depreciation	**(175.96)**	(154.08)
	(175.96)	(154.08)
Deferred tax assets/ (liabilities), net	**(122.94)**	(107.07)

2.31: Earnings per share

Computation of earnings per share (EPS):

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit after tax	**293.10**	231.91
Weighted average number of equity shares of ₹ 10 each outstanding during the year	**24,369,264**	24,369,264
Earnings per share of par value ₹ 10 (basic and diluted)	**12.03**	9.52

The Company does not have any potential equity shares. Hence, the basic and diluted earnings per share are the same.

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.32: Auditors' remuneration (including service tax) * :

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
As Auditor		
Statutory audit	**3.80**	4.00
Tax audit	**0.35**	0.35
Limited review	**0.83**	0.83
Fees for certification	**1.73**	1.03
Others	**0.49**	2.95
Reimbursement of expenses	**0.41**	0.33
	7.61	9.49

* Excluding service tax in respect of Sundrop Foods India Private Limited.

2.33: 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.

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 the 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. In case of certain subsidiaries (other than Sundrop Foods India Private Limited) Gratuity plan is unfunded.

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.

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

b) The following table sets out the particulars of the employee benefits as required under the Accounting Standard 15 (Revised) - "Employee Benefits"

Particulars	Gratuity		Provident fund	
	For the year ended 31 March 2017	For the year ended 31 March 2016	**For the year ended 31 March 2017**	For the year ended 31 March 2016
Reconciliation of opening and closing balances of the present value of the defined obligation :				
Opening defined benefit obligation	**50.53**	48.90	**276.58**	263.52
Current service cost	**5.75**	5.76	**9.88**	10.87
Interest cost	**3.53**	3.44	**26.97**	27.04
Actuarial (gain)/ loss	**0.30**	1.86	**(3.87)**	(3.27)
Contribution by employee	**-**	-	**22.10**	26.39
Benefits paid	**(7.50)**	(9.43)	**(38.29)**	(50.13)
Transfer in	**-**	-	**1.78**	2.16
Closing defined benefit obligation	**52.61**	50.53	**295.15**	276.58
Change in the fair value of plan assets				
Opening fair value of plan assets	**41.15**	41.38	**286.56**	274.15
Expected return on plan assets	**3.37**	3.23	**27.83**	27.97
Contribution by employer	**9.38**	7.52	**11.66**	13.03
Contribution by employee	**-**	-	**22.10**	26.39
Benefits paid	**(7.50)**	(9.44)	**(38.29)**	(50.13)
Actuarial gain/ (loss)	**1.98**	(1.54)	**14.67**	(4.85)
Closing fair value of plan assets	**48.38**	41.15	**324.53**	286.56
Expense recognised in statement of profit and loss				
Current service cost	**5.75**	5.76	**9.88**	10.87
Interest cost	**3.53**	3.44	**26.97**	27.04
Expected return on plan assets	**(3.37)**	(3.23)	**(27.83)**	(27.97)
Net actuarial (gains) /losses	**(1.68)**	3.40	**(18.54)**	1.58
Total *	**4.23**	9.37	**(9.52)**	11.52
Actual return on plan assets	**5.35**	1.69	**42.50**	23.12

Amount recognised in the balance sheet

Particulars	**As at 31 March 2017**	As at 31 March 2016	**As at 31 March 2017**	As at 31 March 2016
Present value of funded obligation	**52.61**	50.53	**295.15**	276.58
Less: Fair value of plan assets	**48.38**	41.15	**324.53**	286.56
Net liability / (asset)**	**4.23**	9.38	**(29.38)**	(9.98)

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions except share data and otherwise stated)

Particulars	Gratuity		Provident fund	
	As at 31 March 2017	As at 31 March 2016	**As at 31 March 2017**	As at 31 March 2016
Govt of India Securities	**-**	-	**24.33%**	21.55%
PSU bonds	**-**	-	**51.51%**	52.84%
Special Deposits	**-**	-	**3.03%**	3.31%
State Govt. Securities	**-**	-	**21.13%**	22.30%
Others	**100.00%**	100.00%	**-**	-
Total	**100.00%**	100.00%	**100.00%**	100.00%
Discount rate	**7.20%**	7.55%	**7.25%**	7.61%
Expected rate of return on plan assets	**8.00%**	8.00%	**8.65%**	8.80%
Salary escalation rate	**7.00%**	7.00%	**NA**	NA

Amounts for the current and previous four periods for Gratuity are as follows:

Particulars	**As at 31 March 2017**	As at 31 March 2016	As at 31 March 2015	As at 31 March 2014	As at 31 March 2013
Opening defined benefit obligation	**52.61**	50.53	48.90	40.31	35.50
Plan Assets	**48.38**	41.15	41.38	35.43	27.80
Deficit	**4.23**	9.38	7.52	4.88	7.70
Experience Adjustments - Plan Assets	**1.98**	(1.54)	3.68	0.66	0.93
Experience Adjustments - Plan Liabilities	**(0.94)**	1.15	1.43	2.01	2.77

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.

*Expense recognised in statement of profit and loss for Gratuity has been included under employee benefits expense (Refer Note 2.22)

**The Company has not recognised an asset amounting to ₹ 29.38 (previous year ₹ 9.98) as there are no future economic benefits available to the Company in the form of reduction in future contribution or a cash refund.

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.34: Related parties transactions

A) Related parties

Parties where control exists

S.No	Name of the Company	Relationship
1	CAG-Tech (Mauritius) Limited	Holding company
2	ConAgra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate holding company

Other related parties where transactions exists

S.No	Name of the Company	Relationship
1	ConAgra Foods Export Company	Fellow subsidiary
2	ConAgra Foods S.R.L	Fellow subsidiary

Key management personnel (KMP) of the Company

S.No	Name of the Person	Designation
1	Dr. Pradip Ghosh Chaudhuri	Whole-time Director (retired w.e.f 30 June 2016)
2	Mr. Sachin Gopal	Managing Director & CEO (w.e.f. 1 July 2016), President & CEO (till 30 June 2016)
3	Mr. Arijit Datta	Chief Financial Officer
4	Mr. Phani K Mangipudi	Company Secretary (resigned w.e.f. 31 Jan 2017)

Directors of the Company

S.No	Name of the Person	Relationship
1	Mr. Lt.Gen.D.B.Singh	Independent director
2	Mr. Sanjaya Kulkarni	Independent director
3	Mr. Arun Bewoor	Independent director
4	Mr. Narendra Ambwani	Independent director
5	Ms. Veena Vishindas Gidwani	Independent director

B) Particulars of related party transactions

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
ConAgra Foods Export Company		
Purchase of materials	**1.40**	3.17
ConAgra Foods S.R.L		
- Purchase of materials	**-**	466.69
ConAgra Brands Inc. (formerly known as ConAgra Foods Inc.)		
Reimbursement of expenses	**-**	0.03
Royalty	**23.73**	23.86
Recovery of expenses	**3.90**	25.42
Income earned on services rendered	**17.32**	15.70
CAG-Tech (Mauritius) Limited		
Dividend (on payment basis)	**25.23**	25.23
Remuneration to KMP (Refer Note (a) and (b) below)	**38.96**	41.83
Sitting fee and commission to independent directors	**6.45**	6.10

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

Note (a) 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. It excludes gratuity of ₹ 3.18 paid to the KMP retired/ resigned during the year.

(b) The Company has applied to Central Government of India for approval for payment of managerial remuneration in excess of limits as mandated by Section 197 read with Schedule V to the Companies Act, 2013 ('the Act'). Pending approval from the Central Government of India, payment made is within the limits prescribed under the Act. Remuneration to KMP and Remuneration payable to KMP includes amount of ₹ 5.13 payable for the period 01 July 2016 to 31 March 2017 to Managing Director which will be paid post receipt of approval from the Central Government of India.

C) The Company has the following amounts due from / to related parties:

Particulars	As at 31 March 2017	As at 31 March 2016
Receivable from related parties		
ConAgra Brands Inc.	**4.51**	26.96
(formerly known as ConAgra Foods Inc.)		
Payable to related parties		
ConAgra Foods Export Company	**0.16**	0.16
ConAgra Brands Inc. (formerly known as ConAgra Foods Inc.)	**3.33**	3.20
KMP (Refer Note (b) above)	**7.48**	-
Independent directors	**3.20**	2.81

2.35: Agro Tech Foods Limited Employee Stock Option Plan

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.

Under the Plan a maximum of 2,436,926 (previous year : 2,436,926) options will be granted to the eligible employees. All these options are planned to be settled in equity/cashless at the time of exercise. 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 Mar 2016 respectively and vest 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%

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

Stock option activity under the Plan was as follows:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Number of option:		
Outstanding at the beginning of the year	**1,074,692**	1,026,543
Granted during the year	**-**	180,498
Exercised during the year	**-**	(6,500)
Forfeited during the year	**(102,552)**	(125,849)
Outstanding at the end of the year	**972,140**	1,074,692

The Company follows the intrinsic value method to calculate employee compensation cost. There is no material charge to the statement of profit and loss as the exercise price of the shares is greater than or equal to the market value of the shares. Amount recoverable from employee stock option trust disclosed in the balance sheet represents balance recoverable from the trust on account of the shares purchased and held by the trust.

Proforma disclosure

In accordance with Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, had the compensation cost for Stock Option plans been recognised based on the fair value at the date of grant in accordance with Black Scholes model, the proforma amounts of the Company's net profit and earnings per share would have been as follows:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit after tax		
- As reported	**293.10**	231.91
- Proforma	**280.18**	197.93
Earnings per share		
Basic		
- Number of shares	**24,369,264**	24,369,264
- EPS as reported (₹)	**12.03**	9.52
- Proforma EPS (₹)	**11.50**	8.12

The following assumptions were used for calculation of fair value of grants issued during the current year:

Particulars	For the year ended 31 March 2017*	For the year ended 31 March 2016
Weighted average fair value (₹)	**-**	293.92
Dividend yield (%)	**-**	0.34
Expected volatility (%)	**-**	37.38
Risk-free interest (%)	**-**	7.90
Expected term (in years)	**-**	5.50 to 7

* no grants were issued during the year ended 31 March 2017.

2.36: Disclosure regarding forward contracts

The company 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 company and the company does not use the foreign exchange forward contracts for trading or speculation purposes.

The information on such forward contracts are as follows :

a) Forward exchange contracts outstanding as at the year end:

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

Particulars	As at 31 March 2017		As at 31 March 2016	
	Foreign currency (Buy)	Amount in ₹ millions	Foreign currency (Buy)	Amount in ₹ millions
Short term borrowings	-	-	USD 6,943,076	460.81
Trade payables	USD 90,963	6.14	-	-

b) Foreign exchange currency exposure recognised by the company that have not been hedged by a derivative instrument or otherwise as at the year end:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Foreign currency	Amount in ₹ millions	Foreign currency	Amount in ₹ millions
Other current liabilities	USD 622	0.04	-	-
Trade receivables	USD 33,908	2.20	USD 10,943	0.73
Other current assets	USD 64,500	4.18	USD 80,000	5.31

2.37: Research and development expenditure

Revenue expenditure on research and development ('R&D') is expensed as incurred. Capital expenditure incurred on research and development is capitalised as fixed assets and depreciated in accordance with the depreciation policy of the Company.

The details are as below:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue R&D expenditure	24.12	27.47
	24.12	27.47

2.38: Corporate Social Responsibility (CSR) expenditure

During the year, the Company has spent ₹ 4.52 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% 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 : ₹ 9.23

Amount spent during the year on:

Particulars	Amount spent
Construction/acquisition of any asset	-
On purposes other than above	4.52
Total	4.52

The Fact that the Company has spent 1% lower than prescribed 2% of average of the profit as stipulated under Section 135 of the Act has been taken on record by the Board of Directors. However, spending was lower at 1% due to higher efficiencies in the process and further expansion of the program awaiting necessary approvals from the government. On receipt of approval, the Company will be in a position to further expand this program and work towards the 2% guideline prescribed in the Act.

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.39:

Name of the Entity	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)	
	As % of consolidated net assets	As at 31 March 2017	As % of consolidated profit or (loss)	For the year ended 31 March 2017
Agro Tech Foods Limited	96.51%	3,474.83	104.33%	305.81
Subsidiaries				
Indian				
Sundrop Foods India Private Limited	(0.10%)	(3.68)	(1.97%)	(5.79)
Foreign				
Agro Tech Foods Bangladesh Pvt. Ltd.	3.12%	112.36	(1.79%)	(5.24)
Sundrop Foods Lanka (Private) Limited	0.47%	16.99	(0.57%)	(1.68)
Total	**100.00%**	**3,600.50**	**100.00%**	**293.10**

Note: The above information is post elimination of intra group transactions.

2.40: 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 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.

2.41: Amounts payable to micro, small and medium enterprises

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 31 March 2017 has been made in the financial statements based on information received and available with the Company. 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.

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting period	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the period	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid at the end of the period	-	-
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	-	-

2. CONSOLIDATED NOTES TO ACCOUNTS (continued)

(All amounts in Indian rupees millions, except share data and otherwise stated)

2.42: Exceptional income of ₹ 42.09 representing interest on income tax related to Assessment Year 1997-98 which has been adjudicated in favor of the Company.

2.43: The Company is in the process of fulfilling vacancy of the position of Company Secretary in accordance with the provision of Section 203 of the Companies Act, 2013.

2.44: Specified bank notes disclosure*

Details of Specified Bank Notes (SBNs) held and transacted during the period from 8 November 2016 to 30 December 2016 are as below:

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E), dated the 8 November 2016.

2.45: Previous year figures

Previous year figures have been regrouped/ reclassified wherever necessary, to conform to current year classification.

As per our report of even date attached

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

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

Sriram Mahalingam
Partner
Membership No. 049642

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Place: Hyderabad
Date: 03 May 2017

Place: Gurugram
Date: 03 May 2017

Arijit Datta
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

(Amount in Indian rupees millions)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	**463.62**	354.59
Adjustments :		
Depreciation and amortisation expense	**172.31**	160.12
Loss on fixed assets discarded/ sold (net)	**(0.32)**	0.24
Interest income	**(2.09)**	(0.49)
Finance costs	**45.48**	53.28
Provision for doubtful debts/ advances (net off advance written off)	**2.15**	0.95
Operating cash flows before working capital changes	**681.15**	568.69
Adjustments for :		
Decrease/ (increase) in trade receivables, loans and advances and other current assets	**63.73**	(223.78)
Decrease/ (increase) in inventories	**296.03**	(400.25)
Increase/ (decrease) in trade payables and other liabilities	**118.63**	(5.67)
Decrease/ (increase) in amount recoverable from employee stock option trust	**2.35**	(33.94)
Cash generated from/ (used in) operations	**1,161.89**	(94.95)
Income taxes paid (net) (Refer Note 2.11)	**(156.81)**	(90.00)
Net cash generated from/ (used in) Operating Activities	**1,005.08**	(184.95)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including capital work-in-progress and capital advances	**(141.38)**	(443.37)
Proceeds from sale of fixed assets and capital work-in-progress	**1.02**	8.74
Interest received	**1.60**	0.22
Net cash used in investing activities	**(138.76)**	(434.41)

CONSOLIDATED CASH FLOW STATEMENT (continued)

(Amount in Indian rupees millions)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
(Repayments)/ proceeds from short term loans (net)	**(780.33)**	697.91
Interest paid	**(46.82)**	(52.34)
Dividend paid (including dividend distribution tax)	**(58.57)**	(58.22)
Net cash (used in)/ from financing activities	**(885.72)**	587.35
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(19.40)**	(32.01)
Exchange difference on translation of foreign currency transactions and balances	**(5.96)**	2.25
	(25.36)	(29.76)
Cash and cash equivalents at the beginning of the year	**66.65**	96.41
Cash and cash equivalents at the end of the year (Refer Note 2.14)	**41.29**	66.65

Note :

a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

b) Cash and cash equivalents includes restricted cash balance (margin money and unpaid dividend account) of ₹ 6.63 (previous year of ₹ 6.35).

As per our report of even date attached

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

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

Sriram Mahalingam
Partner
Membership No. 049642

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Place: Hyderabad
Date: 03 May 2017

Place: Gurugram
Date: 03 May 2017

Arijit Datta
Chief Financial Officer

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.040-66333444
Fax No.040-27800947, India www.atfoods.com

30th Annual General Meeting – 26th July, 2017

Name of the Member(s)	
Registered address	
Email	
Folio No./Client ID	
DP ID	

I/ We, being the Member(s) of .....Shares 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 30th Annual General Meeting of the Company, to be held on Wednesday, 26th July, 2017 at 10.00 AM at The Manohar, Old Airport Exit Road, Begumpet, Hyderabad – 500 016, Telangana 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 31st March, 2017			
2	Declaration of Dividend			
3	Reappointment of Mr. Steven Lee Harrison, who retires by rotation and being eligible offers himself for reappointment			
4	Ratification of Appointment of M/s. B S R & Associates LLP, Chartered Accountants as Statutory Auditors of the Company			
Special business				
5	Appointment of Ms. Denise Lynn Dahl, as a Director			
6	Appointment of M/s. Vajralingam & Co., Cost Accountants as Cost Auditors			

Signed this ..... Day of 2017

....

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

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 THIRTIETH ANNUAL GENERAL MEETING held at The Manohar, Old Airport Exit Road, Begumpet, Hyderabad – 500 016, Telangana on 26th July, 2017

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)

Route map to the venue of the AGM

